UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark one)

X **ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year ended: **December 31, 2020**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________________________ to ____________________________________

Commission File Number: 000-55854

PETROGRESS, INC

(Exact name of registrant as specified in its charter)

Delaware	**27-2019626**
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)
c/o: 1, Akti Xaveriou - 5th Floor - Piraeus - Greece	**18538**
(Address of principal executive offices)	(Zip Code)

+30 (210) 459-9741

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Exchange Act:

Common Stock, par value $0.001

(Title of class)

Indicate by check mark if the registrant is a well- known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No **X**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No **X**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes **X** No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes **X** No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	**X**	Smaller reporting company	**X**
		Emerging growth company	**X**

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No **X**

The aggregate market value of the voting and non-voting common equity held by non-affiliates (4,123,278 shares of common stock) as of June 30, 2020 was $480,362. This amount is based on the closing price at which the common equity was last sold ($0.1165) as of the last business day of the registrant's most recently completed second fiscal quarter. For purposes of the foregoing calculation only, directors, executive officers, and holders of 10% or more of the issuer's common capital stock have been deemed affiliates.

The number of shares outstanding of Petrogress, Inc. Common Stocks outstanding as of May 31, 2021 was 35,152,658.

DOCUMENTS INCORPORATED BY REFERENCE: **None.**

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INTRODUCTORY COMMENT

Throughout this Quarterly Report on Form 10-K (the "Report"), the terms "we," "us," "our," "Petrogress," or the "Company" refers to Petrogress, Inc., a Delaware corporation and its subsidiary companies. Our significant subsidiaries are "Petronav Carriers LLC.," and "Petrogress Int'l LLC.".

CAUTIONARY STATEMENT RELEVANT TO FORWARD-LOOKING INFORMATION

This quarterly report of Petrogress Corporation contains forward-looking statements relating to Petrogress operations that are based on management's current expectations, estimates and projections about the petroleum, chemicals, transactions, vessels and other energy-related industries. All statements in this Report that are not representations of historical fact are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and subject to the safe-harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words or phrases such as "anticipates," "expects," "intends," "plans," "targets," "forecasts," "projects," "believes," "seeks," "schedules," "estimates," "positions," "pursues," "may," "could," "should," "budgets," "outlook," "trends," "guidance," "focus," "on schedule," "on track," "is slated," "goals," "objectives," "strategies," "opportunities" and similar expressions are intended to identify such forward-looking statements.

Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are: changing crude oil prices and demand of our sales, and production curtailments due to market conditions; crude oil production quotas or other actions that might be imposed by the Organization of Petroleum Exporting Countries (OPEC) and other producing countries; public health crises, such as pandemics (including coronavirus (COVID-19)) and epidemics, and any related government policies and actions; changing economic, regulatory and political environments in the various countries in which the company operates; general domestic and international economic and political conditions; changing refining, marketing and chemicals margins; the company's ability to realize anticipated cost savings, expenditure reductions and efficiencies associated with enterprise transformation initiatives; actions of competitors or regulators; timing of exploration expenses; timing of crude oil liftings; the competitiveness of alternate-energy sources or product substitutes; technological developments; the results of operations and financial condition of the company's suppliers, vendors, partners and equity affiliates, particularly during extended periods of low prices for crude oil during the COVID-19 pandemic; the inability or failure of the company's joint-venture partners to fund their share of operations and development activities; the potential failure to achieve expected net production from existing and future crude oil development projects; potential delays in the development, construction or start-up of projects; the potential disruption or interruption of the company's operations due to accidents, political events, civil unrest, severe weather, cyber threats, terrorist acts, or other natural or human causes beyond the company's control; the potential liability for remedial actions or assessments under existing or future environmental regulations and litigation; the company's ability to achieve the anticipated benefits from the acquisition of the gas stations; foreign currency movements compared with the U.S. dollar; material reductions in corporate liquidity and access to debt markets; the company's ability to identify and mitigate the risks and hazards inherent in operating in the global energy industry; and the factors set forth under the heading "Risk Factors" on pages 10 through 15 in this report. Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.

In addition to these assumptions and matters discussed elsewhere herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- general market conditions, including conditions in the shipping or the marine industries;
- our future operating or financial results;
- the availability of financing and refinancing;
- material disruptions in the availability or supply of crude oil or refined petroleum products;
- our future, pending or recent acquisitions, business strategy, areas of possible expansion, and expected capital spending or operating and maintenance expenses;
- our ability to successfully identify, consummate, integrate, and realize the expected benefits from acquisitions;
- our ability to maintain our business in light of our proposed business and location expansion;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- the outcome of legal, tax or regulatory proceedings to which we may become a party;
- our ability to attract and retain our key suppliers and key customers;
- our contracts and licenses with governmental entities remaining in full force and effect;
- increased levels of competition within our industry;
- our ability to collect accounts receivable;
- corruption, piracy, militant activities, political instability, terrorism, and ethnic unrest in locations where we may operate;
- the failure of counterparties to fully perform their contracts with us;
- our levels of operating and maintenance costs;
- other important factors described from time to time in our filings with the U.S. Securities and Exchange Commission (the "SEC").

These factors and the other risks described in this report are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. These forward-looking statements do not guaranty our future performance, and actual results and developments may vary materially from those projected in the forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1 – Business

General Development of Business

Summary Description of Petrogress

Petrogress, Inc. is an integrated energy company, engaged in the downstream and midstream segments. 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, Naphtha, Fuels and lubricants. The company operates internationally through its wholly owned subsidiaries "**Petrogress Int'l LLC.**" and "**Petronav Carriers LLC.**". Petrogress is involved in diversified oil and gas activities throughout its branches and representations in Europe and Africa. The Company also provides sea-transportation services -as an independent established Maritime Company- by its tankers fleet and ships either for 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 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

Our strategy is to deliver competitive and improving corporate level returns by focusing our capital investment in the lower cost, with higher margin resources. See Item 8, Management's Discussion and Analysis of Financial Condition and Results of Operations, for a more detailed discussion of our operating results, cash flows and liquidity.

Overview of Petroleum Industry

Petroleum industry operations and profitability are influenced by many factors. Prices for crude oil, petroleum products and petrochemicals are generally determined by supply and demand. Production levels from the members of the Organization of Petroleum Exporting Countries (OPEC), Russia and the United States are the major factors in determining worldwide supply. Demand for crude oil and its products is largely driven by the conditions national and global economies, although weather patterns and taxation relative to other energy sources also play a significant part. Strong competition exists in all sectors of the petroleum and petrochemical industries in supplying the energy, fuel and chemical needs of industry and individual consumers.

Operating Environment

Petrogress Inc., operates as a holding company and conducts business primarily through its subsidiaries: *Petronav Carriers LLC.*, which manages day-to-day operations of the tankers fleet; *Petrogress Int'l LLC.*, which engages in crude oil purchase and sales.

Our business operates in the downstream and midstream sectors of the energy industry, where we acquire and supply crude oil, and engage in the refining and marketing of refined products and lubricants. As a supplier, we procure crude oil from our direct sources and deliver by our tankers' fleet to buyers' destinations. With service centers in the East Mediterranean and West Africa, we believe that we are one of a limited number of independent suppliers that owns and operates a fleet of supplying vessels and conducts physical supply operations in multiple jurisdictions.

We provide our customers with services that require sophisticated logistical operations designed to meet their strict oil quality and delivery scheduling needs. We believe that our extensive experience and management systems allow us to meet our customers' specific requirements when they purchase and take delivery of crude oil, refined products and lubricants around the areas in which we operate. This, together with the capital-intensive nature of our industry and the limited available shuttle vessels in the areas of our operation, represent a significant barrier to entry for competitors. We have devoted our efforts to building a global brand and believe that our customers recognize our brand as representing high quality service and products at each of our locations. Throughout our history, we have expanded our business capabilities through strategic alliances, select business and vessel acquisitions, and the establishment of new service centers.

Other Businesses

Effected as on November 2019, the company concluded the negotiations to lease three Gas refilling stations in the Mainland of South Greece. The procedures for the obtaining the operating licenses from the local authorities are in progress, simultaneously with the preparation of gas stations designs and drawings in order to commence the modernization and renovation under our brand names. We estimate to complete and have them ready for operations within three months' time. The gas Stations shall be operated by our Hellenic branch in Greece and we expect to be ready by June 2021.

Delivery Commitments

The company sells crude oil and gas oil from its producing operations under a variety of contractual obligations. Most contracts generally commit the company to sell quantities based on production from its supplier's production.

Major Customers

We are exposed to credit risk in the event of nonpayment by counterparties, a significant portion of which is concentrated in our Partnership with Platon Oil Refinery. In 2020, sales to Platon refinery accounted for approximately 51% of our total revenues. In 2019, sales to Platon accounted for approximately 88% of our total revenues

Market Condition

Crude oil and Petrochemicals benchmarks decreased in 2020 as compared to the same period of 2019. As a result, we experienced decreased price realization associated with those benchmarks. We continue to expect crude oil prices to remain volatile based on local supply and demand, which will result a decrease in our price realization during 2021.

Sales and Marketing

Most of our marketing, sales, ship-management and other related functions are performed at our main office in Piraeus, Greece. Our sales force interacts with our established customers and markets our oil sales and services to local distributors. We believe our level of customer service, years of experience in the industry, and reputation for reliability are significant factors in retaining our customers and attracting new customers. Our sales and marketing approach are designed to create awareness of the benefits and advantages of our sales and services. The table below shows our trading products volumes and services provided during 2020:

Products and services	**Volumes**	
● Crude Oil	59,388	Barrels
● Gas Oil	2,800,000	Liters
● Naphtha	0	Liters
● IFO	0	Liters
● Lubricants	53,040	Liters
● Ships voyages	28	Laden voyages

Commodities trade activity

Commodities trade activity depends mostly on crude oil supply and the competitive purchase prices. Commodities activities for the year ended December 31, 2020 amounted to $3,095,506 compared to $15,399,090 for the year ended December 31, 2019, a decrease of $12,303,584 or 80%.

Shipping trade activity

The Company's shipping activities are driven primarily by the number of vessels in our fleet and the number of operating days during which the vessels generate revenues. In addition, shipping activities are also affected also by a number of factors, including the amount of time that the vessels remain positioning, the amount of time spent undergoing repairs and maintenance. Vessels' employment relies, (i) on time-charter servicing our affiliate company Petrogress Int'l LLC., and (ii) in the spot market to third party charterers. Vessels' operating revenues for the year ended December 31, 2020 amounted to $4,735,263.

Commodities operating expenses

Our commodities operating expenses is related to the location, the terms and conditions we are receiving our crude oil, the logistics cost, the final cost of the process into refined products, and a number of miscellaneous factors beyond of our control. Operating expenses includes, shipping and logistics, fuels supplies, cargo surveys, loading and unloading expenses, agencies and representations, any miscellaneous related to commodities trade. For the year ended December 31, 2020, operating expenses increased by $554,965, compared to 2019.

Vessels operating expenses

Our vessels' fleet operating expenses include crew wages and related costs, insurances, condition surveys, expenses for repairs and maintenance, classification surveys and certificates, the cost of spare parts and consumable stores, lubricants, bunkers, tonnage taxes and other miscellaneous expenses. Factors beyond our control, some of which may affect the shipping industry in general, including acts of God, terrorism or piracy attacks, may also increase significantly these expenses. For the year ended December 31, 2020, the Company recorded a loss of $682,915 compared to a loss of $1,698,688 for 2019.

Depreciation

We depreciate our tankers fleet on the historical purchase cost over their estimated remaining useful economic lives. We have estimated the useful lives of our tankers for 10years from the purchased year. Depreciation is based on the purchased cost, less the estimated scrap value. Depreciation expenses for the year ended December 31, 2020 amounted to $624,435, a decrease of 32% or $290,313 compared to $914,748 for the year ended December 31, 2019.

Drydocking and Special Survey costs of vessel

We follow the deferral method of accounting for drydocking and special survey costs. Actual costs incurred are deferred and are amortized on a straight-line basis over the period until the scheduled survey, which is two and a half years. If special survey of drydocking is performed prior to the scheduled date, the remaining unamortized balances are immediately written-off. A vessel at drydock performs certain assessments, inspections, refurbishments, replacement required by the classification society. In addition, specialized equipment is required to be renewed and replaced on a vessel which likely are not available at the ports where our ships trade.

Competition

Competition exists in all sectors of the oil and gas industry and we compete with major integrated and independent oil companies, and to a lesser extent, companies that supply alternative sources of energy. We compete, in particular, in the supply of crude oil, acquisition of oil and other petrochemicals, the marketing and delivery of our production into local's commodity markets and for the equipment required for the shipping, refining and development of those products. Principal methods of competing include low cost of supply, engineering and technology for the refining, experience and expertise, economic analysis in connection with portfolio management, and safely operating and producing properties. See Item 1A. Risk Factors for discussion of specific areas in which we compete and related risks.

Factors related to our Fleet Operations

Management of our Fleet

Through our wholly owned subsidiary, Petronav Carriers LLC., we are operating as an international maritime company servicing by our tankers fleet the sea-transportation of liquid products. Our fleet is mostly employed in long-term by the affiliated company, Petrogress Int'l and ship its own products from the loading places to destinations. Additionally, we employ our vessels to a number of independent charterers in the spot market. As managers, we maintain our qualify certifications for the management of our fleet and provide by our expertise technical support and commercial service. Our manager is regarded as an innovator in operational and technological aspects of the International Shipping community with more than 25years professional experience.

Risk of Loss and Liability Insurance

The operation of any vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. The U.S. Oil Pollution Act of 1990, or OPA, which imposes virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market.

Environmental and Other Regulations

Government regulation significantly affects the ownership and operation of our vessels. They are subject to international conventions, national, state and local laws, regulations and standards. These laws and regulations include OPA, the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the U.S. Clean Water Act, MARPOL, regulations adopted by the IMO and the EU, various volatile organic compound air emission requirements and various SOLAS amendments, as well as other regulations described below.

Environmental Regulation—International Maritime Organization; Our vessels are subject to standards imposed by the IMO (the United Nations agency for maritime safety and the prevention of pollution by ships). The IMO has adopted regulations that are designed to reduce pollution in international waters, both from accidents and from routine operations. These regulations address oil discharges, ballasting and unloading operations, sewage, garbage, and air emissions. For example, Annex III of MARPOL, regulates the transportation of marine pollutants, and imposes standards on packing, marking, labeling, documentation, stowage, quantity limitations and pollution prevention. These requirements have been expanded by the International Maritime Dangerous Goods Code, which impose additional standards for all aspects of the transportation of dangerous goods and marine pollutants by sea. The operations of our vessels are also affected by the requirements set forth in the ISM Code, which was adopted in July 1998.

Environmental Regulation—The U.S. Oil Pollution Act of 1990; OPA established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. It applies to discharges of any oil from a vessel, including discharges of fuel oil and lubricants. OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters, which include the United States' territorial sea and its two hundred nautical mile exclusive economic zone. Under OPA, vessel owners, operators and bareboat charterers are "responsible parties" and are jointly, severally and strictly liable (unless the discharge of oil results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels.

Environmental Regulation—CERCLA; CERCLA governs spills or releases of hazardous substances other than petroleum or petroleum products. The owner or operator of a ship, vehicle or facility from which there has been a release is liable without regard to fault for the release, and along with other specified parties may be jointly and severally liable for remedial costs. Costs recoverable under CERCLA include cleanup and removal costs, natural resource damages and governmental oversight costs. Liability under CERCLA is generally limited to the greater of $300 per gross ton or $0.5 million per vessel carrying non-hazardous substances ($5.0 million for vessels carrying hazardous substances), unless the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited. The USCG's financial responsibility regulations under OPA also require vessels to provide evidence of financial responsibility for CERCLA liability in the amount of $300 per gross ton.

Environmental Regulation—The Clean Water Act; The U.S. Clean Water Act (the "CWA"), prohibits the discharge of oil or hazardous substances in navigable waters and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA, discussed above. Under U.S. Environmental Protection Agency ("EPA") regulations, we are required to obtain a CWA permit regulating and authorizing any discharges of ballast water or other wastewaters incidental to our normal vessel operations if we operate within the three-mile territorial waters or inland waters of the United States. The permit, which the EPA has designated as the Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels ("VGP"), incorporates U.S. Coast Guard requirements for BWM, as well as supplemental ballast water requirements and limits for 26 other specific discharges. Regulated vessels cannot operate in U.S. waters unless they are covered by the VGP. To do so, owners of commercial vessels greater than 79 feet in length must submit a Notice of Intent ("NOI"), at least 30 days before the vessel operates in U.S. waters. To comply with the VGP, vessel owners and operators may have to install equipment on their vessels to treat ballast water before it is discharged or implement port facility disposal arrangements or procedures at potentially substantial cost. The VGP also requires states to certify the permit, and certain states have imposed more stringent discharge standards as a condition of their certification. Many of the VGP requirements have already been addressed in our vessels' current ISM Code SMS Plan.

