

TANKERSKA **NEXT GENERATION**

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST
QUARTER OF 2022

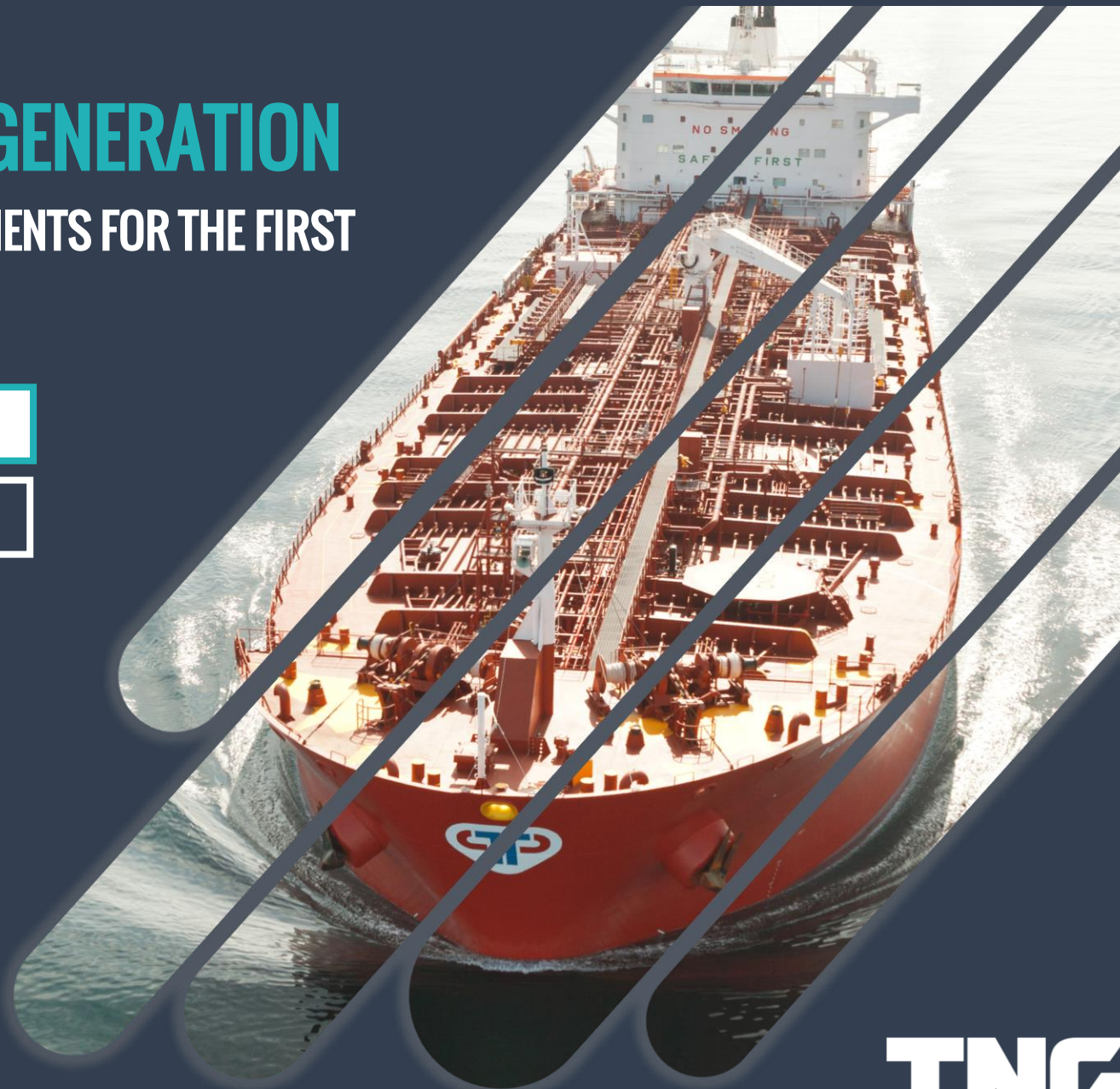
2022

Q1

Q2

Q3

Q4



TNG
Tankerska Next Generation

Contents

	Comments from the CEO	2
	Market environment	4
	Results for the period	9
	Operational data of the fleet	12
	Financial position summary	15
	Risk management	24
	Unaudited financial statements	27
	Notes to the financial statements	37
	Important terms and concepts	40
	Cautionary note	47
	Contact	48

Results Q1 2022

Vessel revenues

USD 11.8m

EBITDA

USD 3.4m

EBIT

USD 1.5m

Net income

USD (0.2m)

TCE NET
13,549 USD/day

OPEX
6,828 USD/day

Even before the Russian military wheels were set in motion; there was a multitude of macroeconomic issues pounding, shaping, and transforming the global seaborne shipping markets. Many of the operational complexities we have encountered in the last few years still present hurdles we need to overcome but the latest one will not fail to find its way into history books.

A presidential address concerning "the events in Ukraine" by Russian President Vladimir Putin on February 21st 2022, was televised worldwide and most certainly marked a turning point in history. To say activities of whatever nature, from the start of the first quarter to this decisive moment in February suddenly became obsolete and trivialized would be an understatement.

Announcing that the Russian government would recognize the Ukrainian separatist regions of the Donetsk People's Republic and the Luhansk People's Republic as independent was just a prelude to what would follow. The speech, which marked a significant escalation in the Russo-Ukrainian crisis, was followed three days later by the speech declaring "a special military operation" in Ukraine. Statements of this scale would not leave any elements of everyday life unaffected which certainly would not exclude the already challenging state of global shipping.

The Ukrainian crisis is increasing disruptions to global logistics and distribution chains, contributing to already elevated levels of delay across the global transportation network.

The shipping anxiety is not only confined to tankers. The level of bulk carrier capacity waiting at or around ports had increased, disrupting supply chains. Bunker prices have been seriously affected and are today about twice the average of the five years pre-Covid. Higher bunker prices have an impact on transport costs for all ships, and all modes of transport.

A key concern during wars or moreover, a key tool, is the supply of energy. Vessels are now required to transport oil to replace cargoes that would under normal circumstances be transported from Russia or Ukraine over shorter distances or by pipeline. In the wake of growing concerns over the consequences of the war, the UN has called on countries to come jointly to the table in order to focus on global food, energy and financial issues.

The cost of capital is rising which will affect the global economy, and while the US government has taken its first monetary measures in a post pandemic economy, in anticipation of inflation, the prospect of recession is more than likely.

Taking into consideration the Ukrainian crisis; a post-pandemic world with reports of pockets of COVID outbreaks appearing around the world; China with an economy that will struggle to reach 5% growth this year according to analysts; it becomes clear globalization will be taking a sidestep due to the above.

Factors that played a major role in Tankerska Next Generation's Q1 operational results:

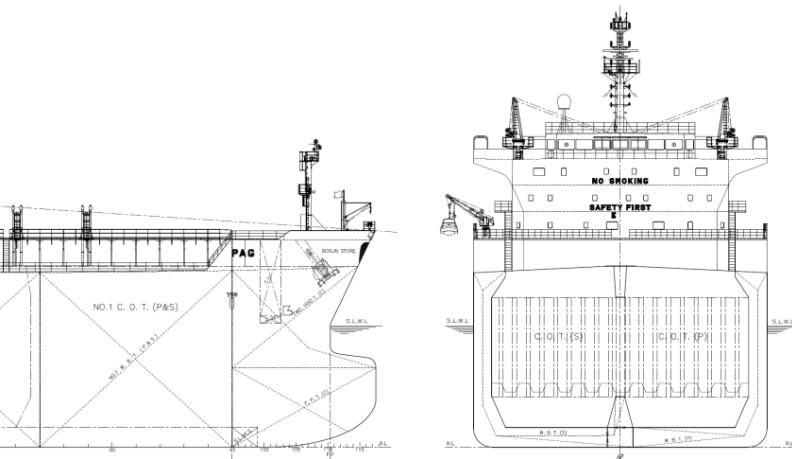
- **High bunker costs**
- **Relatively high exposure to low spot market rates up to late February**
- **Persistently high costs of repatriation**
- **Spot market recovery towards the end of the quarter**
- **A secured 4-year time charter employment at USD 16,000 commencing in March**

Containerships continue to be off the charts with sky-high freights and remain significantly higher than the long-term average, with no end in sight. Things of course could eventually slow down but the fact is that the yards' orderbooks have long been saturated with newbuilding deals. In the long term, this all goes down well for the tanker industry since there is limited availability for new tanker slots in shipyards shielding the possibility of a new tanker order rush.

Drycargo vessels have remained in a very confident position for a while, but largely dependent on vessel size. This sector remains lightly off balance because of shaken up trading routes but not on the same scale as tankers. We should also see an increase in ton-miles providing the alternative sources manage to deliver the missing volumes.

Overall high bunker costs which put pressure on sailing speeds, on top of persistent port delays continue to play a factor at the supply end of the equation. In an attempt to secure long term business and isolate from a volatile spot market, Tankerska Next Generation secured a 4-year time charter employment for its ECO tanker Dalmacija to a global energy and commodities firm at approximately USD 16,000 per day in a deal which represents the company's strategic concept focusing to secure a strong asset base and stable cash flow.

A high concern and continuing task in the Company remain the challenges we face through difficulties in recruiting and engaging our Ukrainian seafarers, a nation that has grown to be the backbone of labour supply, even more so since the pandemic. Russia and Ukraine offer two of the largest human resources in terms of officers and ratings.



John Karavanić, CEO



Market environment

Global market environment

After the cold war ended, western governments, their foreign policy makers and multinational companies believed that building stronger global ties would lead to greater political and economic stability. The Ukrainian crisis, the pandemic and China are pushing the world in the opposite direction forcing reverse changes overnight and pushing the thoughts of globalization into the distance. Important parts of the integrated economy are at stake, nevertheless, American and European executive orders and directives are now implying sanctions to separate the Russian economy, the 11th largest in the world, from global commerce, while Western companies have massively discontinued their operations in Russia applying “self-sanctions” on their own as a reaction to their stakeholders.

Western officials and executives are also having second thoughts about how they do business and the extent of business with China, the world’s 2nd largest economy. According to experts, energy prices will keep rising amid the crisis in Ukraine as sanctions tighten and demand outstrips supply bringing European economies into a headlock.

As part of a counter measure president Biden announced that the United States would release more than 180 million barrels of oil from its strategic petroleum reserve over the next six months, aimed at lowering fuel prices in the US and to some degree, putting pressure off European oil products.

The situation could also prove politically costly for the US president, who ran for office pledging to move the United States away from fossil fuels, but now faces sharply rising fuel prices amid growing inflation in the US.

Global supplies

Russia is the world’s third largest oil producer, exporting 5 million barrels of crude a day, or about 12 percent of the global market, according to the International Energy Agency (IEA). About 60 percent of Russian oil goes to Europe and 20 percent goes to China, the IEA says.

The United States and its partners have blocked Russia from much of the international financial system by banning transactions with the Russian central bank. They have also cut Russia off from the global bank messaging system called SWIFT, frozen the assets of Russian leaders and oligarchs, and banned the export from the United States and other nations of advanced technology to Russia. Russia has answered with its own export bans on food, and other commodities.

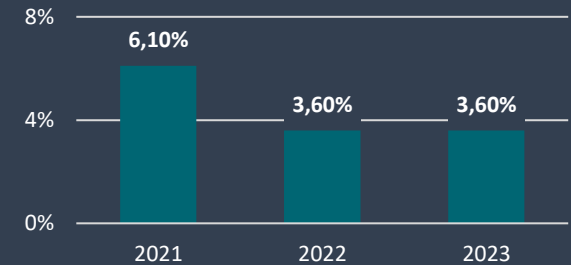
It is estimated that sanctions and private-sector decisions not to buy from Russia will take 2.85 million barrels of Russian oil per day off the world market.

In the US, on the other hand, most producers are already locked into long-term production plans and the industry is still recovering from the 2020 oil-price bust caused by the COVID-19 pandemic which limits production flexibility.

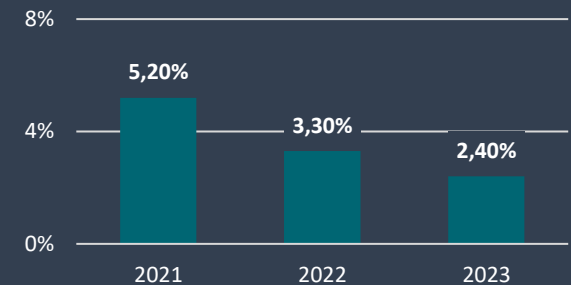
The OPEC nations are sticking to cutting output in response to the pandemic slowdown and are devoted to their hard-fought 2021 agreement that calls for increasing supply by 400,000 barrels a month.

WORLD ECONOMIC OUTLOOK APRIL 2022

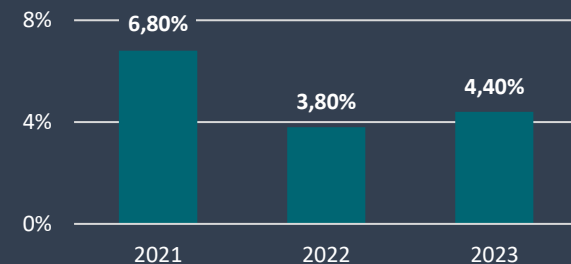
GLOBAL ECONOMY



ADVANCED ECONOMIES



EMERGING MARKETS & DEVELOPING ECONOMIES



China

The marked slowdown in China's economy has cast an additional shadow over the prospects for this year's growth, which has already begun with epidemiological restrictions and the situation in Ukraine.