Environmental Regulation—The Clean Air Act; The Federal Clean Air Act ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels are subject to CAA vapor control and recovery standards for cleaning fuel tanks and conducting other operations in regulated port areas and emissions standards for so-called "Category 3" marine diesel engines operating in U.S. waters. Several states regulate emissions from vessel vapor control and recovery operations under federally approved State Implementation Plans. The California Air Resources Board has adopted clean fuel regulations applicable to all vessels sailing within 24 miles of the California coast whose itineraries call for them to enter any California ports, terminal facilities or internal or estuarine waters. Only marine gas oil or marine diesel oil fuels with 0.1% sulfur content or less will be allowed. If new or more stringent requirements relating to marine fuels or emissions from marine diesel engines or port operations by vessels are adopted by the EPA or any states, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Environmental Regulation—Other Environmental Initiatives; The EU has also adopted legislation that requires member states to impose criminal sanctions for certain pollution events, such as the unauthorized discharge of tank washings. The Paris Memorandum of Understanding on Port State Control ("Paris MoU"), to which 27 nations are parties, adopted the "New Inspection Regime" ("NIR"), effective January 1, 2011. The NIR is a significant departure from the previous system, as it is a risk-based targeting mechanism that will reward quality vessels with a smaller inspection burden and subject high-risk ships to more in-depth and frequent inspections.

Vessel Security Regulations; Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the U.S. Maritime Transportation Security Act of 2002 ("MTSA") came into effect. To implement certain portions of the MTSA, in July 2003, the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a chapter of the convention dealing specifically with maritime security. The chapter went into effect in July 2004 and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security ("ISPS") Code.

IMO Cyber security; The Maritime Safety Committee, at its 98th session in June 2017, also adopted Resolution MSC.428(98)—Maritime Cyber Risk Management in Safety Management Systems. The resolution encourages administrations to ensure that cyber risks are appropriately addressed in existing SMS no later than the first annual verification of the company's Document of Compliance after January 1, 2021. Owner's risk having ships detained if they have not included cyber security in the ISM Code SMS on their ships by January 1, 2021.

Vessel Recycling Regulations; The EU has also recently adopted a regulation that seeks to facilitate the ratification of the IMO Recycling Convention and sets forth rules relating to vessel recycling and management of hazardous materials on vessels. In addition to new requirements for the recycling of vessels, the regulation contains rules for the control and proper management of hazardous materials on vessels and prohibits or restricts the installation or use of certain hazardous materials on vessels. The new regulation applies to vessels flying the flag of an EU member state and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a member state. For example, when calling at a port or anchorage of a member state, a vessel flying the flag of a third country will be required, among other things, to have on board an inventory of hazardous materials that complies with the requirements of the new regulation and the vessel must be able to submit to the relevant authorities of that member state a copy of a statement of compliance issued by the relevant authorities of the country of the vessel's flag verifying the inventory. The new regulation has taken effect on non-EU-flagged vessels calling on EU ports of call beginning on December 31, 2020.

Permits and Authorizations

We are required by various governmental and other agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required by governmental and other agencies depend upon several factors, including the commodity being transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of a vessel. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of performing our business.

Inspections by Classification Societies

Every seagoing vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned. The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned. For maintenance of the class, regular and extraordinary surveys of hull and machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

Annual Surveys; For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable, on special equipment classed at intervals of 12 months from the date of commencement of the class period indicated in the certificate.

Intermediate Surveys; Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

Class Renewal Surveys; Class renewal surveys, also known as special surveys, are carried out on the ship's hull and machinery, including the electrical plant, and on any special equipment classed at the intervals indicated by the character of classification for the hull. During the special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one-year grace period for completion of the special survey. Substantial amounts of funds may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period is granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

Information on the Company and Subsidiaries

History and development

Petrogress, Inc. was incorporated on February 10, 2010 under the laws of the State of Florida as 800 Commerce, Inc. ("800 Commerce"). On February 29, 2016, 800 Commerce entered into an Agreement concerning the Exchange of Securities ("SEA") with Petrogres Co. Limited, a Marshall Islands corporation, and its sole shareholder and founder, Christos Traios. Under the terms of the SEA, 800 Commerce issued 136,000,000 shares of restricted Common Stock, representing approximately 85% of the post-transaction issued and outstanding shares, to Mr. Traios in exchange for 100% of the shares of Petrogres Co. Limited. 800 Commerce's acquisition of Petrogres Co. Limited effected a change in control and was accounted for as a "reverse acquisition" whereby Petrogres Co. Limited was the acquirer for financial statement purposes.

On March 9, 2016, our Board of Directors approved an amendment to our Articles of Incorporation to change the Company’s name to Petrogress, Inc. On March 15, 2016, Mr. Traios was appointed Chief Executive Officer of the company. On November 16, 2016, Petrogress, Inc. filed Articles of Merger and Plan of Merger in Florida and Delaware to change the Company’s domicile by merging with and into a Delaware corporation formed solely for the purpose of effecting the reincorporation.

On July 9, 2018, the Company filed an amendment (the "Amendment") to the Company's Certificate of Incorporation with the Delaware Secretary of State to (a) effect a reverse stock split of the Company's Common Stock at a ratio of one-for-100, (b) reduce the number of authorized shares of Common Stock from 490,000,000 to 19,000,000 and (c) reduce the number of authorized shares of Preferred Stock from 10,000,000 to 1,000,000. The Amendment took effect on July 18, 2018. There was no change in the par value of the Company's Common Stock or Preferred Stock as a result of the Amendment.

On July 8, 2020 and July 21, 2020, the Company filed two amendments (the "Amendments”) to the Company’s Certificate of Incorporation with the Delaware Secretary of State to increase the amount of its authorizated from 19,000,000 to 50,000,000 and to 100,000,000 shares of common stock respectively.

Description of our Subsidiaries

Petrogress Int’l LLC. (PIL), is a Delaware limited liability company, acquired by the Company in September 2017. Petrogress Int’l LLC. serves as a holding company for conducting business across the world, including Cyprus, Middle East, and West Africa as an oil energy organization.

On April 1, 2019, Petrogress Int’l LLC., entered into a merger agreement pursuant to which Petrogres Co. Limited, a wholly owned subsidiary of Petrogress, merged with and into PGI, the surviving company. The merger became effective as of April 1, 2019 and all operations, activities and contracts of Petrogres Co. Limited transferred to Petrogress Int’l LLC., as the surviving company.

Petronav Carriers LLC. *("**PCL**”),* was formed in Delaware in March 2016 for the purpose of managing the day-to-day operations of our vessels, which are used to transport petroleum products to various countries in West Africa. PCL manages our fleet from its business office at Piraeus. Our management team includes several executives with extensive experience in shipping operations and have demonstrated substantial ability in managing the commercial, technical and financial aspects of our business. The company values its team, which consist of skilled and experienced management, port captains, technicians, ship officers, as well as specialists in the areas of safety, commercial and personnel management, ships finance and insurance.

Petrogres (Hellas) Co. (PGH), is registered and domesticated in the Hellenic Republic on April 2015. Today is served as a Branch of Petrogress Int’l LLC. and handle all the local oil sales and trading operations, including the representation and the management of our tankers fleet. As of November 2019, the company entered into the gas stations operations and leased three gas stations in the southern Greece area.

Environmental, Health and Safety Matters

The Health, Environmental, Safety Responsibility of our Directors is responsible for overseeing our position on public issues, including environmental, health, and safety matters. Our directors have the responsibility to ensure that our operating organizations maintain environmental compliance systems that support and foster our compliance with applicable laws and regulations. Our team oversees and responds to any emergency incident involving us or any of our properties.

Our business is subject to numerous laws and regulations relating to the protection of the environment, health and safety, including the ships navigation and trading. In some cases, these laws and regulations can impose strict liability for the entire cost of clean-up on any responsible party without regard to negligence or fault and impose liability on us, as owners or operators of our assets.

Employees

As of December 31, 2020, Petrogress Inc. and its consolidated subsidiaries employed 10 employees located in Greece through Petrogres Hellas Co. Petronav Carriers LLC. employs approximately 45 full-time laborers and crew members. In addition, the Company has one contract employee in Cyprus and one commission and bonus compensation representative in Monaco.

Management

Our operations are managed under the supervision of our officers (Managers) and our board of directors. We believe that our Managers has built a strong reputation in the oil and shipping community by providing customized, high-quality operational services in efficient manner for both energy and sea-transportation.

Information about our Executive Officers

The executive officers of Petrogress and their ages as of March 15, 2021, are as follows:

Officers Names	Age	Positions
Christos P. Traios	61	President / Chief Executive Officer
Evangelos Makris	38	Chief Financial Officer
Dimitrios Pierides	73	Executive Vice President

Information relating to the company's executive officers included on page 19.

Trademarks, Patents and Licenses

We are not holding currently any patents and trademarks, a part of the gas-stations licenses and brand name in Greece.

Available Information

We file annual reports on Form 10-K and quarterly reports on Form 10-Q with the Securities and Exchange Commission (the "SEC") on a regular basis, and disclose certain material events in current reports on Form 8-K. The public may read and copy any materials that we file with the SEC at the Public Reference Room at the SEC located at 100 F Street NE, Washington, DC 20549, on official business days during the hours of 10 a.m. to 3 p.m. The public may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

We make available, free of charge on our website www.petrogressinc.com our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and other reports and filings with the SEC as soon as reasonably practicable after the reports are filed or furnished. Information contained on or connected to our website is not incorporated by reference into this Report and should not be considered part of this Report or any other filing that we make with the SEC.

Item 1A - Risk Factors

We are subject to various risks and uncertainties in the course of our business. The following summarizes significant risks and uncertainties that may adversely affect our business, financial condition or results of operations. When considering an investment in our securities, you should carefully consider the risk factors included below as well as those matters referenced in the foregoing pages under "Disclosures Regarding Forward-Looking Statements" and other information included and incorporated by reference into this Annual Report on Form 10-K.

In addition to the forward-looking statements outlined in the preceding topic in this Annual Report and other comments regarding risks and uncertainties included in the description of our business and elsewhere in this Annual Report, the following risk factors should be carefully considered when evaluating our business. Our business, financial condition and financial results could be materially and adversely affected by any of these risks. The following risk factors do not include factors or risks which may arise or result from general economic conditions that apply to all businesses in general or risks that could apply to any issuer or any offering.

BUSINESS, OPERATIONAL AND ACQUISITION-RELATED RISK FACTORS

Impacts of the COVID-19 pandemic have resulted in a significant decrease in demand for our products sales and caused a precipitous drop in commodity prices that has had, and may continue to have, an adverse and potentially material adverse effect on our financial and operating results.

As of the date of this Annual Report on Form 10-K, the economic, business, and oil industry impacts from the COVID-19 pandemic and the disruption to capital markets have continued to be far reaching. Crude oil prices, the single largest variable that affects the company's results of operations, fell to historic lows, even briefly going negative, due to a combination of a severely reduced demand for crude oil, gasoline, jet fuel, diesel fuel, and other refined products resulting from government-mandated travel restrictions and the curtailment of economic activity resulting from the COVID-19 pandemic. As a result, a market imbalance has existed and may continue to exist, with oil supplies exceeding current and expected near-term demand. Although OPEC members and other countries have agreed to cut global oil supply, the commitments and actions to date have not matched the significant decrease in global demand, which has resulted in increased inventory levels in refineries, pipelines and storage facilities in prior periods and which may drive increased inventory levels in future periods. Extended periods of low prices for crude oil are expected to have a material adverse effect on the company's results of operations, financial condition and liquidity. Among other things, the company's earnings, cash flows, and capital and exploratory expenditure programs may be negatively affected, as would its sales volumes and proved reserves. As a result, the value of the company's assets may also become impaired in future periods, as we saw in 2020.

We have incurred losses from operations since inception and continued losses threaten our ability to remain in business and pursue our business plan. Since the reverse merger in 2016, we have incurred cumulative losses of approximately $2,268,476 from operations. We anticipate incurring additional losses from operating activities in the near future. Even if we are able to obtain additional debt or equity funding, you have no assurance we will be able achieve profitability in our operations. Until we achieve break even between revenues and expenses, we will remain dependent on obtaining additional debt and equity funding. Without sufficient revenues, we may be unable to create value in our common stock, to pay dividends and to become a going concern. And, our lack of or expectation of profitability in the near future, if at all, can be expected to hamper our efforts to raise additional debt or equity funding. In the event we do not become profitable within a reasonable period of time, we may cease operations, in which event you will lose your entire investment.

Our limited operating history makes it difficult for you to evaluate the merits of purchasing our common stock. We have been in business for just over three years and are an early revenue-stage enterprise. Our limited revenues and sales do not provide a sufficient basis for you to assess our business and prospects. You have no assurance we will be able to generate sufficient revenues from our business to reach a break-even level or to become profitable in future periods. We are subject to the risks inherent in any new business in a highly competitive marketplace. Products and services that we have recently introduced or plan to introduce in the near future increase our new-business risks and your difficulty in assessing our prospects. You must consider the likelihood of our success in light of the problems, uncertainties, unexpected costs, difficulties, complications and delays frequently encountered in developing and expanding a new business and the competitive environment in which we operate. If we fail to successfully address these risks, our business, financial condition and results of operations would be materially harmed. Your purchase of our common stock should be considered a high-risk investment because of our unseasoned, early-stage business which may likely encounter unforeseen costs, expenses, competition and other problems to which such businesses are often subject.

We will incur increased costs as a result of being a public company. These costs will adversely impact our results of operations. As a public company, we will incur significant legal, accounting and other expenses that a private company does not incur. We estimate these costs to be approximately $200,000 annually and include the costs associated with having our financial statements prepared, audited and filed with the Securities and Exchange Commission (SEC) via EDGAR (the Electronic "Data" Gathering, Analysis, and Retrieval system) and XBRL (extensible Business Reporting Language) costs. In addition, we have costs associated with our transfer agent. The Sarbanes-Oxley Act of 2002 (SOX) and related rules resulted in an increase in costs of maintaining compliance with the public reporting requirements, as well as making it more difficult and more expensive for us to obtain directors' and officers' liability insurance. These added costs will delay the time in which we may expect to achieve profitability, if at all.

If you invest in our stock, your investment may be disadvantaged by future funding, if we are able to obtain it. To the extent we obtain equity funding by issuance of convertible securities or common stock, or common stock purchase warrants in connection with either type of funding, you may suffer significant dilution in percentage of ownership and, if such issuances are below the then value of stockholder equity, in stockholder equity per share. Future increases in the number of our shares outstanding will have a negative impact on earnings per share; increasing the earnings we must achieve to sustain higher prices for our common stock. In addition, any debt financing we may secure could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital with which to pursue our business plan, and to pay dividends. You have no assurance we will be able to obtain any additional financing on terms favorable to us, if at all.

Loss of key personnel could have a material adverse effect on our operations. The Company has not obtained key man life insurance on the life of its' CEO Christos Traios. The loss of his services could have a material adverse impact on the operations of the Company.

Our operating results may fluctuate seasonally. We operate our vessels in markets that have historically exhibited seasonal variations in tanker demand and, as a result, in charter rates. Tanker markets are typically stronger in the fall and winter months (the fourth and first quarters of the calendar year) in anticipation of increased oil consumption in the Northern Hemisphere during the winter months. Unpredictable weather patterns and variations in oil reserves disrupt vessel scheduling and could adversely impact charter rates.

Because we generate all of our revenues in U.S. Dollars but incur a significant portion of our expenses in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations. We generate all of our revenues in U.S. Dollars, but we may incur a portion of expenses, such as maintenance and dry-docking costs, in currencies other than the U.S. Dollar. This difference could lead to fluctuations in net income due to changes in the value of the U.S. Dollar relative to the other currencies, in particular the Euro. Furthermore, due to the recent sovereign debt crisis in certain European member countries, the U.S. Dollar-Euro exchange rate has experienced volatility. An adverse movement in these currencies could increase our expenses.

An increase in costs could materially and adversely affect our financial performance. Our vessels operating expenses are comprised of a variety of costs including crew costs, provisions, deck and engine stores, lubricating oil and insurance, many of which are beyond our control. Additionally, repairs and maintenance costs are difficult to predict with certainty and may be substantial. Many of these expenses are not covered by our insurance. Also, costs such as insurance and security could increase. If costs continue to rise, that could materially and adversely affect our cash flows and profitability. Changes in the price of fuel may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Furthermore, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business compared to other forms of transportation, such as pipelines. On the other hand, a prolonged downturn in oil prices may cause oil companies to cut down production which could negatively impact market demand for global transportation of petroleum products.