According to the National Bureau of Statistics, the world's second-largest GDP grew 4.8 percent year-on-year in the first quarter. This is a slightly better result than expected by economists who expected growth of 4.4 percent and a noticeable acceleration compared to 4 percent in the fourth quarter of 2021.

Moreover, the intention of the government in Beijing to stop the spread of COVID-19 patients has led to the closure of many factories, which is already being felt in a number of global supply chains.

Tankers

In the second quarter of 2020 the huge oversupply of crude oil needed to be stored in tankers, facilitated a short-term rate spike. Since then and up to the events in Ukraine, the market has been predominately uninspiring, broadly as a result of the pandemics' negative impact on economies which was also reflected in oil demand.

Tankers freight rates suffered for the first half of Q1 which was, simply speaking, a continuation of what was seen from the end of last year. A high level of adversities and uncertainty delivering supply and demand shocks in the oil markets after the Russian

intervention in the latter part of February brought new dynamics unlike scenarios we have seen in recent years, and it does not appear that the situation will settle down any time soon. The significant challenges ahead sparked by Russian military undertaking focused on independent but not self-sufficient Ukraine, will be difficult to overcome over time, since this time changes need to become more structural. However, the industry is resilient, and owners are used to adapting to changing circumstances.

During the last four years, tanker freight rates have fluctuated wildly, ranging from the extraordinary highs in late 2019 and early 2020 to the lows from mid-2020. The rate spikes for crude tankers in particular have been driven by geopolitical events, the U.S. sanctions on certain countries and companies, maritime blockades and the odd disruption caused by Suez Canal grounding which lasted "only" about six days. As one of the world's busiest trade routes, the canal obstruction had a significant negative impact on trade between Europe, Asia and the Middle East.

These events occurred in a tanker market that was already tight amid growing ton-mile demand and was dealing with the uncertainty around the implementation of IMO 2020. On 28 March 2021, at least 369 ships were queuing to pass through the canal. This prevented an estimated USD 9.6 billion worth of trade. For comparison, one of the global leaders in the maritime transportation of hydrocarbons, Russia's largest shipping company, Sovcomflot, as a single company comprises of about

145 vessels, all of which have become politically grounded by western economies since late February with no hope of relief in sight.

Iran could be a viable alternative for providing more oil to the market, if the US lifts sanctions on the country's oil export. Nuclear negotiations with the US are reportedly progressing well, sanctions might be lifted earlier than previously anticipated. Although production will take months to ramp up in full, Iran has ample crude in storage to supply to the market. Estimates vary widely, anywhere from 60 to 100 million barrels that could be exported shortly after the waiver of the sanctions.

While 2021 was still a down year for tankers, the hope was that 2022 could be the year of recovery but for all the wrong reasons. This potential gain for tankers comes with an expensive price tag.

Product tankers

When the Covid-19 pandemic broke out in China, the initial reaction was understandably negative for the tanker market.

Although the pandemic is far from over, many (mostly Western) countries have vaccinated large portions of their population and are learning to live with the virus. Economies have started to open up and oil demand has almost recovered to 2019 levels.

The recovery from Covid-19 remains an uphill run with many regions struggling to return to pre-pandemic levels of fuel consumption. The impact of Omicron on population mobility trends has varied and remains a moving target.

Ton-mile growth for product tankers is estimated to be around 4% this year against a fleet growth at 2% for combined MRs, LR1s and LR2s. However, recovery will be constrained by large newbuild programmes of uncoated ships and tonnage overhang from previous years according to Norwegian brokers.

Eco MR started to outperform the larger sisters through January with Atlantic triangulation reaching uninspiring USD 12-15,000 pd, very low teens, and the transpacific averaging just above USD 10,000 pd basis roundtrip.

Analysts estimate jet fuel demand to fully normalise in two years' time. However, as Covid-19 related risks decline and countries move to revive their tourism sectors, lower restrictions on international movements and pent-up demand for travel could see jet fuel demand surprise to the upside, adding more long-haul liftings. Diesel inventories are currently at multiyear seasonal lows in US and Singapore.

Triangulation earnings in the Atlantic has tripled over the last month to reach into the USD 20,000's pd despite dearer bunkers, buoyed by strong US markets. Short hauls out of the Baltic region by contrast have gone absolutely through the roof for those who participate, with roundtrip earnings currently in the USD 50,000pd region. Earnings East of Suez also gained, but less so, going from just above USD 10,000's to mid-teens (basis roundtrip) over the same period.

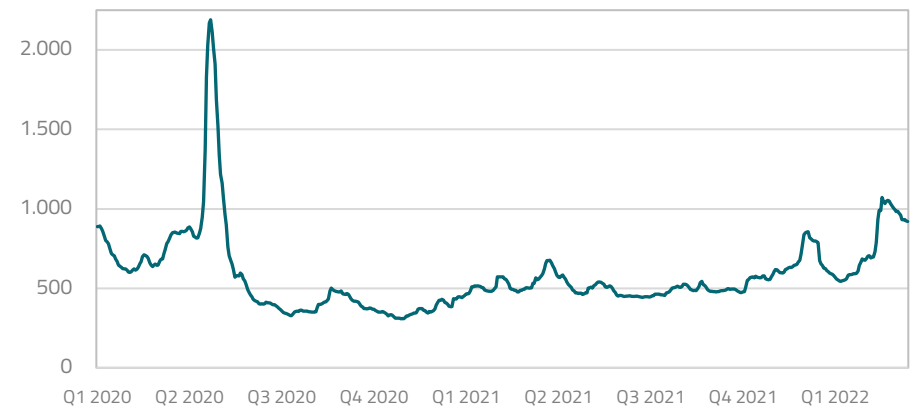
Russia's exports of oil and refined products have been disrupted in several ways. Oil trade generally relies on access to US dollars, trade finance and international payment systems (SWIFT). Imposed financial sanctions are increasingly restricting access to all three. These sanctions can be navigated, like non-USD transactions, the use of third parties and switch over to alternative payment systems.

Scrap prices continue to increase and should not be discarded as a factor that can affect the tanker market, with the latest tanker transactions now exceeding USD 720/ldt in Pakistan/India. Numbers not seen since 2008.

In conclusion, the tanker shipping market outlook will, among other factors, be balanced by total seaborne volumes, potentially in decline, driven by poor consumer demand confronted on the other hand by a longer ton-mile created by disruptive, politically sanctioned, reshuffled shipping lanes.

This sets the stage for a structurally different but potentially extremely interesting 2023/24 tanker market.

Baltic Clean Tanker Index - BCTI



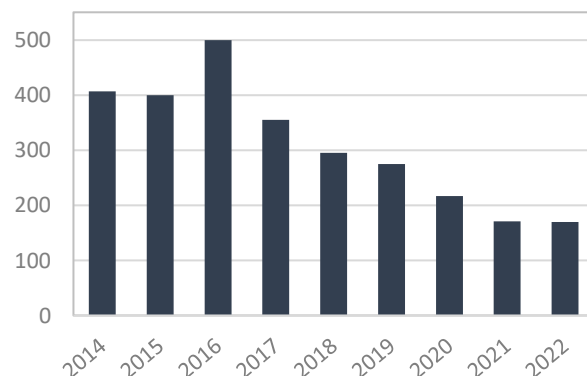
MR product tanker fleet

The product tanker fleet grew by 1,33% in 2021 which shows slowing down from 2020 and 2019 growth which amounted 3,3% and 3,6% respectively, which presents a potential long-term positive impact on the product tanker market.

The product tanker fleet grew in the first 3 months of by 0.04%. During the first three months of 2022, 17 tankers were scrapped, which is 0.64% of the total fleet.

Until 31st March '22, there has been a delivery of 19 newbuildings with 89 vessels scheduled to be delivered by the end of the year.

MR orderbook at the year beginning



MR product tankers

QUICK OVERVIEW

(MR 25-59.999 DWT)

Key fleet figures

as at 01st April 2022

In Service: **2,663** vessels
total dwt capacity: 117,509,893 dwt
year to date growth 0.04%

Over 20yrs: **287** vessels
total dwt capacity: 11,559,630 dwt
as percentage of fleet: 10.78 %

On order: **160** vessels
total dwt capacity: 7,139,690 dwt
as percentage of fleet: 6.01 %

Remaining deliveries for 2022

as at 01st April 2022

Scheduled: **89** vessels
total dwt capacity: 3,972,871 dwt
as percentage of fleet: 3.34 %

Changes in 2022

as at 01st April 2022

Deliveries: **19** vessels
total dwt capacity: 891,005 dwt
as percentage of fleet: 0.71 %
of which in March '22: 7 vessels

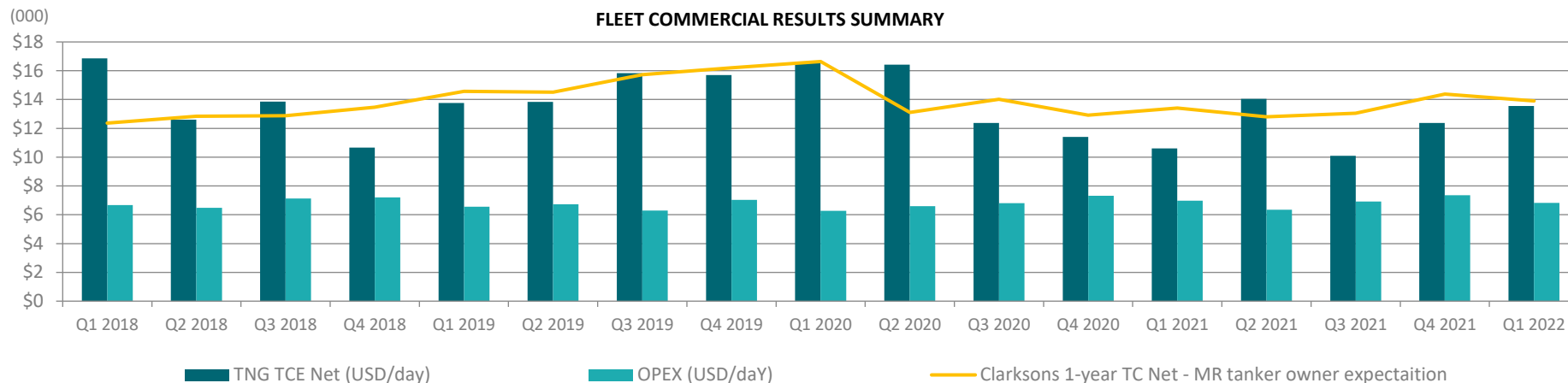
New orders: **4** vessels
total dwt capacity: 200,000 dwt
as percentage of fleet: 0.15 %
of which in March '22: 3 vessels

Scrapped: **17** vessels
total dwt capacity: 696,526 dwt
as percentage of fleet: 0.64 %
of which in March '22: 4 vessels

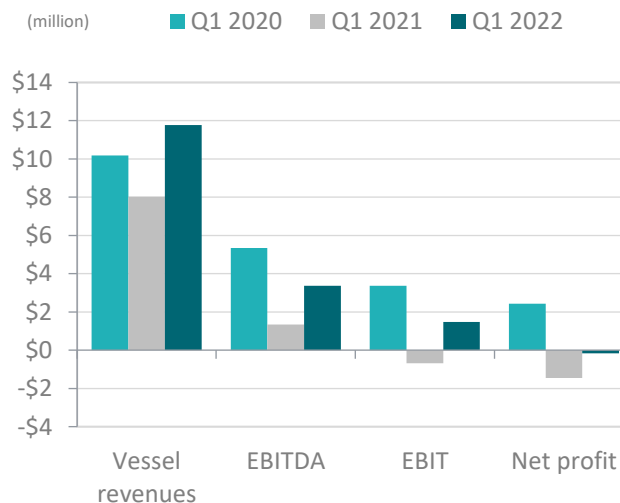
Allied, April 2022



Results for the period



SELECTED FINANCIALS	HRK 000				USD 000			
	Q4 2020	Q1 2021	Q4 2021	Q1 2022	Q4 2020	Q1 2021	Q4 2021	Q1 2022
Vessel revenues	51,244	50,020	78,768	78,840	8,050	8,018	11,915	11,762
EBITDA	11,212	8,165	20,730	22,409	1,766	1,348	3,095	3,373
EBIT	(57,748)	(4,600)	(58,623)	9,546	(9,405)	(674)	(8,868)	1,473
Net profit	(62,509)	(9,463)	(66,777)	(1,454)	(10,167)	(1,446)	(10,073)	(159)



In the first quarter of 2022, vessels' revenues reached HRK 78.8 million (USD 11.8m), which is a significant increase compared to revenues generated in the same period in 2021 when they amounted HRK 50.0 million (USD 8.0 million).

The increase in revenue comes as a result of absence of drydocking days in Q1 2022, in comparison to same period last year when m/t Pag finished its drydock coupled with a number of „off hire” days recorded in Q1 '21 due to challenging conditions in performing crew change during the COVID-19 pandemic. However, the strongest impact on this increase is due to the better freight rates on the spot market recorded in the first quarter of 2022, in contrast to the same quarter of the previous year when record low spot market rates were recorded.