Shipping is an inherently risky business and our insurance may not be adequate. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather, business interruptions caused by mechanical failures, human error, grounding, fire, explosions, war, terrorism, piracy and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. These hazards may result in death or injury to persons, loss of revenues or property, environmental damage, higher insurance rates, damage to our customer relationships, market disruptions, delay or rerouting. In addition, the operation of tankers has unique operational risks associated with the transportation of oil. An oil spill may cause significant environmental damage, and the associated costs could exceed the insurance coverage available to us. Compared to other types of vessels, tankers are exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high inflammability and high volume of the oil transported in tankers. Additional risks may arise against which we are not adequately protected. For example, a catastrophic spill could exceed our coverage and have a material adverse effect on our financial condition. In addition, we may not be able to procure adequate insurance coverage at commercially reasonable rates in the future and we cannot guarantee that any particular claim will be paid. In the past, new and stricter environmental regulations have led to higher costs for insurance covering environmental damage or pollution, and new regulations could lead to similar increases or even make this type of insurance unavailable. Furthermore, even if insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement ship in the event of a loss. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. In addition, our protection and indemnity associations may not have enough resources to cover our insurance claims. Our payment of these calls could result in significant expenses to us which could reduce our cash flows and place strains on our liquidity and capital resources.

We are subject to international safety regulations and requirements imposed by classification societies and the failure to comply with these regulations may subject us to increased liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports. The operation of our vessels is affected by the requirements set forth in the United Nations' International Maritime Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention, or "ISM Code." The ISM Code requires "Safety Management System" ship owners, ship managers and bareboat charterers to develop and maintain an extensive that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. We expect that any vessels that we acquire in the future will be ISM Code-certified when delivered to us. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports, including United States and European Union ports. Furthermore, the hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention. If a vessel does not maintain its class and/or fails any annual survey, intermediate survey or special survey, the vessel will be unable to trade between ports and will be unemployable, which will negatively impact our revenues and results from operations.

The risks associated with older vessels could adversely affect our operations. In general, the costs to maintain a vessel in good operating condition increasing as the vessel ages. Our operating fleet we own were built prior to 1995. Due to improvements in engine technology, older vessels typically are less fuel-efficient than more recently constructed vessels. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations, safety or other equipment standards related to the age of tankers may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage. There is no assurance that, as our vessels age, market conditions will justify any required expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we do not set aside funds and we are unable to borrow or raise funds for vessel replacement, we will be unable to replace the vessels in our fleet upon the expiration of their remaining useful lives, which we estimate to be 10 years from their purchased dates. Our cash flows and income are dependent on the revenues earned by our commodities sales vessels hires. If we are unable to replace the vessels in our fleet upon the expiration of their useful lives, our revenue will decline and our business, results of operations, financial condition, and cash flow would be adversely affected.

Our results of operations could be affected by natural events in the locations in which our customers operate. Many of our customers have operations in locations that are subject to natural disasters, such as severe weather and geological events, which could disrupt the operations of those customers and suppliers as well as our operations. Such geological events can cause significant damage and can adversely affect the infrastructure and economy of regions subject to such events and could cause our customers located in such regions to experience shutdowns or otherwise negatively impact their operations. Upon such an event, some or all of those customers may reduce their orders for crude oil, which could adversely affect our revenue and results of operations. In addition to any negative direct economic effects of such natural disasters on the economy of the affected areas and on our customers and suppliers located in such regions, economic conditions in such regions could also adversely affect broader regional and global economic conditions. The degree to which natural disasters will adversely affect regional and global economies is uncertain at this time. However, if these events cause a decrease in demand for crude oil, our financial condition and operations could be adversely affected.

Consolidation and governmental regulation of suppliers may increase the cost of obtaining supplies or restrict our ability to obtain needed supplies, which may have a material adverse effect on our results of operations and financial condition. We rely on third parties to provide supplies and services necessary for our operations, including brokers, equipment suppliers, caterers and machinery suppliers. Various mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. With respect to certain items, we are generally dependent upon the original equipment manufacturer for repair and replacement of the item or its spare parts. Such consolidation may result in a shortage of supplies and services thereby increasing the cost of supplies and/or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could have a material adverse effect on our results of operations and result in downtime, and delays in the repair and maintenance of our vessels.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and other applicable worldwide anti-corruption laws. The U.S. Foreign Corrupt Practices Act, or "FCPA," and other applicable worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. These laws include the U.K. Bribery Act which is broader in scope than the FCPA, as it contains no facilitating payments exception. We operate into some jurisdictions that international corruption monitoring groups have identified as having high levels of corruption. Our activities create the risk of unauthorized payments or offers of payments by one of our employees or agents that could be in violation of the FCPA or other applicable anti-corruption laws. Although we have policies, procedures and internal controls in place to monitor compliance, we cannot assure that our policies and procedures will protect us from governmental investigations or inquiries surrounding actions of our employees or agents. If we are found to be liable for violations of the FCPA or other applicable anti-corruption laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others), we could suffer from civil and criminal penalties or other sanctions.

We could be negatively impacted by future changes in applicable tax laws, or our inability to take advantage of favorable tax regimes. We may be subject to income or non-income taxes in various jurisdictions, including those in which we transact business, own property or reside. We may be required to file tax returns in some or all of those jurisdictions. We may be required to pay non-U.S. taxes on dispositions of non-U.S. property, or operations involving non-U.S. property may give rise to non-U.S. income or other tax liabilities in amounts that could be substantial. Our tax position could be adversely impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by any tax authority. The various tax regimes to which we are currently subject result in a relatively low effective tax rate on our worldwide income. These tax regimes, however, are subject to change, possibly with retroactive effect. Moreover, we may become subject to new tax regimes and may be unable to take advantage of favorable tax provisions afforded by current or future law. For example, there have been legislative proposals that, if enacted, could change the circumstances under which we would be treated as a U.S. person for U.S. federal income tax purposes, which could materially and adversely affect our effective tax rate and cash tax position and require us to take action, at potentially significant expense, to seek to preserve our effective tax rate and cash tax position. We cannot predict the outcome of any specific legislative proposals.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us. We may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, securities litigation, and other litigation that arises in the ordinary course of our business. Although we intend to defend these matters vigorously, we cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent, which may have a material adverse effect on our financial condition.

Risks Relating to Ownership of Our Common Stock Although there is presently a market for our common stock, the price of our common stock may be extremely volatile and investors may not be able to sell their shares at or above their purchase price, or at all. We anticipate that the market may be potentially highly volatile and may fluctuate substantially because of:

- Actual or anticipated fluctuations in our future business and operating results;
- Changes in or failure to meet market expectations;
- Fluctuations in stock market price and volume

As a public company, we will incur substantial expenses. The U.S. securities laws require, among other things, review, audit, and public reporting of our financial results, business activities, and other matters. Recent SEC regulation, including regulation enacted as a result of the Sarbanes-Oxley Act of 2002, has also substantially increased the accounting, legal, and other costs related to becoming and remaining an SEC reporting company. If we do not have current information about our Company available to market makers, they will not be able to trade our stock. The public company costs of preparing and filing annual and quarterly reports, and other information with the SEC and furnishing audited reports to stockholders, will cause our expenses to be higher than they would be if we were privately held. These increased costs may be material and may include the hiring of additional employees and/or the retention of additional advisors and professionals. Our failure to comply with the federal securities laws could result in private or governmental legal action against us and/or our officers and directors, which could have a detrimental effect on our business and finances, the value of our stock, and the ability of stockholders to resell their stock.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock. The Financial Industry Regulatory Authority ("FINRA") has adopted rules related to the SEC's penny stock rules The Financial Industry Regulatory Authority ("FINRA" in trading our securities and require that a broker/dealer have reasonable grounds for believing that the investment is suitable for that customer, prior to recommending the investment. Prior to recommending speculative, low priced securities to their non-institutional customers, broker/dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative, low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker/dealers to recommend that their customers buy our common stock, which may have the effect of reducing the level of trading activity and liquidity of our common stock. Further, many brokers charge higher transactional fees for penny stock transactions. As a result, fewer broker/dealers may be willing to make a market in our common stock, reducing a shareholder's ability to resell shares of our common stock.

The Company's common stock is currently deemed to be "penny stock", which makes it more difficult for investors to sell their shares. The Company's common stock is currently subject to the "penny stock" rules adopted under section 15(g) of the Exchange Act. The penny stock rules apply to companies whose common stock is not listed on the NASDAQ Stock Market or other national securities exchange and trades at less than $5.00 per share or that has tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If the Company remains subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for the Company's securities. If the Company's securities are subject to the penny stock rules, investors will find it more difficult to dispose of the Company's securities.

We have raised capital through the use of convertible debt instruments that causes substantial dilution to our stockholders. Because of the size of our Company and its status as a "penny stock" as well as the current economy and difficulties in companies our size finding adequate sources of funding, we have been forced to raise capital through the issuance of convertible notes and other debt instruments. These debt instruments carry favorable conversion terms to their holders of up to 25% discounts to the market price of our common stock on conversion and in some cases provide for the immediate sale of our securities into the open market. Accordingly, this has caused and will continue to cause dilution to our stockholders in 2020 and may for the foreseeable future.

Because we are quoted on the OTC Marketplace instead of an exchange or national quotation system, our investors may have a tougher time selling their stock or experience negative volatility on the market price of our common stock. Our common stock is quoted on the OTC Market. The OTC Market is often highly illiquid, in part because it does not have a national quotation system by which potential investors can follow the market price of shares except through information received and generated by a limited number of broker-dealers that make markets in particular stocks. There is a greater chance of volatility for securities that are quoted on the OTC Market compared to a national exchange or quotation system. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. Investors in our common stock may experience high fluctuations in the market price and volume of the trading market for our securities. These fluctuations, when they occur, have a negative effect on the market price for our securities. Accordingly, our stockholders may not be able to realize a fair price from their shares when they determine to sell them or may have to hold them for a substantial period of time until the market for our common stock improves.

We do not intend to pay dividends. We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of the board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

The market price for our common shares is particularly volatile given our status as a relatively unknown company with a small and thinly traded public float. The market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. The volatility in our share price is attributable to a number of factors. First, our common shares are sporadically and thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our shareholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer which could better absorb investment due to those sales without adverse impact on its share price. Secondly, we are a speculative or "risky" limited operating history and lack of profits to date, and uncertainty of future market acceptance for our potential products. As a consequence of this enhanced risk, more risk-adverse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our common shares, regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our common shares will be at any time, including as to whether our common shares will sustain their current market prices, or as to what effect that the sale of shares or the availability of common shares for sale at any time will have on the prevailing market price. Shareholders should be aware that, according to SEC Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (1) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (2) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (3) boiler room practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (4) excessive and undisclosed bid-ask differential and markups by selling broker-dealers; and (5) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. Our management is aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities. The occurrence of these patterns or practices could increase the volatility of our share price.

Should one or more of the foregoing risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Item 1B - Unresolved Staff Comments

None

Item 2 - Properties

The Company's subsidiary PGH leases an office space in Piraeus for monthly rent of $3,068. The lease is renewed every two years.

Item 3 – Legal Proceedings

We are the Plaintiffs in a number of legal proceedings arising in the ordinary course of business, including, but not limited to, claims for unpaid charter-hires and freights, non-performed contracts and disputes among some of our contractors.

Item 4 – Mine Safety Disclosures

Not applicable

PART II

Item 5 – Market for registrant's Common Equity, related Stockholder matters and issuer purchases of Equity Securities

Market Information

Our Common Stock is quoted on the OTC Pink tier of the OTC Markets group Inc., (the "OTC pink") under the Symbol "PGAS". The following table shows the reported high and low closing bid prices per share for our Common Stock based on information provided by the OTC Pink. The over-the-counter market quotations set forth for our Common Stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Common Stock Bid Price	
Financial Quarter Ended	**High ($)**	**Low ($)**
December 31, 2020	$ 0.03	$ 0.02
September 30, 2020	$ 0.04	$ 0.03
June 30, 2020	$ 0.26	$ 0.09
March 31, 2020	$ 0.13	$ 0.06

On December 31, 2020, the last closing bid price for our Common Stock reported by the OTC Pink was $0.03.

Holders

Records of Securities Transfer Corporation (STC), our transfer agent, indicates as of December 31, 2020, we had 51 shareholders on record and 35,151,058 shares of common stock issued and outstanding, the large majority of which were located in the United States and held an aggregate of 31,157,839 shares of our common stock, representing approximately 89% of our outstanding shares of common stock. However, one of the U.S. shareholders of record is Cede & Co., a nominee of the Depository Trust Company, which held 30,123,814 shares of our common stock, as of December 31, 2020. Accordingly, we believe that the shares held by Cede & Co. include shares of common stock beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control. As of December 31, 2020, we have 35,151,058 shares of our Common Stock and 100 shares of Series A Preferred Stock, issued and outstanding.

Dividends

The Company did not declare any cash dividends for the year ended December 31, 2020. Our Board of Directors does not intend to distribute any cash dividends in the near future. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of directors and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors as the Board considers relevant. There is no assurance that future dividends will be paid, and if dividends are paid, there is no assurance with respect to the amount of any such dividend.

Securities Authorized for issuance under Equity Compensation Plans

The Company has no equity compensation plans.

Recent Sales of Unregistered Securities

All of the Company's recent sales of unregistered securities within the past two years have been previously reported as required in Quarterly Reports on Form 10-Q and current Form 10-K on Note 15 page 47.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

Item 6 – Selected Financial Data

The Company is a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act, and as such, is not required to provide the information required under this Item.

Item 7 – **Management's Discussion and Analysis of financial condition and results of operations**

The index to Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Financial Statements and Supplementary Data is presented on pages 23 to 30.

Item 7A – **Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risks related to the volatility of crude oil prices as the volatility of these prices continues to impact our industry. We expect commodity prices to remain volatile and unpredictable in the future. We are also exposed to market risks related to changes in interest rates. We are at risk for changes in the fair value of all of our derivative instruments; however, such risk should be mitigated by price or rate changes related to the underlying commodity or financial transaction. While the use of derivative instruments could materially affect our results of operations in particular quarterly or annual periods, we believe that the use of these instruments will not have a material adverse effect on our financial position or liquidity. Our strategy is to obtain competitive prices for our products and allow operating results to reflect market price movements dictated by supply and demand. However, management will periodically protect prices on forecasted sales to support cash flow and liquidity, as deemed appropriate.

Item 8 – **Financial Statements and Supplementary Data**

The index of all financial statements and supplementary Data required by this Item is presented on Page 23.

Item 9 – **Changes in and Disagreement with Accountants on Accounting and Financial Disclosure**

None.

Item 9A – **Controls and Procedures**

(a) ***Evaluation of Disclosure Controls and Procedures;*** The company's management with the participation of Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) as of December 31, 2020, pursuant to Exchange Act Rule 13a-15. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the appropriate management on a basis that permits timely decisions regarding disclosure. Based upon that evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures as of December 31, 2020 were not effective to provide reasonable assurance that information required to be disclosed in the Company's periodic filings under the Exchange Act is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

(b) ***Management's Report on Internal Control Over Financial Reporting;*** The company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our annual financial statements, our Chief Executive Officer and our Chief Financial Officer, have assessed the effectiveness of internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the COSO Framework, and SEC guidance on conducting such assessments. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls. Based on this evaluation and qualified by the "Limitations on Effectiveness of Controls" set forth in this Item 9, management has determined that as of December 31, 2020, our internal controls over financial reporting was not effective and there are material weaknesses in our internal controls over financial reporting.

The Company's management has identified a material weakness in the effectiveness of internal control over financial reporting related to a shortage of resources in the accounting department required to assure appropriate segregation of duties with employees having appropriate accounting qualifications.

(c) ***Attestation Report of the Registered Public Accounting Firm;*** This Annual Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, wherein non-accelerated filers are exempt from Sarbanes-Oxley internal control audit requirements.

(d) ***Changes in Internal Control Over Financial Reporting;*** There were no changes in our internal controls over financial reporting during the fourth quarter of the year ended December 31, 2020 that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

(e) ***Limitations on the Effectiveness of Controls;*** Our disclosure controls and procedures provide our principal executive officer and principal financial officer with reasonable assurances that our disclosure controls and procedures will achieve their objectives. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting can or will prevent all human error. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are internal resource constraints, and the benefit of controls must be weighed relative to their corresponding costs. Because of the limitations in all control systems, no evaluation of controls can provide complete assurance that all control issues and instances of error, if any, within our company are detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur due to human error or mistake. Additionally, controls, no matter how well designed, could be circumvented by the individual acts of specific persons within the organization. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated objectives under all potential future conditions.