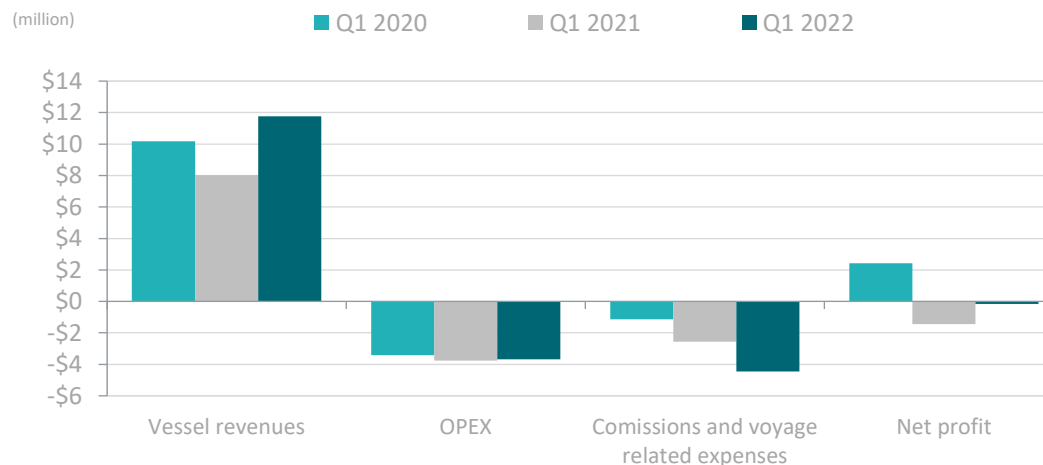
Commissions and voyage associated costs amounted to HRK 29.9 million (USD 4.5 million) in the first quarter of 2022, while in the same period of 2021 they added up to HRK 16.2 million (USD 2.6 million). This ascend in expenses can be attributed to higher exposure to the spot market during the first quarter of 2022 compared to the same period last year. Operating expenses of the fleet amounted to HRK 24.8 million (USD 3,7 million) administrative expenses amounted to HRK 1.6 million (USD 0.2 million).

Profit before interest, taxes, depreciation and amortization (EBITDA) in the first quarter of 2022 amounts to HRK 22.4 million (USD 3.4 million) and was significantly reduced compared to the same period last year when it amounted to HRK 8.3 million (USD 1.3 million).

All vessels are depreciated over an estimated useful life span of 25 years on a linear basis to their residual value, which represents their scrap value on the international market. Depreciation costs in the first quarter of 2022 amounted to HRK 12.9 million (USD 1.9 million).

Net interest expenses amounted to HRK 4.5 mil. (USD 0.7 million) and decreased compared to Q1/2021 when they amounted to HRK 4.9 million (USD 0.8 million).

The significant reduction in vessel revenues presents itself in the operating profit (EBIT) amounting to HRK 9.5 million (USD 1.5 million), while the net loss of the Company in the first quarter of 2022 amounts to HRK 1.5 million (USD 0.2 million).





Operational data of the fleet

TNG's CURRENT FLEET

Currently TNG's fleet consists of six MR tankers (Velebit, Vinjerac, Vukovar, Zoilo, Dalmacija and Pag). The Group owns an operating fleet which consists of two conventional ice class tankers and four eco-design modern product tankers with a total capacity of around 300,000 dwt. As of March 31, 2022, the average age of the vessels in TNG's fleet was 7.96 years.

Starting from the third quarter of 2020 the tankers from TNG's fleet underwent their regular five year drydocking together with the installation of BWTS equipment, and to this date the process is concluded for all the vessels, including MT Vinjerac which finished its drydock and installation of BWTS equipment during the fourth quarter of 2021.

CURRENT CHARTERING STRATEGY

Vinjerac

At the beginning of May 2020, a two-year time charter contract was secured for m/t Vinjerac. The tanker is under contract with the Charterer Clearlake Shipping („Clearlake”) at an agreed hire rate of USD 15,250 per day, with expected redelivery in May 2022. In late September 2021 the tanker was delivered to its technical manager in order to perform the drydock, after which it was redelivered to its Charterer in the beginning of November.

Velebit

The regular five-year drydock and BWTS installation was performed in early Q2/2021, after which the vessel is employed on a short-term time charter contract with Trafigura Maritime Logistics („Trafigura”). After the expiry of the contract, the vessel is employed on the spot market.

Vessel	Year built	Type	Employment	Hire rate (USD/day)
Velebit	2011	ICE class MR product	SPOT market	SPOT (from Aug 2021)
Vinjerac	2011	ICE class MR product	Clearlake	15.250 (until Jun 2022)
Vukovar	2015	Eco MR product	EXXON	17.050 (until Aug 2023)
Zoilo	2015	Eco MR product	SPOT market	SPOT (from May 2021)
Dalmacija	2015	Eco MR product	Hartree	16.000 (until Mar 2024)
Pag	2015	Eco MR product	Trafigura	13.400 -> 14.000 (until May 2022)

Vukovar

During July 2020, the tanker performed a regular five-year drydock, after which it was delivered to Exxon Mobil („Exxon”) in August 2020 in accordance with a three-year time charter contract in the amount of USD 17,050 per day with the option to extend for another year at USD 18,000 per day.

Pag

During December 2020, the vessel began its regular five-year drydock. After the completion of drydock in January 2021, the vessel continued its employment on the spot market. In January 2022 the vessel was chartered out on a short term TC with Trafigura Maritime Logistics („Trafigura”) with ascending hire rate.

Zoilo

Following the completion of a regular five-year drydock carried out in Q3/2020 for m/t Zoilo, a time charter contract was concluded in mid-November 2020 with the Charterer CSSA Chartering Shipping Services SA („CSSA”) with a maximum duration of up to 12 months in Charterer's option with escalating hire rates. After the expiry of the afore mentioned contract in mid May 2021, the vessel was transferred to the spot market.

Dalmacija

After the regular five-year drydock was performed for m/t Dalmacija in Q3 2020, the vessel was predominately employed on the spot market until contracting a 4-year time charter contract with a prominent partner in Q1 2022, at approximately USD 16,000 per day (approximately USD 19,000 per day for the option).

OPERATIONAL DATA OF THE FLEET	Q1 2021.	Q2 2021.	Q3 2021.	Q4 2021.	FY 2021.	Q1 2022.
Time Charter Equivalent rates (USD/day)	10,600	14,219	10,088	12,382	11,763	13,549
Daily vessel operating expenses (USD/day)	6,967	6,426	6,909	7,351	6,897	6,828
Operating days	540	546	552	552	2,190	540
Revenue days	514	516	542	520	2,093	540
Fleet utilization (%)	95.3%	94.5%	98.2%	94.3%	95.6%	99.9%

Tankerska Next Generation takes on the conservative approach of fixing its employment charters for its fleet, which was confirmed in the escalating market conditions when key time charters were concluded. At the time, the concluded time charter contracts enabled TNG to achieve results above the market average.

The average TCE net daily rate for Q1/2022 equates to USD 13,549, while the average daily vessel operating expenses (OPEX) in the same period amounted to USD 6,828 per vessel,

which is a decrease in comparison to the last years result. During Q1, a total of just 0,4 days without income were recorded.

The Ballast Water Convention of the International Maritime Organization entered into force on September 8, 2017. The approved ballast water treatment system had to be installed by the time it is necessary to renew the International Oil Pollution Prevention (IOPP) certificate, which for TNG meant that the systems were installed on vessels following a five-year drydock

cycle that started in mid 2020.

During 2020 and 2021, the BWTS were installed in five out of six tankers that had their regular five-year drydocks (m/t Zoilo, m/t Vukovar, m/t Pag, m/t Velebit and m/t Vinjerac while m/t Dalmacija had the BWTS installed already as a newbuilding).

Based on the dockings done so far, we can conclude that the actual costs are in line with the plan. In other words, the average cost of delivery and installation of BWTS and the cost of docking

amounted about USD 1.9 million per vessel, keeping in mind that the Eco tanker m/t Dalmacija was delivered from the shipyard as a newbuilding with an already implemented ballast water treatment system, therefore its cost of drydocking amounted to USD 0.77 million.

*Operating days = no. of calendar days in period multiplied by no. of vessels

*Revenue days = no. of operating days less drydocking days and other off hire days

*Fleet utilization = revenue days / operating days



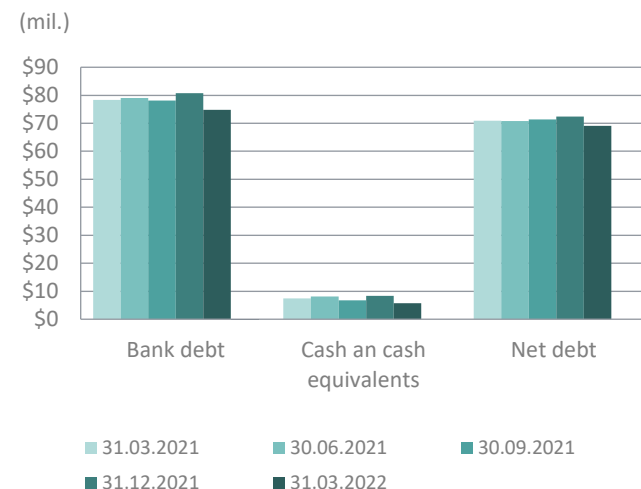
Financial position summary

Tankerska Next Generation concluded the first quarter of 2021 with the gearing ratio of 45%, which remained the same in comparison to the end of 2020. The debt trend is in accordance with the loan repayment plans of TNG and regular decrease in indebtedness, while a further decrease in the company's debt is expected in the future.

During Q1/2021, a long-term loan agreement was signed in the total amount of USD 35.3 million. The loan was concluded with the current creditor ABN AMRO Bank N.V. for a period of 5 years and was used for early repayment of the existing loan maturing in January 2022, which partly financed m/t Velebit, m/t Vinjerac, and the acquisition of newbuilding m/t Pag in 2015.

Following its strategy of maintaining financial stability and liquidity, by concluding this financial arrangement, and in addition to the one previously finalized in Q4/2020, the Company fully implemented the plan to refinance its credit liabilities maturing in 2021 and 2022 and has now secured competitive refinancing for the whole fleet for the upcoming five-year period.

During the first quarter, the Company returned a part of the revolving loan of a parent company in the amount of USD 3.0 million. At March 31st, 2022, for the purpose of financing working capital from the total of USD 9 million of a parent company's revolving loans available, the Company was using USD 6 million.



FINANCIAL POSITION SUMMARY	HRK 000					USD 000				
	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022
Bank debt	505,524	496,986	502,060	536,385	509,467	78,392	79,007	78,123	80,737	74,853
Cash and cash equivalents	47,900	51,244	43,451	55,433	39,129	7,428	8,146	6,761	8,344	5,749
Net debt	457,624	445,742	458,609	480,952	470,338	70,964	70,861	71,362	72,393	69,104
Capital and reserves	598,268	588,055	592,009	548,290	567,085	92,773	93,485	92,120	82,530	83,320
Gearing ratio Net debt / (Capital and reserves + Net debt)	43%	43%	44%	47%	45%	43%	43%	44%	47%	45%

Income statement and statement of other comprehensive income

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR PERIOD FROM JANUARY 1st to MARCH 31st, 2022 Unaudited	HRK 000				USD 000			
	Q4 2020	Q1 2021	Q4 2021	Q1 2022	Q4 2020	Q1 2021	Q4 2021	Q1 2022
Vessel revenues	51,244	50,020	78,768	78,840	8,050	8,018	11,915	11,762
Other revenues	1	171	6,342	240	-	28	955	36
Sales revenues	51,245	50,191	85,110	79,080	8,050	8,046	12,870	11,798
Commission and voyage related costs	(12,752)	(16,227)	(36,239)	(29,988)	(2,025)	(2,565)	(5,471)	(4,451)
Vessel operating expenses	(25,868)	(23,485)	(26,537)	(24,760)	(4,038)	(3,762)	(4,058)	(3,687)
General and administrative	(1,248)	(1,884)	(1,604)	(1,579)	(196)	(302)	(246)	(235)
Other expenses	(165)	(430)	-	(344)	(25)	(69)	-	(52)
Total operating expenses	(40,033)	(42,026)	(64,380)	(56,671)	(6,284)	(6,698)	(9,775)	(8,425)
EBITDA	11,212	8,165	20,730	22,409	1,766	1,348	3,095	3,373
Depreciation and amortization	(13,284)	(12,765)	(13,887)	12,863	(2,102)	(2,022)	(2,109)	(1,900)
Impairment	(55,676)	-	(65,466)	-	(9,069)	-	(9,854)	-
Operating profit (EBIT)	(57,748)	(4,600)	(58,623)	9,546	(9,405)	(674)	(8,868)	1,473
Net interest expenses	(3,849)	(4,961)	(4,677)	(4,540)	(601)	(786)	(722)	(685)
Net foreign exchange gains (losses)	(912)	98	(3,477)	(6,460)	(161)	14	(483)	(947)
Net income	(62,509)	(9,463)	(66,777)	(1,454)	(10,167)	(1,446)	(10,073)	(159)
Other comprehensive income	(31,531)	29,267	23,058	20,249	(10)	(9)	(268)	949
Total comprehensive income	(94,040)	19,804	(43,719)	18,795	(10,177)	(1,455)	(10,341)	790
Weighted average number of shares outstanding, basic & diluted (thou,)	8,707	8,706	8,705	8,705	8,707	8,706	8,705	8,705
Net income (loss) per share, basic & diluted	(7.18)	(1.09)	(7.67)	(0.17)	(1.17)	(0.17)	(1.16)	(0.02)