Management is aware that there is a lack of segregation of duties due to the fact that the Company only has two directors and one executive officer dealing with general administrative and financial matters. This constitutes a material weakness in the internal controls. Management has decided that considering the officers and directors involved, the control procedures in place, and the outsourcing of certain financial functions, the risks associated with such lack of segregation were low and the potential benefits of adding additional employees to clearly segregate duties did not justify the expenses associated with such increases. Management periodically reevaluates this situation. In light of the Company's current cash flow situation, the Company does not intend to increase staffing to mitigate the current lack of segregation of duties within the general administrative and financial functions.

Item 10 – Other Information

None

PART III

Item 11 – Directors, Executive Officers and Corporate Governance

Information about our Directors and Executive Officers at December 31, 2020

The following individuals currently serve as the sole director and executive officers of our Company. All directors of our Company hold office until the next annual meeting of shareholders or until their successors have been elected and qualified. The executive officers of our Company are appointed by our Board of Directors and hold office until their death, resignation or removal from office.

Name	Age	Appointment Date	Primary areas & Responsibilities
Christos P. Traios	61	March 15, 2016	President Chief Executive Officer
Evangelos Makris	38	March 19, 2019	Chief Financial Officer
Dimitrios Z. Pierides	72	October 15, 2019	Executive Vice President Human Resources

Christos Traios, was appointed to serve as a director, President and Chief Executive Officer on March 15, 2016. Mr. Traios has been in the maritime industry for more than 30 years and has been in the oil business for fifteen years. Since acquiring control of the Company, Christos Traios has served as its director, President and Chief Executive Officer. Mr. Traios attended Master Mariner & Law Maritime School for two years and served as second captain in the shipping industry for three years. Mr. Traios is a citizen of Greece. Christos Traios experience as our President and in management generally, as well as his extensive experience in the areas of crude oil purchasing and selling, and tanker vessel shipping and management of operations qualify him to serve as a director of our Company.

Evangelos Makris, age 38, was appointed on March 19, 2019 to serve as Chief Financial Officer in a consulting capacity on a part time basis. Mr. Makris has been the Finance Manager of Petrogress, Inc. since March 2019. Prior to holding that position, Mr. Makris served as a Senior Accountant in the ACR and FAAS Department of Ernst & Young S.A. as well as the Blackstone Group in Luxembourg overseeing a large portfolio of international companies specializing in the Real Estate business. His duties/responsibilities, included but were not limited to, preparing the Stand-alone and Consolidated Financial Statements as well as the quarterly and annual reports, managing a team of junior accountants involved in the bookkeeping, communicating with various parties regarding loan facilities, valuation reports and involvement in the process of the acquisition and sale of properties. Mr. Makris holds a Bachelor of Science in Business Administration (Accounting and Finance) from the American College of Greece.

Dr. Dimitrios Pierides, was appointed as director member on October 14, 2019. Dr. Pierides studied Economics and Law at the University of Lausanne, Switzerland. Dr. Pierides served as the President of the Federation of Hellenic Students Association of Swiss Universities. Subsequently, Dr. Pierides returned to his native Cyprus, where he worked for various companies involved in the businesses of shipping, banking, insurance, hotels, airlines, tourism, real estate and motor car imports. He appointed in Cyprus Hon. Consul General for Sweden since 1968. Dr. Pierides served as a Director of the Bank of Cyprus in Cyprus, Greece, United Kingdom and Australia from 1992 to 2006. Dr. Pierides is also the founder and President of the benevolent Pierides Foundation, which was established in 1974.

Involvement in Certain Legal Proceedings

Neither our directors nor any executive officer has not been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has he been a party to any judicial or administrative proceeding during the past ten years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement.

Code of Ethics for Financial Executives

We adopted a Code of Corporate Conduct and Ethics for our employees, officers and directors to promote honest and ethical conduct and to deter wrongdoing. This code applies to our Chief Executive Officer, Chief Financial Officer and other employees performing similar functions. Our Code of Ethics is available on our website (www.petrogressinc.com).

Item 12 – Executives Compensation

The following table sets forth all compensation for the last two fiscal years awarded to, earned by or paid our chief executive officer and our only other compensated executive officer serving during the last completed fiscal year (collectively, the "Named Executives")

Summary compensation table

Name	Year	Salary	Other compensations	Totals
Christos P. Traios	2019	$ 110,000	$ -	$ 110,000
Chief Executive Officer	2020	$ 180,000	$ -	$ 180,000
Evangelos Makris	2019	$ 20,000	$ -	$ 20,000
Chief Financial Officer	2020	$ 20,000	$ -	$ 20,000
Dimitrios Z. Pierides	2019	-	$ -	-
Executive Vice President	2020	-	$ -	-

Narrative Disclosure to Summary Compensation Table

During the year ended December 31, 2020, the Company accrued $180,000 for services Mr. Traios provided to parent entity Petrogress, Inc. in line with the terms of the foregoing Employment Agreement and $210,000 for services to the Subsidiaries.

During the years ended December 31, 2020 and 2019, the Company had recorded officers' compensation of $180,000 and $110,000, respectively. For the year ended December 31, 2020, the remaining amount of $370,000 was accrued and included in "Accounts Payable and accrued expenses" of the Consolidated Balance Sheets as of December 31, 2020.

We do not presently have pension, health, annuity, insurance, profit sharing, or similar benefit plans; however, we may adopt plans in the future. There are presently no personal benefits available to our directors and officers.

We do not pay fees to our directors for attendance at meetings of the board; however, we may adopt a policy of making such payments in the future. We will, however, reimburse out-of-pocket expenses incurred by directors in attending board and committee meetings.

Outstanding Equity Awards

The Company has no equity compensation plans.

Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires each of our officers and directors and each person who owns more than 10% of a registered class of our equity securities to file with the SEC an initial report of ownership and subsequent reports of changes in such ownership. Such persons are further required by SEC regulations to furnish us with copies of all Section 16(a) forms (including Forms 3, 4 and 5) that they file. Based solely on our review of the copies of such forms received by us with respect to fiscal year 2020, or written representations from certain reporting persons, we believe all of our officers and directors and persons who own more than 10% of our Common Stock have met all applicable filing requirements.

Item 13 – Security Ownership of certain Beneficial Owners and Management and Related stockholder matters

The following table sets forth certain information as of the date hereof with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5% of our Common Stock; (2) each of our directors, nominees for director and named executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Applicable percentages are based upon 4,446,645 shares of Common Stock and 100 shares of Series A Preferred Stock outstanding as of December 31, 2020. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company.

Name and address of Beneficial Owner	Common Stock Number of shares Beneficially Owned	Series A Number of shares Beneficially Owned	Common Stock Percentage of shares Beneficially Owned (1)	Series A Percentages of shares Beneficially Owned (1)
As a Group (3 persons) *Officers & Directors*	3,724,267	100	10.60%	100.00%
Christos P. Traios (2) *As individual*	3,721,817	100	10.59%	100.00%
Evangelos Makris (2) *As individual*	-	-	0.00%	0.00%
Dimitrios Z. Pierides (2) *As individual*	2,450	-	0.0001%	0.00%

(1) Based on a total of an aggregate 35,151,058 shares of common stock outstanding as at December 31, 2020

(2) The address for these shareholders is 10, Spirou Trikoupi street, Piraeus 18538

There are no arrangements, known to the Company, the operation of which would result a change in control of the Company.

Item 14 – Certain Relationships and Related party transactions, and Directors Independence

The information required under this item is contained under the heading "Related Person Transaction" and "Loan Facility from Related Party" in Management Discussion and Analysis of financial condition and Results of Operations and Notes 17 and 18 to the financial statements included in this Annual Report on Form 10k.

Director Independence

Our Board of Directors is currently composed of two members who does not qualify as an independent director in accordance with the published listing requirements of the NASDAQ Global Market.

Item 15 – Principal Accountant Fees and Services

The Company does not currently maintain a separate audit committee. When necessary, our Chief Executive Officer and Director performs the tasks that would be required of an audit committee. Our Board of Director's policy is to pre-approve all audit, audit related, and permissible non-audit fees and services provided by our independent registered public accounting firm. Our Chief Executive Officer pre-approved all of the fees described below. Our Chief Executive Officer also reviews any factors that could impact the independence of our independent registered public accounting firm in conducting the audit and receives certain representations from our independent registered public accounting firm towards that end.

Petrogress, Inc.

Financial Table of Contents

Management's Discussion and Analysis of Financial Condition and Results of Operations

Key Financial Results		**2020**		2019		2018
Sales and other Operating Incomes	**$**	**8,628,501**	$	15,961,220	$	9,026,962
Goods and operating costs	**$**	**(5,083,522)**	$	(13,431,020)	$	(5,068,717)
Administrative and other expenses	**$**	**(7,012,206)**	$	(5,514,881)	$	(3,636,034)
Net Income/(Loss) Attributable to Petrogress, Inc.	**$**	**(3,085,016)**	$	(2,984,681)	$	322,211

Refer to the "Results of Operations" section beginning on page 24 for a discussion of financial results by major operating area for the years ended December 31, 2020 and 2019 respectively.

Executive Overview

"The following discussion includes forwarding-looking statement that involve certain risks and uncertainties. See "Cautionary Statement" prior to PART I".

We are an oil energy company based in Delaware. Petrogress, Inc., operates as a holding company and conducts its business through its wholly-owned subsidiaries: *Petronav Carriers LLC.*, which manages day-to-day operations of its beneficially-owned affiliated tanker fleet; and *Petrogress Int'l LLC.*, which is a holding company for subsidiaries currently conducting business worldwide and provides management of crude oil purchases and sales;

Business Environment and Outlook

Petrogress, Inc. is an oil energy and sea transportation company with business activities in USA, Europe and Africa. Our earnings currently depend primarily on the profitability of our crude oil sales. The biggest factor affecting the results of operations is the price of crude oil. The price of crude oil has fallen significantly since mid-year 2020. The downturn in the price of crude oil has impacted the company's results of operations, cash flows, leverage, capital and exploratory investment program and production outlook. A sustained lower price environment could result in the impairment or write-off of specific assets in future periods. We have reacted to the downturn by effecting reductions in operating expenses, pacing and re-focusing of capital and exploratory expenditures. We anticipate that crude oil prices will increase in the future, as continued growth in demand and a reduction in supply growth should bring global markets into balance. However, the timing or sustainability of any such increase in prices is unknown. In the Company's downstream business, crude oil is the largest cost component of refined products. Nevertheless, it is our objective to deliver competitive results and shareholder value in any business environment.

Our midstream segment relies and depends on our crude oil sales contracts to keep our vessels employed. We rely primarily on the revenues generated from our business of physical supply of crude oil and marketing of refined products to our end customers.

Response to Market Conditions and COVID-19; During most of 2020, travel restrictions and other constraints of the on economic activity designed to limit the spread of the COVID-19 virus were implemented in many locations around the world. These constraints reduced demand for our products, and commodity prices fell, negatively impacting hardly the company's 2020 financial and operating results. While demand and commodity prices have shown signs of recovery, demand is not back to pre-pandemic levels, and financial results will likely continue to be challenged in future quarters. Due to the rapidly changing environment, there continues to be uncertainty and unpredictability around the extent to which the COVID-19 pandemic will impact our future results, which could be material.

Refer to the "Cautionary Statements Relevant to Forward-Looking Information" on Page 1 and to "Risk Factors" in Part I, Item 1A, on pages 10 through 15 for a discussion of some of the inherent risks that could materially impact the company's results of operations or financial condition.

The company closely monitors developments in the financial and credit markets, the level of worldwide economic activity, and the implications for the Company of movements in prices for crude oil and refined products. Management takes these developments into account in the conduct of daily operations and for business planning.

The company continually evaluates opportunities to dispose of assets that are not expected to provide sufficient long-term value or to acquire assets or operations complementary to its asset base to help augment the company's financial performance and value growth. Asset dispositions and restructurings may result in significant gains or losses in future periods.

Operation Results

Our operating revenues are driven primarily of the commodities trading sales and our tankers fleet employment days during which our vessels are generating revenues, while our financial results are subject to a number of sectors and reflects to the following factors:

Cost of commodities; is the cost we purchase the oil products -mainly the crude oil- and such cost is based either on Brent Index prices or Fixed price, the quality and quantity of the product.

Commodities Operating Expenses; relates to products surveys before and after the shipment, bunkers supplied to the employment vessel, cargoes surveys, loading/unloading expenses, agency and representative services.

Shipping & Logistic Expenses; includes the sea freight and mobilization cost, the performed loading and discharging of the product, and any expenses occurred during the shipping time from the loading point up to unloading facilities.

Vessels Operating Expenses; includes crew wages and bonuses, their medical support and travelling, maintenance and repairs to the vessels hull and their machineries, expenses for supplies of spare-parts and consumable stores, paints, lubricants, fresh water, bunkers, agency services, etc.

General and Administrative Expenses; relates to our directors, officers and managers salaries and compensations, shore staff wages, employee's federal insurance, offices lease and utilities, telecommunications, travelling and representations of our officers, our agency fees we pay to our branch's offices in Greece, Cyprus, Ghana and Nigeria.

Corporate Expenses; are all company's expenses and includes, our executive's compensations, attorney's fee, Auditors and accountant fees, Consultant's and P/R fees, Transfer agents of our stock, miscellaneous.

Other factors may affect our Results of Operations; In addition to the said expenses there are factors beyond of our control which may affect seriously our operations results. Inasmuch as we trade also West Africa, which is considered as high risky area, we are expose in a serious amount of risks, such as piracies and hijacks, civil wars, stolen of properties, economy distress, and credit risks.

EBITDA and Adjustment; EBITDA represents net income before expenses, taxes and depreciation. Adjusted EBITDA represents net income before expense, taxes, taxes, depreciation and amortization of drydocking.

Result		**2020**		2019
Loss	**$**	**(3,085,016)**	$	(2,984,681)

- For the year ended December 31, 2020, the Company experienced consolidated net loss of $3,085,016 compared to net loss of $2,984,681 on December 31, 2019.

- General and administrative expenses for the year ended December 31, 2020 and 2019 were $903,998 and $2,899,482 respectively.

- Crude Oil sales decreased by 89% while Gas Oil sales decreased by 7%. Total operating sales for the years ended December 31, 2020 and 2019, were $8,628,501 and $15,961,220, respectively, a decrease of $7,332,719 or approximately 46%.

  The following table presents a summary of sales volumes for each product comparison for the years ended December 2020 and 2019:

	Year ended December 31,			
Net sales volumes per product		**2020**		2019
Crude Oil Sales	**$**	**1,575,490**	$	13,983,090
Gas Oil Sales		**1,318,000**		1,416,000
Lubricants Sales		**202,016**		-
Hires & Freights Sales		**4,735,263**		541,500
Other Revenues/Discounts		**797,732**		20,630
Totals	**$**	**8,628,501**	$	15,961,220

- Costs of goods sold for the years ended December 31, 2020 and 2019, were $4,406,406 and $13,431,020, respectively, a decrease of $9,024,614 or approximately -67%, and were comprised of the following:

	Year ended December 31,	
Cost of goods sold	**2020**	2019
Crude Oil purchased costs	**$ (1,819,636)**	$ (12,381,020)
Gas Oil purchased costs	**(1,120,400)**	(1,050,000)
Lubricants purchased costs	**(187,516)**	-
Charter-hire expenses	**(1,955,970)**	-
Totals	**$ (5,083,522)**	$ (13,431,020)

- Corporate expenses mainly include the expenses incurred by Petrogress, Inc. Corporate expenses for the years ended December 31, 2020 and 2019, were $1,104,887 and $362,993, respectively, an increase of $741,894 or approximately 304%.

- General and administrative expenses for the year ended December 31, 2020, amounted to $903,998 compared to $2,899,482 for the year ended December 31, 2019, a decrease of $1,995,484 or approximately -23%.

- Net loss for the year ended December 31, 2020, amounted to $3,085,016 compared to $2,984,681 for the year ended December 31, 2019, an increase of $100,335 or approximately 3%.

Consolidated results of Operation -after eliminations- for 2020 and 2019	Year ended December 31,	
	2020	2019
Total Operating Sales	**$ 8,628,501**	$ 15,961,220
Total Operating Expenses	**$ 7,012,206**	$ 4,183,842

* *Operating expenses includes, corporate expenses, shipping & logistic, commodities trading, fleet expenses, General and Administrative, and Depreciations;*

- EBITDA for the year ended December 31, 2020, amounted to $(2,460,581) compared to $(2,063,314) for the year ended December 31, 2019.