Balance sheet

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



BALANCE SHEET AT THE DATE OF MARCH 31st, 2022 unaudited	HRK 000			
	31 Dec 2020	31 Mar 2021	31 Dec 2021	31 Mar 2022
Non-current Assets	1,002,442	1,047,893	1,002,146	1,013,725
Vessels	992,995	1,042,210	1,001,749	1,013,349
Tangible assets in preparation	8,951	5,209	-	-
Other Non-current Assets	496	474	397	376
Current Assets	81,888	81,118	125,380	112,020
Inventory	9,022	12,692	14,004	13,028
Accounts receivable	33,838	14,609	50,796	54,315
Cash and cash equivalents	34,804	47,900	55,433	39,129
Other current assets	4,224	5,917	5,147	5,548
Total Assets	1,084,330	1,129,011	1,127,526	1,125,745
Shareholders Equity	578,496	598,268	548,290	567,085
Share capital	436,667	436,667	436,667	436,667
Reserves	85,065	114,330	141,910	162,159
Retained earnings	56,764	47,271	(30,287)	(31,741)
Non-Current Liabilities	395,803	459,392	469,695	460,777
Bank debt	395,803	459,392	469,695	460,777
Current Liabilities	110,031	71,351	109,541	97,883
Bank debt	75,628	46,132	66,690	48,690
Accounts payable	18,688	10,616	26,857	16,285
Other current liabilities	15,715	14,603	15,994	32,908
Total liabilities and shareholders equity	1,084,330	1,129,011	1,127,526	1,125,745

USD 000			
31 Dec 2020	31 Mar 2021	31 Dec 2021	31 Mar 2022
163,290	162,496	150.845	148,942
161,751	161,615	150.785	148,886
1,458	808	-	-
81	73	60	56
13,339	12,579	18.872	16,458
1,470	1,969	2.108	1,914
5,512	2,265	7.646	7,980
5,669	7,428	8.344	5,749
688	917	774	815
176,629	175,075	169.717	165,400
94,233	92,773	82.530	83,320
67,500	67,500	67.500	67,500
19,024	19,015	20.539	21,488
7,709	6,258	(5.509)	(5,668)
64,473	71,238	70.699	67,699
64,473	71,238	70.699	67,699
17,923	11,064	16.488	14,381
12,319	7,154	10.038	7,154
3,044	1,646	4.043	2,393
2,560	2,264	2.407	4,834
176,629	175,075	169.717	165,400

Cash flow statement

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



CASH FLOW STATEMENT FOR Q1 2022 unaudited	HRK 000				USD 000			
	H1 2021	Q1-Q3 2021	FY 2021	Q1 2022	H1 2021	Q1-Q3 2021	FY 2021	Q1 2022
Profit before tax	(5,027)	(20,212)	(86,989)	(1,454)	(751)	(3,135)	(13,208)	(159)
Amortisation	25,568	38,781	52,668	12,863	4,077	6,155	8,264	1,900
Changes in working capital	(1,583)	(4,179)	(14,561)	6,039	(397)	(723)	(1,982)	815
Other	1,858	10,364	76,156	7,875	46	1,118	10,692	1,065
Cash flow from operating activities	20,816	24,754	27,274	25,323	2,975	3,415	3,766	3,621
Cash inflows from investing activities	-	-	-	-	-	-	-	-
Cash outflows from investing activities	(18,081)	(24,086)	(31,669)	(2,170)	(2,702)	(3,653)	(5,026)	(331)
Cash flow from investing activities	(18,081)	(24,086)	(31,669)	(2,170)	(2,702)	(3,653)	(5,026)	(331)
Cash inflows from financing activities	512,381	521,919	551,573	-	81,392	82,892	87,392	-
Cash outflows from financing activities	(498,677)	(513,940)	(526,550)	(39,457)	(79,187)	(81,561)	(83,456)	(5,885)
Cash flow from financing activities	13,704	7,978	25,023	(39,457)	2,205	1,330	3,935	(5,885)
Net changes in cash	16,440	8,647	20,628	(16,304)	2,477	1,093	2,676	(2,595)
Cash and cash equivalents (beg, of period)	34,804	34,804	34,804	55,433	5,669	5,669	5,669	8,344
Cash and cash equivalents (end of period)	51,244	43,451	55,433	39,129	8,146	6,761	8,344	5,749

Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
For the period from 1 Apr to 30 Jun 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
Balance at 1 April 2021	436,667	47,269	128,544	(14,212)	598,268
Net profit for the period	-	4,436	-	-	4,436
Change in capital	-	-	-	-	-
Change in other reserves	-	(30)	-	-	(30)
Changes in other comprehensive income	-	-	-	(14,619)	(14,619)
Balance at 30 June 2021	436,667	51,675	128,544	(28,831)	588,055
For the period from 1 Jul to 30 Sep 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
Balance at 1 July 2021	436,667	51,675	128,544	(28,831)	588,055
Net profit for the period	-	(15,185)	-	-	(15,185)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	19,139	19,139
Balance at 30 September 2021	436,667	36,490	128,544	(9,692)	592,009
For the period from 1 Oct to 31 Dec 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
Balance at 1 October 2021	436,667	36,490	128,544	(9,692)	592,009
Net profit for the period	-	(66,777)	-	-	(66,777)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	23,058	23,058
Balance at 31 December 2021	436,667	(30,287)	128,544	13,366	548,290
For the period from 1 Jan to 31 Mar 2022	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
Balance at 1 Jan 2022	436,667	(30,287)	128,544	13,366	548,290
Net profit for the period	-	(1,454)	-	-	(1,454)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	20,249	20,249
Balance at 31 March 2022	436,667	(31,741)	128,544	33,615	567,085