Performance and financial results of our significant subsidiaries for the year ended December 31, 2020

Petrogress Int'l LLC.

Petrogress Int'l LLC. (PIL), performs most of the trading of the oil products. PIL contributed with $3,095,506 or 35% of the Company's revenues for the year ended December 31, 2020, before eliminations. For the year ended December 31, 2020, PIL had a gross loss of $32,046 and a net loss equal to $1,365,945. Such significant loss resulted due to propping of oil prices.

The following table presents the results of operations of PIL for the years ended December 31, 2020 and 2019, before the intercompany eliminations performed. The table is included herein only for the purpose of management's discussion over our results:

	Year ended December 31,	
	2020	**2019**
Revenues	**$ 3,095,506**	$ 15,344,924
Costs of goods sold	(3,127,552)	(13,512,224)
Gross profit	**(32,046)**	1,832,700
Operating expenses:		
Operating expenses of commodities trade	(841,631)	(26,007)
Shipping & Logistics expenses	-	(125,833)
Selling, general and administrative expenses	(389,235)	(526,510)
Write offs of accounts receivable	(75,694)	-
Depreciation expense	(8,226)	(15,419)
Total operating expenses	**(1,314,786)**	(693,769)
Gross profit / (loss) before other expenses	**(1,346,786)**	1,138,931
Other expense, net	(19,113)	-
Other income, net	-	310,637
Total other income, net	**(19,113)**	310,637
Net income / (loss)	**$ (1,365,945)**	$ 1,449,568

Petronav Carriers LLC.

Petronav Carriers, LLC. (PCL) operates, manages and hires the Company's beneficially owned vessels to Petrogress Int'l LLC. and third parties. A significant portion of PCL's expenses relates to crew expenses, repairs and maintenance of the vessels, insurance expenses, bunkers, port expenses and respective depreciation for vessels. For the year ended December 31, 2020, PCL had net loss of $807,379. For the year ended December 31, 2020, PCL revenues consisted of $5,495,878 from the hires of the vessels. The following table presents the results of operations of Petronav Carriers, for the years ended December 31, 2020 & December 31, 2019, before any intercompany eliminations performed. The table is included herein only for the purpose of management's discussion over our results:

	Year ended December 31,		
	2020		2019
Revenues	5,495,878	$	989,313
Costs of goods sold	(1,955,970)		-
Gross profit	3,539,908		989,313
Operating expenses:			
Fleet operating expenses*	(3,494,302)		(1,602,326)
General and administrative expenses	(96,823)		(192,597)
Write offs of accounts receivable	-		-
Amortization of Dry Docking	(14,096)		(6,619)
Depreciation expenses	(617,602)		(886,459)
Total operating expenses	(4,222,823)		(2,688,001)
Gross profit before other expenses	(682,915)		(1,698,688)
Other income, net	-		-
Other expense, net**	(124,464)		(894,306)
Total other income / (expense), net	(124,464)		(894,306)
Net income	(807,379)	$	(2,592,994)

* *Fleet operating expenses includes all operating and non-operating expenses.*

Petrogress, Inc.

Petrogress, Inc. (PG) is the parent holding company of the group. Petrogress, Inc. does not have revenues while it suffers all the necessary operating and general and administrative expenses in order to comply with the regulatory requirements of SEC. These costs, equal to $1,393,711, primarily contribute to the net loss incurred by the holding company of $833,831 for the year ended December 31, 2020. The net loss reflects the expenses necessary for the regulatory compliance of Petrogress, and its overall operation as a publicly reporting company. The following table presents the results of Petrogress, Inc. for the years ended December 31, 2020 and December 31, 2019. The table is included herein only for the purpose of management's discussion over the results of the Company:

		Year ended December 31,		
		2020		2019
Revenues	**$**	**-**	$	-
Costs of goods sold		**-**		-
Gross profit		**-**		-
Operating expenses:				
General and administrative expenses		**(288,824)**		(377,961)
Corporate expenses		**(1,104,887)**		(362,993)
Depreciation expense		**-**		-
Total operating expenses		**(1,393,711)**		(740,954)
Gross loss before other expenses		**(1,393,711)**		(740,954)
Other income / (expense), net		**14,747**		(17,670)
Interest and finance expenses		**(20,943)**		(217,100)
Amortization of note discount		**(174,292)**		(166,197)
Change in FMV of derivative liabilities		**740,368**		(294,083)
Total other income / (expense), net		**559,880**		(495,050)
Net loss	**$**	**(833,831)**	$	(1,436,004)

Revenue Concentrations

The following table is a summary of customers who accounted for more than ten percent (10%) of the Company's revenues for the periods ended December 31, 2020 and 2019:

Customer	December 31, 2020	December 31, 2019
A	51%	88%
B	17%	*
C	15%	*
D	13%	*

Summary of customers who accounted for more than ten percent (10%) of the Company's accounts receivable for the periods ended December 31, 2020 and December 31, 2019 is showing on the below table:

Customer	December 30, 2020	December 31, 2019
A	44%	55%
B	12%	23%

- None of the balances listed in the table above have become overdue as of December 31, 2020.
- Amounts indicated with an * denote amounts less than 10%.

Available Liquidity & Capital Resources

Our main sources of liquidity are cash and cash equivalents, accounts receivable and internally generated cash flow from operations. At December 31, 2020, we had a working capital of $2,086,407 consisting of $276,035 in cash and cash equivalents, $2,136,790 in accounts receivable, $565,023 in claims receivable, $903,036 in inventories and $1,428,407 in prepaid expenses and other current assets.

For the year ended December 31, 2020, net cash provided by operating activities was $1,022,662 compared to $362,164 of net cash used in operating activities for the year ended December 31, 2019.

Assets included in the calculation of the Company's working capital have decreased by $1,921,774 mainly from the decrease in prepaid expenses and other current assets which have decreased by $1,714,814.

Our need for capital resources is driven by our expansion plans, ongoing maintenance and improvement of our vessels, support of our operational expenses, corporate overhead and the expenses we suffer in order to comply with the regulatory requirements of SEC. Specifically, Petrogress, Inc., the parent company, does not have revenues while it suffers all the necessary operating and general and administrative expenses to comply with the regulatory requirements of the SEC.

Cash and Cash Equivalents; The following table presents sources and uses of cash & cash equivalents for 2020 and 2019:

	Year Ended December 31,			
Sources of cash & cash equivalents		**2020**		**2019**
Operating activities	**$**	**1,022,662**	$	-
Borrowing		**(1,132,198)**		481,000
Others		**-**		341,450
Total sources / (uses) of cash & cash equivalents	**$**	**(109,536)**	$	822,450

Management seeks to secure the necessary financing for the expansion of Company's operations. Based on our current plan, we believe our expected cash flows from operations will be sufficient to finance our present activities and capital expenditures for a period of at least 12 months after the date of this report. Our intention to expand our operations, increase the oil sales or go into new projects-operations will be subject to additional financing.

Capital Requirements; The Company's needs in working capital within the next six months for our operations states below:

Projects & operations		**Capital**
Gas Stations renovation, start-up, fuels supplies and first 3 months expenses	$	1,500,000
Crude oil trade finance		2,500,000
Vessels regular maintenance & new vessel modification		1,500,000
Total required capital	**$**	**5,500,000**

Off-Balance Sheet Arrangements

As of December 31, 2020, there were no material off-balance sheet arrangements.

Financial and Derivative Instrument Market Risk

Derivative; The Company to financial instruments that are considered derivatives or contain embedded features subject to derivative accounting. Embedded derivatives are valued separately from the host instrument and are recognized as derivative liabilities in the Company's balance sheet. The Company measures these instruments at their estimated fair value and recognizes changes in their estimated fair value in results of operations during the period of change. The Company has a sequencing policy regarding share settlement wherein instruments with the earliest issuance date would be settled first. The sequencing policy also considers contingently issuable additional shares, such as those issuable upon a stock split, to have an issuance date to coincide with the event giving rise to the additional shares.

On November, 2020, the company entered into a note payable with an unrelated party at a percentage discount (variable) exercise price which causes the number to be converted into a number of common shares that "approach infinity", as the underlying stock price could approach zero. Accordingly, all convertible instruments issued after November 2020 are considered derivatives according to the Company's sequencing policy.

The Company values these convertible notes payable using the multinomial lattice method that values the derivative liability within the notes based on a probability weighted discounted cash flow model. The resulting liability is valued at each reporting date and the change in the liability is reflected as change in derivative liability in the statement of operations.

Related party transactions

During the year ended December 31, 2019, Christos Traios contributed with additional cash of $311,300, for the purchase of the vessel MV LIBERTUS by the wholly owned subsidiary Petronav Carriers LLC. and additional cash of $30,150 for expenses paid in relation to the condition surveys and port dues of the said vessel prior the closing purchase transaction.

Loan Facility from Related Party (LOC)

On July 13, 2017, the Company entered into a Revolving Line of Credit Agreement (the "Agreement") with Christos Traios, our President, Chief Executive Officer and Director. In accordance with the Agreement the Company also issued a $1,000,000 Line of Credit Convertible Promissory Note (the "LOC Note") to Christos Traios. Mr. Traios has agreed to provide the Company with additional working capital as required from time-to-time to support its operations, and the LOC The Note were due and payable on July 13, 2018 however, an extension agreed for one more year.

On October 31, 2018, Christos P. Traios, notified the Company that he was terminating the Revolving Line of Credit Agreement. As such, no further advances were made under the Credit Agreement and existing advances in principal amount of $148,900 under the Line of Credit Note and accrued interest will become due upon the current Maturity Date, July 13, 2019, however, an extension agreed the Maturity date to postpone as final on July 13, 2020. The LOC Note bears interest payable on the outstanding principal at eight percent (8%) per annum. Accrued interest for the years ended December 31, 2020 and 2019, amounted to $13,553 and $11,912, respectively. The below table presents the balance amounts due to related party from finance transactions as of December 31, 2020:

Transactions		**Balances**
● Line of Credit (Principal and Interest)	$	169,407
● Contribution for vessel acquisition		341,450
Total amount due to related party December 31, 2020	**$**	**510,857**

Accounting Pronouncements not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). In January 2018, the FASB issued ASU 2018-01, which provides additional implementation guidance on the previously issued ASU 2016-02. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. We do not expect this guidance to have a significant impact on consolidated financial statements.

However, due the short-term nature of our leases that were in effect during 2020, the impact of adopting this standard on our financial statements was immaterial and a right of use asset and related liability was not recorded. Because of the gas station lease agreements entered into in February 2020, we will implement the guidance and record such asset and liability beginning with our first interim reporting period in 2020.

Critical Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"). GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in the notes accompanying our consolidated financial statements included with this report. While all of these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would cause effect on our results of operations, financial position or liquidity for the periods presented in this report.

Comprehensive Income

We adopted ASC Topic 220, "Comprehensive Income." This statement establishes standards for reporting comprehensive income and its components in a financial statement. Comprehensive income as defined includes all changes in equity (net assets) during a period from non-owner sources. Items included in Comprehensive loss consist of cancellation of available-for-sale securities and foreign currency translation adjustments.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. Companies may use either a full retrospective or a modified retrospective approach to adopt these ASUs. On January 1, 2018, the Company adopted ASU 2014-09, using the full retrospective method, which requires reporting entities to apply the standard as of the earliest period presented in their financial statements. The Company completed its review of its material revenue streams and determined that the adoption of Topic 606 did not have a material impact on the Company's consolidated statements of operations and consolidated balance sheets.

The Company recognizes revenue for crude oil sales and gas oil sales, its primary sources of revenue, at an amount that reflects the consideration that the Company expects to be entitled to receive in exchange for transferring goods or services to its customers. The Company's policy is to record revenue when, (a) control of the goods (crude oil, gas oil and other petrochemical products) is passed to its customers and (b) the vessels charter (voyages and long term) service is rendered to its independent charterers or Petrogress Int'l LLC.

Organization costs

We have adopted the provisions required by the Start-Up Activities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") whereby all costs incurred with the incorporation and reorganization of the Company were charged to operations as incurred.

Accounting for Equity-based Payments

We account for stock awards issued to non-employees in accordance with ASC 505-50, *Equity-Based Payments to Non-Employees*, including ASU 2018/17 amendments. The measurement date is the earlier of (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. Stock awards granted to non-employees are valued at their respective measurement dates based on the trading price of our common stock and recognized as expense during the period in which services are provided.

Accounts Receivable, net

The amount shown as accounts receivables, net at each balance sheet date includes estimated recoveries from customers and charterers for sales of oil products, hires, freight and demurrage billings, net of allowance for doubtful accounts. Accounts receivable involve risk, including the credit risk of non-payment by the customer. Accounts receivable are considered past due based on contractual and invoice terms. An estimate is made of the allowance for doubtful accounts based on a review of all outstanding amounts at each period, and an allowance is made for any accounts which management believes are not recoverable. The determination of bad debt allowances constitutes a significant estimate.

As of December 31, 2020, and 2019, allowances for doubtful accounts were $0 and $130,550, respectively.

Counterparty Risk

We are also exposed to financial risk in the event of nonperformance by counterparties. If commodity prices fall below current levels, some of our counterparties may experience liquidity problems and may not be able to meet their financial obligations to us. We review the creditworthiness of counterparties and use master netting agreements when appropriate.

Petrogress, Inc.

Quarterly Results (UNAUDITED)

	2020			
In USD	**4th Q**	**3rd Q**	**2nd Q**	**1st Q**
Revenues				
Revenues from crude oil sales	826,290	-	133,200	616,000
Revenues from gas oil sales	696,000	-	-	622,000
Revenues from lubricants sales	58,515	-	-	143,501
Revenues from freights & hires	3,781,780	580,483	-	413,000
Other revenues	702,754	9,065	38,765	71,448
Total Revenues	6,065,339	589,548	171,965	1,865,949
Costs and other Deductions				
Cost of goods sold (Crude Oil)	(569,636)	-	(678,000)	(572,000)
Cost of goods sold (Gas Oil)	(600,400)	-	-	(520,000)
Cost of goods sold (Lubricants)	(58,516)	-	-	(129,000)
Charter-hire expenses	(1,559,317)	(396,653)	-	-
Corporate expenses	(314,090)	(497,629)	(217,420)	(75,748)
Commodities operating expenses	(841,631)	-	-	-
Vessels (non) operating expenses	(1,617,396)	(879,792)	(761,031)	(236,083)
General and administrative expenses	(211,902)	(230,486)	(8,215)	(453,395)
Depreciation and amortization expenses	(75,808)	(200,259)	(155,676)	(160,009)
Taxes, dues other than on income	-	-	-	-
Write off of accounts receivable	(75,694)	-	-	-
Interest and finance expenses	(31,255)	(19,250)	(12,248)	(7,390)
Amortization of note discount	-	-	(74,590)	(99,702)
Other income / (expense), net	(75,419)	29,907	(50,870)	(17,282)
Change in FMV of derivative liabilities	-	1,626,853	(629,679)	(256,808)
Total Cost and Other Deductions	(6,031,064)	(567,307)	(2,587,729)	(2,527,417)
Income / (Loss) Before Income Tax Expense	34,275	22,241	(2,415,764)	(725,768)
Income Tax Expenses (Benefit)	-	-	-	-
Net Income / (Loss)	34,275	22,241	(2,415,764)	(725,768)
Net Income / (Loss) Attributable to Petrogress	34,275	22,241	(2,415,764)	(725,768)
Per Share of Common Stock				
- **Basic**	0.00	0.00	(0.50)	(0.16)
- **Diluted**		-	-	-
Dividends				

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Consolidated Statements of Comprehensive Income / (Loss)
UNAUDITED

	Year Ended December 31,	
USD	**2020**	2019
Revenues:		
Revenues from crude oil sales	**$ 1,575,490**	$ 13,983,090
Revenues from gas oil sales	**1,318,000**	1,416,000
Revenues from lubricants sales	**202,016**	-
Revenues from freights & hires	**4,735,263**	541,500
Other revenues	**797,732**	20,630
Total Revenues	**$ 8,628,501**	$ 15,961,220
Costs and other Deductions:		
Costs of goods sold (crude oil)	**(1,819,636)**	(12,381,020)
Costs of goods sold (gas oil)	**(1,120,400)**	(1,050,000)
Costs of goods sold (lubricants)	**(187,516)**	-
Charter-hire expenses for vessels	**(1,955,970)**	-
Total Cost and Other Deductions	**$ (5,083,522)**	$ (13,431,020)
Gross profit	**$ 3,544,979**	$ 2,530,200
Operating expenses:		
Corporate expenses	**(1,104,887)**	(362,993)
Operating expenses of commodities trade	**(841,631)**	-
Fleet operating expenses	**(3,494,302)**	-
General and administrative expenses	**(903,998)**	(2,899,482)
Write-offs of accounts receivable	**(75,694)**	-
Amortization expense	**32,683**	(6,619)
Depreciation expense	**(624,435)**	(914,748)
Total operating expenses	**(7,012,264)**	(4,183,842)
Operating income / (loss) before other expenses and income tax	**$ (3,467,285)**	$ (1,653,642)
Other Income / (expense), net:		
Interest and finance expenses	**(70,143)**	(217,100)
Amortization of note discount	**(174,292)**	(166,197)
Change in fair market value of derivative liabilities	**740,368**	(294,083)
Other income / (expense), net	**(113,664)**	(653,659)
Total other income / (expense), net	**$ 382,269**	$ (1,331,039)
Net income / (loss)	**$ (3,085,016)**	$ (2,984,681)
Net income / (loss) attributable to:		
Shareholders of the Company	**(3,085,016)**	(2,950,515)
Non-controlling interests	**-**	(34,166)
Comprehensive income / (loss)	**$ (3,085,016)**	$ (2,984,681)
Comprehensive income / (loss) attributable to:		
Shareholders of the Company	**(3,085,016)**	(2,950,515)
Non-controlling interests	**-**	(34,166)
Weighted average number of common shares outstanding		
Basic	**15,109,587**	3,953,461
Diluted	**-**	-
Basic earnings per share	**(0.20)**	(0.75)
Diluted earnings per share	**-**	-

Consolidated Balance Sheets
UNAUDITED

	Year Ended December 31, 2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 276,035**	$ 391,360
Accounts receivable, net	**2,136,790**	2,011,430
Claims receivable, net	**565,023**	478,500
Inventories	**903,036**	1,206,612
Prepaid expenses and other current assets	**1,428,407**	3,143,221
Total current assets	**$ 5,309,291**	$ 7,231,123
Non-Current Assets		
Goodwill	**-**	900,000
Contract-related licensing agreements	**258,747**	-
Right of use assets	**669,065**	-
Vessels and other fixed assets, net	**3,829,714**	4,249,763
Deferred charges, net	**1,534**	15,629
Security deposit	**13,033**	10,584
Total non-current assets	**$ 4,772,093**	$ 5,175,976
Total Assets	**$ 10,081,384**	$ 12,407,099
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	**2,000,721**	1,402,198
Due to related party	**695,321**	1,271,450
Loan facility from related party	**169,407**	148,900
Accrued interest	**16,682**	23,636
Lease liabilities current	**12,704**	-
Convertible promissory notes	**328,049**	237,197
Derivative liabilities	**-**	809,877
Total current liabilities	**3,222,884**	$ 3,893,258
Non-Current Liabilities		
Lease liabilities	**720,855**	-
Total liabilities	**$ 3,943,739**	$ 3,893,258
Commitments and Contingencies		-
Shareholders' equity:		
Series A Preferred shares, $100 par value, 100 shares authorized, 100 and 0 shares issued and outstanding as of December 31, 2020 and December 31, 2019	**10,000**	10,000
Shares of Common stock, $0.001 par value, 100,000,000 shares authorized, 35,151,058 and 4,446,645 shares issued and outstanding as of December 31, 2020 and December 31, 2019	**35,151**	4,447
Additional paid-in capital	**10,561,797**	10,073,810
Accumulated comprehensive loss	**(15,552)**	(9,763)
Retained earnings	**(4,453,751)**	(1,634,645)
Equity attributable to Shareholders of the Company	**$ 6,137,645**	$ 8,443,849
Non-controlling interests	**-**	69,992
Total liabilities and shareholders' equity	**$ 10,081,384**	$ 12,407,099

Consolidated Statements of Cash Flow

	Year Ended December 31, 2020		2019	
CASH FLOW FROM OPERATING ACTIVITIES				
Net income / (loss)	**$**	**(3,085,016)**	$	(2,984,681)
Adjustments to reconcile net income / (loss) to net cash provided by operating activities:				
Depreciation expense		**624,435**		914,748
Change in fair value of derivative liabilities		**(740,368)**		294,083
Share-based compensation expense		**1,566,533**		583,674
Loss on disposition of fixed assets		**-**		16,331
Amortization of discount on convertible note		**21,343**		(77,606)
Amount of derivative in excess of face value of PCN		**-**		349,597
Elimination of PGAS Africa APIC		**(671,924)**		(43,940)
Changes in working capital				
(Increase) / Decrease in Accounts receivable, net		**(125,360)**		2,768,002
(Increase) / Decrease in Claims receivable, net		**(86,523)**		69,100
(Increase) / Decrease in Inventories		**303,576**		(789,477)
(Increase) / Decrease in Amounts due from related party		**720,000**		-
(Increase) / Decrease in Prepaid expenses		**1,714,814**		(1,377,945)
Increase / (Decrease) in Accounts payable and accrued expenses		**598,523**		136,746
Increase / (Decrease) in Amounts due to related party		**(576,129)**		(246,863)
Increase / (Decrease) in Accrued interest		**13,553**		14,892
Increase / (Decrease) in Lease liabilities		**733,559**		-
(Increase) / Decrease in Security deposit		**(2,449)**		54
(Increase) / Decrease in Deferred charges, net		**14,095**		11,121
CASH USED IN OPERATING ACTIVITIES	**$**	**1,022,662**	$	(362,164)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		**(221,151)**		(109,936)
Purchase of vessels and other equipment – related party facility		**-**		(341,450)
Purchase of vessels and other equipment		**-**		(278,550)
Elimination of PGAS Africa fixed assets		**16,765**		-
Acquisition of intangible assets		**(927,812)**		-
CASH USED IN INVESTING ACTIVITIES	**$**	**(1,132,198)**	$	(729,936)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from convertible promissory notes		-		481,000
Proceeds from advances from related party		-		341,450
CASH PROVIDED BY FINANCING ACTIVITIES	$	-	$	822,450
Effects of exchange rate changes		**(5,789)**		-
NET DECREASE IN CASH	**$**	**(115,325)**	$	(269,650)
CASH AT BEGINNING OF YEAR	**$**	**391,360**	$	661,010
CASH AT YEAR END	**$**	**276,035**	$	391,360

Consolidated Statements of Shareholders' Equity

	Preferred Shares number	Preferred Shares amount	Common Stocks Number -	Common Stocks Amount	Additional Paid -in- capital	Accumulated Comprehensive Loss	Profit Deficit)	Total	Non-Controlling interest	Total Shareholders Equity
Balances at December 31, 2018	**100**	**$ 10,000**	**3,828,412**	**$ 3,829**	**$ 9,535,161**	**$ (10,231)**	**$ 1,315,870**	**$ 10,854,629**	**$ 104,159**	**$ 10,958,788**
Common stock issued as commitment	-	-	35,000	35	76,965	-	-	77,000	-	77,000
Common stock issued to settle liabilities	-	-	43,071	43	86,291	-	-	86,334	-	86,334
Common stock issued for services	-	-	540,162	540	419,801	-	-	420,341	-	420,341
Elimination of PGAF Ltd. APIC	-	-	-	-	(44,408)	468	-	(43,940)	-	(43,940)
Net loss	-	-	-	-	-	-	(2,950,515)	(2,950,515)	(34,166)	(2,984,681)
Balances at December 31, 2019	**100**	**$ 10,000**	**4,446,645**	**$ 4,447**	**$ 10,073,810**	**$ (9,763)**	**$ (1,634,645)**	**$ 8,443,849**	**$ 69,993**	**$ 8,513,841**
Shares issued based on convertible notes	-	-	16,485,589	16,486	1,027,619	-	-	1,044,105	-	1,044,105
Shares issued based on compensations	-	-	381,750	381	14,458	-	-	14,839	-	14,839
Shares issued for liabilities settlement	-	-	13,837,075	13,837	493,752	-	-	507,589	-	507,589
Elimination of PGAF Ltd. APIC	-	-	-	-	(1,047,842)	-	265,910	(781,932)	(69,992)	(851,924)
Foreign currency translation adjustment	-	-	-	-	-	(5,789)	-	(5,789)	-	(5,789)
Net loss	-	-	-	-	-	-	(3,085,016)	(3,085,016)	-	(3,085,016)
Balances at December 31, 2020	**100**	**$ 10,000**	**35,151,058**	**$ 35,151**	**$ 10,561,797**	**$ (15,552)**	**$ (4,453,751)**	**$ 6,137,645**	**$ -**	**$ 6,137,645**

Note 1
Summary of Significant Accounting Policies

We are an integrate energy company, engaged in the upstream, downstream and midstream segments. The company operates Internationally through its wholly owned subsidiaries "Petrogress Int'l LLC.", "Petronav Carriers LLC.". The company also provides sea-transportation services -as an independent established Maritime Company- by our tankers fleet. Since last year, the company entered into the retailing market by operating a number of Gas-filling stations in Greece. The company is registered in Delaware and headquartered from Piraeus-Greece.

General; The company's Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and has elected a year-end of December 31. These require the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. Although the company uses its best estimates and judgments, actual results could differ from these estimates as circumstances change, and additional information becomes known.

Impact of the novel coronavirus (COVID-19) pandemic; The outbreak of COVID-19 and decreases in commodity prices resulting from oversupply and government-imposed travel restrictions have caused a significant decrease in the demand for our products and has created disruptions and volatility in the global marketplace beginning in the third quarter 2020, which negatively affected significantly our results of operations and cash flows. These conditions have persisted into the second quarter, including a further collapse in commodity prices and sea-transportations, and are expected to negatively affect our results of operations and cash flows as well. There remains a continuing uncertainty regarding the length and impact of the COVID-19 pandemic and associated reductions in demand for our products, on the energy industry and the outlook for our business. Our incomes have been heavily affected during the last nine months and we doubt if there will be any improvement for the rest year. Due to the changing environment, there continues to be uncertainty and unpredictability around the extent to which the COVID-19 pandemic will impact our results, which could be material.

Basis of Presentation; The accompanying consolidated financial statements of Petrogress and its subsidiaries (together, Petrogress or the company) have not been audited by an independent registered public accounting firm. In the opinion of the company's management, the financial data includes all adjustments necessary for a fair statement of the results for the 12-month periods. These adjustments were of a normal recurring nature. The term "earnings" is defined as net income attributable to Petrogress.

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 as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and adjustments, including those related to future drydock dates, the selection of useful lives for tangible assets, expected future cash flows, provisions necessary for accounts receivables, provisions for legal disputes, and contingencies. Management bases its estimates and adjustments 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.

Subsidiaries and Affiliated Companies; The Consolidated Financial Statements include the accounts of controlled subsidiary companies more than 50 percent owned and any variable-interest entities in which the company is the primary beneficiary.
All significant intercompany transactions and accounts have been eliminated.

Principles of consolidation; The consolidated financial statements include the consolidated accounts of the Company and its wholly owned and majority-owned subsidiaries: Petrogress Int'l LLC., Petronav Carriers LLC., and Petrogress (Hellas) Co.

Inter-company transaction balances and unrealized gains/(losses) on transactions between the companies are eliminated.

Our significant subsidiaries are listed below:

Subsidiaries & Affiliates	Incorporation	Percentage Participation
Petrogress Int'l LLC. (PIL)	Delaware	100% (owned to PGI)
Petronav Carriers LLC. (PCL)	Delaware	100% (owned to PGI)
Petrogress (Hellas) Co. (PGH)	Greece	100% (owned to PIL)

Non-controlling interests; Ownership interests in the Company's subsidiaries held by parties other than the Company are presented separately from the Company's equity on the Consolidated Balance Sheet. The amount of consolidated net income attributable to the Company and the non-controlling interests are both presented on the face of the Consolidated Statement of Income.

Fair Value Measurements; The three levels of the fair value hierarchy of inputs the company uses to measure the fair value of an asset or a liability (Note 5).

Derivatives and Financial Instruments; The majority of the Company's activity in derivative instruments is related to the Company's financing activities.

Inventories; Consists the commodities in our storages which includes Crude oil, Gas Oil, lubricants and the vessels bunkers, provisions, lubricants, unused spare parts on board the vessels at each period end. Inventories are generally stated at cost, using a first-in, first-out method. Cost of spare parts are expensed as invoiced.

Cash and Cash Equivalents; Cash and cash equivalents consist of interest-bearing call deposits, where the Company has instant access to its funds and withdrawals and deposits can be made at any time, as well as time deposits with original maturities of three months or less which are not restricted for use or withdrawal.

Currency Translation; The U.S. dollar is the functional currency for substantially all of the company's consolidated operations and those of its equity affiliates. For those operations, all gains and losses from currency remeasurement are included in current period income.

Revenue Recognition; In accordance with ASC Topic 606, Revenues from Contracts with Customers, the Company accounts for each delivery order of crude oil and petrochemical products as a separate performance obligation. Revenue is recognized when the performance obligation is satisfied, which typically occurs at the point when control of the product transfers to the customer. Payment is generally due within sixty to ninety days pf delivery.
The company accounts for delivery sea- transportation as a fulfilment cost, not a separate performance obligation, and recognize these costs as shipping and logistics expense in the period when revenue for the related commodity is recognized. Additional revenues recognized from the company's managed vessels while they are servicing on time-charter period or single voyages either third parties' charterers or the affiliated PIL.
Revenue is measured as the amount the company expects to receive in exchange for transferring commodities to customer. The company's commodity sales are typically based on prevailing market-based prices and may include discounts and allowances. Until market prices become known under terms of the company's contracts, the transaction price included in revenue is based on the company's estimate of the most likely outcome. The company includes estimates in the transaction price only to the extent that a significant reversal of revenue is not probable in subsequent periods.

Prior to the adoption of ASC 606 on January 1, 2018, revenues associated with sales of crude oil, natural gas, petroleum and chemicals products, and all other sources were recorded when title passed to the customer, net of royalties, discounts and allowances, as applicable.

Prepaid Expenses; Prepaid expenses consist mainly of the company's advances made to its suppliers for the purchase of significant commodities based on a sale and purchase contract, or advances to its suppliers and agents to reserve crude oil, or its crew or an invest for an on-going project.

Fixed Assets; Fixed assets consist of vessels and other properties. Vessels are stated at cost, less accumulated depreciation. The cost of vessels consists of the contract purchase price and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Otherwise, these expenditures are charged to expense as incurred.

Depreciation; The cost of the Company's vessels is depreciated on a straight-line basis over the vessels' remaining economic useful lives after considering the estimated residual value. Management has estimated the useful life of the Company's vessels to be 10 years from the year purchased.

Vessels and properties held for sale; Vessels are classified as "Vessels held for sale" when all of the following criteria are met: the vessel is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; the sale of the vessel is probable and transfer of the vessel is expected to qualify for recognition as a completed sale within one year; the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value. Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These vessels are not depreciated once they meet the criteria to be held for sale.

Accounting for Special Survey and Drydocking Costs; The Company follows the accounting guidance for planned major maintenance activities. Drydocking and special survey costs, which are reported in the balance sheet, include planned major maintenance and overhaul activities for ongoing certification including the inspection, refurbishment and replacement of steel, engine components, electrical, pipes and valves, and other parts of the vessel. The Company follows the deferral method of accounting for special survey and drydocking costs, whereby actual costs incurred. If special survey or drydocking is performed prior to the scheduled date, the remaining unamortized balance are immediately written-off.

Vessel 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, tonnage taxes and other miscellaneous expenses. Aggregate expenses increase as the size of the Company's fleet increases. Under time charters or voyage charters, the Company pays for vessel operating expenses. Operating expenses, including the costs of crewing insurance and medical, surveys, dry-dockings, maintenance and repairs.

Repairs and Maintenance; All repair and maintenance expenses are charged against income when incurred and are included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

Segment Reporting; The Company reports financial information and evaluates its operations of Upstream, Midstream and Downstream by commodities sales and vessels charters by its separate subsidiaries revenues and their geographical activities.

Going Concern; The management of the Company assesses the Company's ability to continue as a going concern at each period end. The assessment evaluates whether there are conditions that give rise to substantial doubt to continue as a going concern within one year from the consolidated financial statements issuance date.

Stock Options and Other Share-Based Compensation; The company issues stocks and other share-based compensation to certain consultants, advisors, members of Board of Directors and employees from time to time. Such transactions are recorded at fair value based on the trading price of the Company's common stock on the date of the transactions.

Emerging Growth Company; We qualify as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, or "JOBS Act." Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, we can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period.

Note 2
New Accounting Standards

Leases (Topic 842); Effective January 1, 2019, Petrogress adopted Accounting Standards Update (ASU) 2016-02 and its related amendments. However, as of December 31, 2019, and for the year then ended, the effect of adopting ASC Topic 842 was not material. With the new gas station leases effective in February 2020, the requirements of this accounting standard will be implemented beginning with the first quarter of 2020. For the company's leases, refer to Note 3 below.

Note 3
Lease Commitments

Petrogress implemented the new lease standard at the effective date of January 1, 2019. The company elected the short-term lease exception and therefore recognize right-of-use assets and lease liabilities for leases with a term greater than one year.

The company enters into lease arrangements through its subsidiaries as a lessee in two gas stations as presented in the below table which are classified as operating leases; Operating lease arrangements mainly involve the offices, gas-stations, trucks transportation, vehicles, bareboat charters, and terminals.

The lease term includes the committed lease term identified in the contract, taking into account renewal and termination options that management is reasonably to exercise;

The below table presents the company's leases arrangements and liabilities for an aggregate period of the next 2 and 15 years respectively, from the end of the reporting period:

Lease location	**Lessee**	**Period: Jan. 01, 2021 to Dec. 31, 2035**		**Lease Amount**
Piraeus (Greece) office	Petrogres (Hellas) Co.	24 months	$	68,000
Gas Station – EOS Areopolis (#1)	Petrogres (Hellas) Co.	15 years		180,000
Gas Station – PGAS Areopolis (#2)	Petrogres (Hellas) Co.	15 years		360,000
		Total Lease cost	**$**	**608,000**

Note 4
Summarized Financial Data – Petrogress, Inc.

Petrogress Int'l LLC. (PIL) is a major subsidiary of Petrogress, Inc. PGI, through its affiliates manage and operate most of Petrogress business. The summarized financial information for Petrogress, Inc., and its consolidated subsidiaries is as follows:

		2020		2019
Sales and other operating revenues	**$**	**8,628,501**	$	15,961,220
Total cost and other deductions		**(11,713,517)**		(18,945,901)
Net income / (loss) attributable to Shareholders	**$**	**(3,085,016)**	$	(2,950,515)

Note 5
Fair Value Measurements

Our financial instruments consist primarily of cash, accounts receivable, accounts payable and accrued expenses, and convertible debt as at December 31, 2020 and December 31, 2019. The carrying amount of cash, accounts receivable, accounts payable and accrued expenses, and convertible debt, as applicable, approximates fair value due to the short-term nature of these items and/or the current interest rates payable in relation to current market conditions.

Interest rate risk is the risk that our earnings are subject to fluctuations in interest rates on either investments or on debt. We do not use derivative instruments to moderate exposure to interest rate risk, if any.

Financial risk is the risk that our earnings are subject to fluctuations in interest rates or foreign exchange rates. We do not use derivative instruments to moderate exposure to financial risk, if any.

Marketable Securities; We classify marketable securities as available-for-sale securities, which are carried at their fair value based on the quoted market prices of the securities with unrealized gains and losses, net of deferred income taxes, reported as accumulated other comprehensive income / (loss), a separate component of shareholders' equity. Realized gains and losses on available-for-sale securities are included in net earnings in the period earned or incurred

Derivatives; The company records its derivative instruments – other than any commodity derivative contracts that are designated as normal purchase and normal sale – on the Consolidated Balance Sheet at fair value, with the offsetting amount to the Consolidated Statement of Income.

Fair value measurements are determined under a three-level hierarchy for fair value measurements that prioritizes the inputs to valuation techniques used to measure fair value, distinguishing between market participant assumptions developed based on market data obtained from sources independent of the reporting entity ("observable inputs") and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances ("unobservable inputs"). Fair value is the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, we primarily use prices and other relevant information generated by market transactions involving identical or comparable assets ("market approach"). We also consider the impact of a significant decrease in volume and level of activity for an asset or liability when compared with normal activity to identify transactions that are not orderly.

The highest priority is given to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The three hierarchy levels are defined as follows:

- Level 1 - Quoted prices in active markets that is unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly;
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Credit risk adjustments are applied to reflect the Company's own credit risk when valuing all liabilities measured at fair value. The methodology is consistent with that applied in developing counterparty credit risk adjustments but incorporates the Company's own credit risk as observed in the credit default swap market.

Financial instruments measured at fair value on a recurring basis are summarized as follows:

	At December 31, 2020				At December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Derivatives Fair value	$ -	$ -	$ -	$ -	$ -	$ -	$ 809,877	$ 809,877
Total Liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ 809,877	$ 809,877

Note 6
Financial and Derivative Instruments

Financial Instruments; The Company has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting. Embedded derivatives are valued separately from the host instrument and are recognized as derivative liabilities in the Company's balance sheet. The Company measures these instruments at their estimated fair value and recognizes changes in their estimated fair value in results of operations during the period of change. The Company has estimated the fair value of these embedded derivatives for convertible debentures using a Black Scholes model as of December 31, 2020 and 2019. For amounts over proceeds in the initial derivative measurement, the Company recorded a derivative expense of $174,292 and $166,197 during the years ended December 31, 2020 and 2019, respectively. The fair values of the derivative instruments are measured each quarter, which resulted in a gain of $740,368 and a loss of $294,083, during the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, and 2019, the fair market value of the derivatives aggregated $0 and $809,877, respectively.

Credit Risk Concentrations; Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivables. Concentrations of credit risk with respect to trade receivables are limited due to the short payment terms dictated by the industry and operating environment

Note 7
Accounting for Equity-based Payments

We account for stock awards issued to non-employees in accordance with ASC 505-50, *Equity-Based Payments to Non-Employees*, including ASU 2018/17 amendments. The measurement date is the earlier of (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. Stock awards granted to non-employees are valued at their respective measurement dates based on the trading price of our common stock and recognized as expense during the period in which services are provided.

Note 8
Earnings (Loss) per Share

In accordance with ASC Topic 260, Earnings per Share, the Company's basic earnings per share (EPS) is based upon "Net Income (Loss) Attributable to Petrogress, Inc." ("earnings") and includes the effects of salaries and other compensations to the company's directors and officers or investments in Petrogress. Basic earnings (loss) per share is computed by dividing net income (loss), after deducting preferred stock dividends accumulated during the period, by the weighted-average number of shares of common stock outstanding during each period.

As of December 31, 2020, and 2019, the basic weighted average number of shares of Common Stock of the Company was 15,109,587 and 3,953,461, respectively. Since the Company incurred losses, the years ended December 31, 2020 and 2019, there is no dilutive effect for those specific periods.

The table below presents the Earnings per Share calculations for the years ended December 31, 2020 and 2019:

Basic EPS Calculation		**2020**		2019
Net income attributable to common shareholders	**$**	**(3,085,016)**	$	(2,950,515)
Denominator for basic net income per share – weighted average shares		**15,109,587**		3,953,461
Conversion of accrued interest on debt held by related party		**-**		-
Denominator for diluted net income per share		**-**		-
Basic net earnings per share		**(0.20)**		(0.75)
Diluted net earnings per share		**-**		-

Note 9
Operating Segments & Geographic presence

Although each subsidiary of Petrogress is responsible for its own affairs, Petrogress manages the operations in these subsidiaries and affiliates. The operations are grouped into three business segments, Upstream, Midstream and Downstream, representing the company's "operating segments" as described in Item 1, Business Overview.

The company's primary country of operation is Greece, its head operating location. Most of our marketing, sales, ship-management and other related functions are performed at our main office in Piraeus.

The company evaluate the performance of its operating earnings based on its major's subsidiaries and goods sales.

(a) Earnings by major operating subsidiaries and their trading areas are presented in the following table:

			Year Ended December 31,		
Operating Subsidiaries (1)			**2020**		2019
● Petrogress Int'l LLC.	*(Internationally)*	**$**	**3,095,506**	$	15,344,924
● Petronav Carriers LLC.	*(Internationally)*		**5,495,878**		989,319
● Petrogres Africa Co. Ltd	*(Nationally - Ghana)*		**-**		936,000
● Petrogres (Hellas) Co.	*(Nationally - Greece)*		**149,617**		109,500
Totals		**$**	**8,741,001**	$	17,379,737

(b) Earnings by products and other services are presented in the following table:

		Year Ended December 31,		
Sales volumes per product & service (2)		**2020**		2019
● Crude oil	**$**	**1,575,490**	$	13,983,090
● Gas oil		**1,318,000**		2,136,000
● Lubricants		**202,016**		90,834
● Vessels' hires & freights		**4,735,263**		989,313
● Others		**910,232**		180,500
Totals	**$**	**8,741,001**	$	17,379,737

(1) Amounts of revenue transactions before intercompany eliminations

(2) Amounts of products transferred before intercompany eliminations

Segment Information; Petrogress' chief operating decision maker is the chief executive officer ("CEO") of its general partner. The CEO reviews Petrogress' discrete financial information, makes operating decisions, assesses financial performance and allocates resources on a type of service basis. Petrogress has two reportable segments: Commodities and Other (C&O) revenues and Hires & Freights (H&F). Each of these segments is organized and managed based upon the nature of the products and services it offers.

- C & O – stores, distributed and markets crude oil, Gas Oil, and refined petroleum products. Also includes retailing sales of its gas stations and rest areas, terminals, and refined logistics.

- H & F – marine transportations, transports, and marine service.

The tables below present information about revenues and other income, capital expenditures in unconsolidated affiliates for the years ended December 31, 2020 and 2019:

	Year Ended December 31,			
C&O (Commodities & Other Revenues)		**2020**		2019
Revenues from Crude oil, Gas oil and lubricants sales	**$**	**3,095,506**	$	15,399,090
Other Revenues		**797,732**		20,630
Total Revenues		**3,893,238**		15,419,720
Segment Adjusted EBITDA		**(1,124,951)**		(3,145,868)
Net income / (loss) attributable to:				
Shareholders of the Company		**(1,124,951)**		(3,112,862)
Non-controlling interests		**-**		(33,007)

Notes to the Consolidated Financial Statements

	Year Ended December 31,			
F&H (Freights & Hires Revenues)		**2020**		2019
Revenues from freights & hires	**$**	**4,735,263**	$	541,500
Total Revenues		**4,735,263**		541,500
Segment Adjusted EBITDA		**(1,368,255)**		361,187
Net income / (loss) attributable to:				
Shareholders of the Company		**(1,368,255)**		362,347
Non-controlling interests		**-**		(1,159)

	Year Ended December 31,			
Disaggregation of Revenues		**2020**		2019
Revenues from commodities sales	**$**	**3,095,506**	$	15,399,090
Revenues from freights & hires		**4,735,263**		541,500
Other Revenues		**797,732**		20,630
Total Revenues		**8,628,501**		15,961,220

Accounts Receivable, net; The amount shown as accounts receivables, net at each balance sheet date includes estimated recoveries from customers and charterers for sales of oil products, hires, freight and demurrage billings, net of allowance for doubtful accounts. Accounts receivable involve risk, including the credit risk of non-payment by the customer. Accounts receivable are considered past due based on contractual and invoice terms. An estimate is made of the allowance for doubtful accounts based on a review of all outstanding amounts at each period, and an allowance is made for any accounts which management believes are not recoverable. The determination of bad debt allowances constitutes a significant estimate.

The table below sets forth Accounts Receivable, net of the Company for the years ended December 31, 2020 and December31, 2019:

		Year Ended December 31,		
Receivables		**2020**		2019
Receivables from commodities and hires sales	**$**	**2,088,700**	$	2,085,838
Less: Provision for doubtful accounts		**-**		(130,550)
Sales receivables, net		**2,088,700**		1,955,288
Other receivables		**48,090**		56,142
Accounts receivable, net	**$**	**2,136,790**	$	2,011,430

As of December 31, 2020, and 2019, the Company recognized a provision for doubtful accounts of $0 and $130,550 respectively, for trade receivables from specific customers that were deemed doubtful as to their recoverability. This provision is presented in its designated line in the Consolidated Statements of Comprehensive Income depicted herein.

As of December 31, 2020, and 2019, accounts receivable write offs were $75,694 and $0, respectively.

Accounts payable and Accrued Expenses; Accounts payable and accrued expenses consisted of the following items for the years ended December 31, 2020 and 2019 respectively:

		Year Ended December 31,		
Accounts payable and Accrued Expenses		**2020**		2019
Service providers	**$**	**69,953**	$	439,448
Wages and Bonuses		**1,269,735**		874,470
Oil Suppliers		**-**		38,307
Vendors and Suppliers		**661,033**		49,973
Totals	**$**	**2,000,721**	$	1,402,198

Note 10
Prepaid expenses and other current assets

The table below shows the company's prepaid expenses and other current assets as of December 31, 2020 and 2019:

			Year Ended December 31,		
Prepaid expenses and other current assets			**2020**		2019
Salt-pond oil field and oil rig Platform "AGK-1"	Petrogress Africa Ltd.	**$**	**-**	$	460,000
Oil Suppliers, Vendors & Various	Petrogress Africa Ltd.		**-**		277,621
Salt-pond oil field and oil rig Platform "AGK-1"	Petrogress Int'l LLC.		**460,000**		-
Oil Suppliers, Vendors & Various	Petrogress Int'l LLC.		**857,623**		2,318,986
Service Providers	Petrogress, Inc.		**21,852**		17,940
Service Providers	Petrogres (Hellas) Co.		**49,613**		19
Others	Petronav Carriers LLC.		**39,319**		68,655
Totals		**$**	**1,428,407**	$	3,143,221

Oil suppliers, Vendors & Various; the company's subsidiaries have made cash advances of $1,317,623 to its crude oil providers for the securing of supply in compliance of the sale and purchase contracts and other vendors, suppliers to its fleet.

Note 11
Litigation

There are currently no material pending legal or governmental proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of their property is subject.

Note 12
Income Taxes

We file income tax returns in various jurisdictions, as appropriate and required. The Company was not subject to U.S. federal, state and local, as applicable, income tax examinations by regulatory taxing authorities for any period prior to January 1, 2012.

We account for income taxes in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 740-10, *Income Taxes*. We recognize deferred tax assets and liabilities to reflect the estimated future tax effects, calculated at the tax rate expected to be in effect at the time of realization. We record a valuation allowance related to a deferred tax asset when it is more likely than not that some portion of the deferred tax asset will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates of the date of enactment. ASC 740-10 prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements and provides guidance on recognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues. We classify interest and penalties as a component of interest and other expenses. To date, we have not incurred any liability for unrecognized tax benefits, including assessments of penalties and/or interest.

We measure and record uncertain tax positions by establishing a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Only tax positions meeting the more-likely-than-not recognition threshold at the effective date may be recognized or continue to be recognized. Our tax years subsequent to 2011 remain subject to examination by federal and state tax jurisdictions.

Hellenic Federal Income Tax Considerations; The following discussion of Hellenic federal income tax matters is based on the Internal Revenue Code of 4646/2019, or the Code, judicial decisions, and existing and proposed regulations issued by the Hellenic Ministry of the Treasury. Petrogress Hellas is maintain an office and other fixed place of business - the gas stations- within the Hellenic region and we will be subject to a net income tax of 24%. References in this discussion to "we" and "us" are to Petrogress Hellas, unless the context otherwise requires.

Marshall Islands Tax Considerations; Our ship-owning entities are Marshall Islands corporations. Because we do not, and we do not expect that we will, conduct business or operations in the Marshall Islands, under current Marshall Islands law we are not subject to tax on income or capital gains and our stockholders will not be subject to Marshall Islands taxation.

During the years ended December 31, 2020 and 2019, a reconciliation of income tax expense at the applicable statutory rate of approximately 21% to income tax expense at the Company's effective tax rate is as follows:

	Year Ended December 31,	
	2020	2019
Income tax / (expense) benefit at statutory federal rates	**$**	$ 9,487
Permanent differences	-	-
Increase / (decrease) in valuation allowance		(9,487)
Income tax expense / (benefit) at Company's effective tax rate	**$**	$ -

At December 31, 2020, the Company had approximately $3,014,668, of unused net operating loss carry forwards. Unused net operating loss carry forwards may provide future tax benefits, although there can be no assurance that these net operating losses will be realized in the future. The tax benefits of these loss carry forwards have been fully offset by a valuation allowance. These losses may be used to offset taxable income and, if not fully utilized, expire in the year 2040.

Note 13
Properties, Vessels and Equipment

Vessels and others fixed assets, net; We depreciate our vessels on a straight-line basis over the estimated useful life which is 10 years from the date of being placed in service by the Company or its affiliate. Depreciation is calculated based on a vessel's cost less the estimated residual value. The estimated useful lives of vessels and equipment are as follows:

Tanker Vessels & service boats (in years)	10 - years
Fenders & oil hoses (in years)	10 - years
Vehicles & trucks (in years)	10 - years
Office equipment and furniture (in years)	10 - years
Computer hardware (in years)	5 - years

Vessels and other fixed assets, net consisted of the following as of December 31, 2020 and December 31, 2019:

	December 31, 2020	December 31, 2019	Estimated useful Life left (years)
Vessels purchased cost	$ 10,888,423	$ 10,888,423	3
Furniture and equipment	387,150	182,764	5
Accumulated depreciation	(7,445,859)	(6,821,424)	
Vessels and other fixed assets, net	**$ 3,829,714**	**$ 4,249,763**	

* Depreciation for the years ended December 31, 2020 and 2019, was $624,435 and $914,748, respectively.

Inventories; Crude oil, Gas oil and bunkers onboard our vessels are recorded at weighted average cost and carried at the lower of cost or net realizable value. Supplies and other items consist principally of items, spare-parts, consumable goods and equipment supplied to our vessel which are valued at weighted average cost and reviewed periodically for obsolescence or impairment when market conditions indicate. The table below presents our inventories as of December 31, 2020 and December 31, 2019:

Commodities and Petroproducts Inventories	**December 31, 2020**	December 31, 2019
Crude Oil	**$ 570,000**	$ -
Gas Oil	**-**	1,039,020
Lubricants	**68,661**	59,479
Vessels Inventories & Others		
Bunkers R.O.B. (unconsumed fuels on board)	**253,936**	108,113
Lubricants, provisions and spare-parts	**10,439**	68,473
Total	**$ 903,036**	$ 1,275,085

Note 14
Shareholders Equity, Stock options and other compensations

Common Stock; In January 2020, the Company issued 180,556 shares of Common Stock to an unrelated party.

On March 12, 2020, the Company issued 1,000 shares of Common Stock to Dr. Pierides Demetrios, as compensation of four months of service as Board member and director.

In March 2020, the Company issued 170,000 shares of Common Stock to an unrelated party.

In April 2020, the Company issued 440,000 shares of Common Stock to an unrelated party.

In May 2020, the Company issued 463,500 shares of Common Stock to an unrelated party.

In June 2020, the Company issued 2,131,861 shares of Common Stock to an unrelated party.

On July 2, 2020, the Company issued 750 shares of Common Stock to Dr. Pierides Demetrios, as compensation of three months of service as Board member and director.

On July 15, 2020, the Company issued 230,000 shares of Common Stock to Christos Traios for the payment of accrued salaries of $3,500.

In July 2020, the Company issued 8,189,008 shares of Common Stock to an unrelated party.

On August 2020, the Company issued 7,372,973 shares of Common Stock to an unrelated party.

On August 17, 2020, the Company issued 150,000 shares of Common Stock to Christos Traios for the payment of accrued salaries of $36,500.

In September 2020, the Company issued 1,948,800 shares of Common Stock to an unrelated party.

In October 2020, the Company issued 3,967,604 shares of Common Stock to an unrelated party.

In November 2020, the Company issued 1,456,665 shares of Common Stock to an unrelated party.

In December 2020, the Company issued 4,001,696 shares of Common Stock to an unrelated party.

Preferred stock; On July 9, 2018, the Company filed the Amendment to the Company's Certificate of Incorporation with the Delaware Secretary of State to, among other things, reduce the number of authorized shares of Preferred Stock from 10,000,000 to 1,000,000. The Amendment took effect on July 18, 2018. There was no change in the par value of the Company's Preferred Stock.

Note 15
Unregistered Sales of Equity Securities and Use of Proceeds

On November, 2020, the Company issued an 8% Convertible Note in the principal amount of $165,000. The Note bears interest at a rate of 8% per annum. The Note carries an original issue discount of $15,000 which is included in the principal balance of the Note. After the initial 180 days the holder has the right to convert any outstanding balance of the principal and interest into common stocks shares at a discount of 25% of the lowest trading stock price.

The issuance of the 8% Convertible Note was made in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act”), pursuant to Section 4(a)(2) of the Securities Act.

Note 16
Loan Facility from Related Party

On July 13, 2017, the Company entered into a Revolving Line of Credit Agreement (the "Agreement”) with Christos Traios, our President, Chief Executive Officer and Director. In accordance with the Agreement the Company also issued a $1,000,000 Line of Credit Convertible Promissory Note (the "LOC Note”) to Christos Traios. As previously mentioned, Mr. Traios has agreed to provide the Company with additional working capital as required from time-to-time to support its operations, and the LOC Note formalizes that commitment and confirms amounts previously advanced under an informal agreement between

The LOC Note bears interest payable on the outstanding principal at eight percent (8%) per annum. Interest is due and payable every six (6) months and on the Maturity Date, and each successive iteration of such dates upon extension and renewal thereafter. The principal amount of the LOC Note may be prepaid by the Company, in whole or in part, without penalty, at any time. Upon the interest due date or maturity date, or any of them, regardless of any event of default, the LOC Note holder may demand payment of any or all of the interest due on the principal amount by delivery of a number of common shares converted at a rate of $0.001 per share. Up to December 31, 2020 the company did not repaid either the any interest nor the principal amount to the holder.

Except in the event of a default, in no instance may the LOC Note holder convert amounts due for accrued interest to the extent that said repayment in common stock will cause the Company to issue a number of shares constituting ten percent (10%) or more of the Company’s then issued and outstanding common shares.

Cash and other contributions made by Christos Traios up to the year ended December 31, 2020, including activity on the LOC Note, are as follows:

Balance December 31, 2018		**297,400**
New amounts lent to the Company by Christos Traios		126,500
Amount converted to common shares February 23, 2018		(275,000)
Balance December 31, 2019		**148,900**
Capitalized interest for 2020		20,507
Balance December 31, 2020	**$**	**169,407**

Note 17
Related Party Capital Transactions

During the year ended December 31, 2019, Christos Traios contributed with additional cash of $311,300, for the purchase of the vessel MV LIBERTUS by the wholly owned subsidiary Petronav Carriers LLC. and additional cash of $30,150 for expenses paid in relation to the condition surveys and port dues of the said vessel prior the closing purchase transaction.

Note 18
Wages due to Related Party from the Company and its Subsidiaries

The table below presents the wages due to Christos Traios from his service to the company and its significant subsidiaries at year ended December 31, 2020:

		December 31, 2020
Petrogress, Inc.	$	430,000
Petrogress Int'l LLC.		574,717
Petronav Carriers LLC.		198,000
Petrogres (Hellas) Co.		52,671
Total outstanding wages to Christos Traios as at December 31, 2020	**$**	**1,255,388**

Note 19
Commitments and Contingencies

The Company is not a party to any litigation, and, to its best knowledge, no action, suit or proceeding has been threatened against the Company.

Note 20
Revenues

Revenue from contracts with customers is presented in "Sales and other operating revenue". Purchases and sales are combined and recorded on a net basis and reported in "purchased crude oil" on the Consolidated Statement of Income.

For disaggregation disclosure see Note 9 beginning on page 42 for additional information on the company's segmentation of revenue.

Receivables related to revenue from customers are included in "Accounts receivable, net" on the Consolidated Balance Sheet. The net balance of these receivables was $2,136,790 and $2,011,430 as at December 31, 2020 and December 31, 2019, respectively.

Note 21
Claims receivable

As at December 31, 2020 and 2019, the Company's subsidiaries, PIL and PCL have recorded an amount of claims receivable of $565,023 and $478,500, respectively, for unpaid hires and prepayments. Regarding these pending claims, the subsidiaries have already commenced legal proceedings against the respective debtors.

Note 22
Other Information

On April 1, 2021, the Petrogress Int'l LLC., through its Hellas (PGH) branch concluded the negotiations to lease Gas refilling stations in the Mainland of South Greece. The leas will commence as of July 1, 2021. Procedures for the obtaining the operating licenses from the local authorities are in progress, simultaneously with the preparation of gas stations designs and drawings in order to commence the modernization and renovation under our brand names.

Note 23
Going Concern - Substantial Doubt

The management of the Company assesses the Company's ability to continue as a going concern at each period end. The assessments evaluate whether there are conditions that give rise to substantial doubt to continue as a going concern within one year from the consolidated financial statements issuance date.

On the ground of management evaluation and consideration for the next period of twelve months, the company will be in the need of significant working capital to continue its oil trading operations, to keep repairing and provide the necessary maintenance on its tankers fleet, to complete the renovation of the leased gas stations and supplies the oil products, and furthermore, to support all the corporate expenses of the parent company. Management plans to continue to seek debt and/or equity capital to fund its operations but there can be no assurance that management will be able to do so. The accompanying consolidated financial statements do not contain any adjustments related to this uncertainty.

The coronavirus pandemic has imposed the continuing lockdown of the Company's office in Greece, and the majority of its operations ceased. While our employees, vessel's crew and labors are staying at their homes and our fleet still remains idle. Furthermore, the Covid-19 outbreaks created additional downward pressure on the demand for oil products in which we transact our business and we may not be able to fully assess the effects on our future operations. In addition, the recent dropping of oil prices has a material adverse impact to our oil trade, and we expect a further depress on the demand, as the oil production and transactional activity is suffering worldwide. Moreover, our visibility on the particular effects of COVID-19 outbreak in Africa is limited due to lack of information.

In of that said and under the present circumstances we believe that our incomes undoubtedly will be heavily affected during the next year, and that raises substantial doubt for the company's ability to continue its business unless the company succeed to raise extra cash financing in the near future.

Note 24
Subsequent Events

During February and March 2020, Petronav executed an MOU with EDT offshore service to form a new company under the jurisdiction of Greece and provide jointly Ship-to-Ship (STS) operations in east Mediterranean; The definitive agreement and the formation of the company is anticipated to be ready within June – July 2021.

Petrogress, Inc.

Three-Year Financial Summary
Unaudited

		2020	2019	2018
Revenues and Other Income				
Total goods sales	$	**3,095,506**	15,399,090	8,982,462
Income from hires and freights		**4,735,263**	541,500	37,000
Other incomes		**797,732**	20,630	7,500
Total Revenues and Other Incomes		**8,628,501**	15,961,220	9,026,962
Total Costs and other Deductions		**(11,713,517)**	(18,945,901)	(8,704,751)
Income Before Income Tax Expense (Benefit)		**(3,085,016)**	(2,984,681)	322,211
Income Tax Expense (Benefit)		**-**	-	-
Net Income		**(3,085,016)**	(2,984,681)	322,211
Less: Net income attributable to non-controlling Interest		**-**	(34,166)	17,651
Net Income / (Loss) attributable to Shareholders of the Company	$	**(3,085,016)**	(2,950,515)	304,560
Per Share of Common Stock				
Net Income / (Loss) Attributable to Petrogress Inc.				
- Basic	$	**(0.20)**	(0.75)	0.09
- Diluted	$	-	-	0.09
Cash Dividends per Share	$	-	-	-
Balance Sheet (at December 31)				
Current assets	$	**5,309,291**	7,231,123	8,170,453
Non-current assets		**4,772,093**	5,175,976	5,388,294
Total Assets		**10,081,384**	12,407,099	13,558,747
Short-term debt		**497,456**	386,097	1,265,452
Other Current liabilities		**2,725,428**	3,507,161	1,334,507
Other Non-current liabilities		**720,855**	-	-
Total Liabilities		**3,943,739**	3,893,258	2,599,959
Total Shareholders' Equity	$	**6,137,645**	8,443,849	10,854,629
Non-controlling interests		**-**	69,992	104,159
Total Equity	$	**10,081,384**	8,513,841	10,958,788

PART IV

Item 16- Exhibits and Financial Statements Schedules

The following documents are filed as part of this Annual Report on the pages referenced below:

(a)	Financial Statements	Page(s)
	Consolidated Statement of Income for the years ended December 2020 & 2019	33
	Consolidated Balance Sheet at December 31, 2020	34
	Consolidated Statement of Cash Flows for the years ended December 2020 & 2019	35
	Consolidated Statements of Changes in Shareholders' Equity for the years ended December 2020 & 2019	36
	Notes to Consolidated Financial Statements	37-49

(b)	Exhibits	Page(s)
10.1	Amended and Restated Employment Agreement dated January 01, 2020 by and between Petrogress, Inc. and Christos Traios (Incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K as filed with the Commission on March 3, 2020).**	03/03/2020
10.2	Amendment No.2 to Securities Purchase Agreement dated effective as of May 27, 2020 among Christos P. Traios, Petrogress, Inc., and Petrogress Int'l LLC (Incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on May 28, 2020)	05/28/2020
4.1	Description of Securities	53
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14a/Rule 14d-14(a)*	54
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14a/Rule 14d-14(a)*	55
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.*	56
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.*	57
101.1	Interactive data files pursuant to Rule 405 of Regulation S-T*	

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 21, 2021

PETROGRESS, INC.

By: */s/ Christos Traios*
Christos Traios

President and Chief Executive Officer (Principal Executive Officer)

By: */s/ Evangelos Makris*
Evangelos Makris

Chief Financial Officer (Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Christos Traios Christos Traios	President, Chief Executive Officer (Principal Executive Officer)	June 21, 2021
/s/ Evangelos Makris Evangelos Makris	Chief Financial Officer (Principal Financial and Accounting Officer)	June 21, 2021
/s/ Dimitrios Z. Pierides Dimitrios Z. Pierides	Director, Executive Vice President Human Resources	June 21, 2021

DESCRIPTION OF SECURITIES

Authorized Capital Stock

Our authorized capital stock consists of 100,000,000 shares of Common Stock, par value $0.001 per share, and 1,000,000 shares of Preferred Stock, par value $0.001 per share.

Common Stock

Each share of common stock entitles a stockholder to one vote on all matters upon which stockholders are permitted to vote. No stockholder has any preemptive right or other similar right to purchase or subscribe for any additional securities issued by us, and no stockholder has any right to convert the common stock into other securities. No shares of common stock are subject to redemption or any sinking fund provisions. All the outstanding shares of our common stock are fully paid and non-assessable. Subject to the rights of the holders of the preferred stock, if any, our stockholders of common stock are entitled to dividends when, as and if declared by our board from funds legally available therefore and, upon liquidation, to a pro-rata share in any distribution to stockholders. We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future.

Preferred Stock

Pursuant to our Certificate of Incorporation, as amended, our board has the authority, without further stockholder approval, to provide for the issuance of up to 1,000,000 shares of Preferred Stock, par value $0.001 per share, in one or more series and to fix the number of shares included in each such series and the variations in the relative rights, preferences and limitations as between series.

Of the 1,000,000 shares of authorized Preferred Stock, 100 shares are designated Series A Preferred Stock, with a par value of $100.00 per share. As designated, the Holder(s) of the Series A shares, as a class, have rights in all matters requiring stockholder approval to a number of votes equal to two (2) times the sum of: (1) the total number of shares of Common Stock which are issued and outstanding at the time of any election or vote by the stockholders; plus (2) the number of shares of Preferred Stock issued and outstanding of any other class that has voting rights, if any. The shares of Series A Preferred Stock are not entitled to any conversion, redemption or dividend rights. In the event of liquidation, dissolution or winding up of the company, the holder(s) of the Series A Preferred Stock will be entitled to receive out of the assets of the company, prior and in preference to any distribution of the assets or surplus funds of the company to the holders of any other class of preferred stock or the Common Stock, the amount of One Hundred Dollars ($100.00) per share, and will not be entitled to receive any portion of the remaining assets of the company except by reason of ownership of shares of any other class of the company's stock.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Christos P. Traios, certify that:

(1) I have reviewed this quarterly report on Form 10-K of Petrogress, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant 's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant 's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 21, 2021

Petrogress, Inc.

By: /s/ Christos P. Traios
Christos P. Traios
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Evangelos Makris, certify that:

(1) I have reviewed this quarterly report on Form 10-K of Petrogress, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant 's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant 's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 21, 2021

Petrogress, Inc.

By: /s/ Evangelos Makris
Evangelos Makris
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Petrogress, Inc. (the "Company”) on Form 10-K for the fiscal year ended December 31, 2020 (the "Report”), I, Christos P. Traios, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christos P. Traios
Christos P. Traios
Chief Executive Office
June 21, 2021

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company or purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Petrogress, Inc. (the "Company”) on Form 10-K for the fiscal year ended December 31, 2020 (the "Report”), I, Evangelos Makris, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Evangelos Makris
Evangelos Makris
Chief Financial Officer
June 21, 2021

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company or purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.