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
For the period from 1 Apr to 30 Jun 2021	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 April 2021	67,500	6,258	19,867	(852)	92,773
Net profit for the period	-	695	-	-	695
Change in capital	-	-	-	-	-
Change in other reserves	-	(5)	-	-	(5)
Changes in other comprehensive income	-	-	-	22	22
Balance at 30 June 2021	67,500	6,948	19,867	(830)	93,485
For the period from 1 Jul to 30 Sep 2021	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 July 2021	67,500	6,948	19,867	(830)	93,485
Net profit for the period	-	(2,384)	-	-	(2,384)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	1,770	1,770
Balance at 30 September 2021	67,500	4,564	19,867	940	92,871
For the period from 1 Oct to 31 Dec 2021	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 October 2021	67,500	4,564	19,867	940	92,871
Net profit for the period	-	(10,073)	-	-	(10,073)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	(268)	(268)
Balance at 31 December 2021	67,500	(5,509)	19,867	672	82,530
For the period from 1 Jan to 31 Mar 2022	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 Jan 2022	67,500	(5,509)	19,867	672	82,530
Net profit for the period	-	(159)	-	-	(159)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	949	949
Balance at 31 March 2022	67,500	(5,668)	19,867	1,621	83,320

Net asset value calculation

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



NET ASSET VALUE CALCULATION ESTIMATE	At the date 31 Mar 2021 (000 USD)	At the date 30 Jun 2021 (000 USD)	At the date 30 Sep 2021 (000 USD)	At the date 31 Dec 2021 (000 USD)	At the date 31 Mar 2022 (000 USD)
Total fleet value	139,350	140,160	141,430	151,680	152,890
Investments		-	-	-	-
Current assets	5,151	7,646	6,622	10,528	10,709
Other non-current assets	73	71	66	60	56
Total value of other assets	5,224	7,717	6,688	10,588	10,765
Cash and cash equivalents	7,428	8,146	6,761	8,344	5,749
Bank debt	(78,392)	(79,007)	(78,123)	(80,737)	(74,853)
Net debt	(70,964)	(70,861)	(71,362)	(72,393)	(69,104)
Other non-current liabilities		-	-	-	-
Current liabilities	(3,910)	(5,503)	(3,501)	(6,450)	(7,227)
Total value of other liabilities	(3,910)	(5,503)	(3,501)	(6,450)	(7,227)
NET ASSET VALUE	69,700	71,513	73,255	83,425	87,324
Weighted average number of shares outstanding, basic & diluted	8,706,421	8,705,817	8,705,549	8,705,549	8,705,549
Net asset value per share (USD)	8.01	8.21	8.41	9.58	10.03

KEY COMMENTS:

The calculation of the value of the operational fleet of the Company, which is based on the average values in the industry for a specific type of vessel basically contains assumptions and revenue generating ability of each unit, taking into account the currently obtainable daily hire, which can be achieved by employing a specific type of vessel at the time of evaluation.

The prevailing hire rates fluctuate depending on the season and the year, and thus reflect changes in freight rates, expectations of future freight rates and other factors. The degree of volatility of time charter hire rates is lower for long-term contracts than the ones fixed in the shorter term.

The revenue potential of TNG has usually been backed by secured contracts, which significantly alleviated the usual volatility of hire rates which were seen during previous years, and especially in 2020 and 2021.

Stability of operations was significantly contributed by the employment strategy of the fleet which preferred medium-term time charter employment, which mitigated the short-term volatility which is reflected in the changing freight rates, and volatility in the value of Company's assets.

Corrections on the freight rate market are also reflected in the current estimates of the sale and purchase value of vessels. Value of the fleet at March 31st, 2022 is estimated to USD 152.89m, which with all other unchanged parameters gives a NAV per share of USD 10.03.

Assessment of net asset value is based on current market conditions, and revenue and cost assumptions of typical or average product tanker and does not reflect specifics of TNG fleet, or the expectations of management related to the changes and recovery in the hire rates and the market of petroleum products, as well as the growth and development of the fleet in this segment in the available industrial analysis.

ANNOUNCEMENTS IN Q1 2022

18 Feb 2022 Announcement of the Management and the Supervisory Board session
24 Feb 2022 Management and Supervisory Board meeting held
02 Mar 2022 Time charter employment secured for our ECO tanker Dalmacija

SHAREHOLDER STRUCTURE

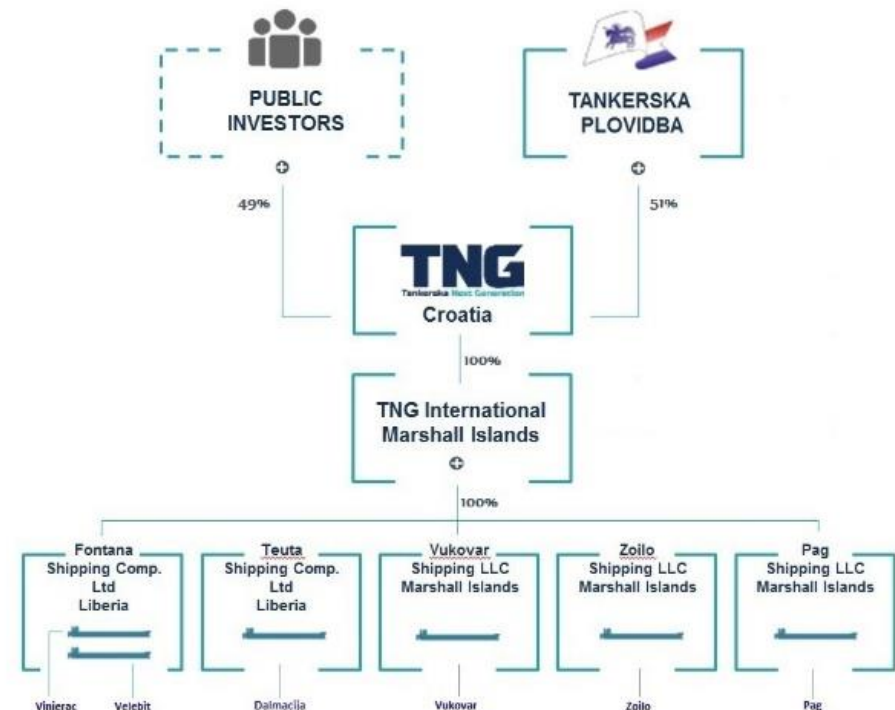
Shareholder on 31 March 2022	No. of shares	Share (%)
Tankerska Plovidba d.d.	4,454,994	51.01%
PBZ Croatia Osiguranje OMF	839,000	9.61%
Erste Plavi OMF	808,000	9.25%
Raiffeisen OMF	752,036	8.61%
Raiffeisen DMF	372,103	4.26%
Other institutional and private investors	1,507,212	17.26%
Total	8,733,345	100.00%

MANAGEMENT AND SUPERVISORY BOARD

On March 31st, 2022, the sole member of the Management Board is Mr. John Karavanić.

In 2022 there were no changes in Supervisory Board. The Supervisory Board consists of Mr. Ivica Pijaca, president, Mr. Mario Pavić, deputy president, and members Mr. Joško Miliša, Mr. Nikola Koščica and Mr. Dalibor Fell.

OVERVIEW OF RELATED PARTY TRANSACTIONS



TPNG-R-A STOCK

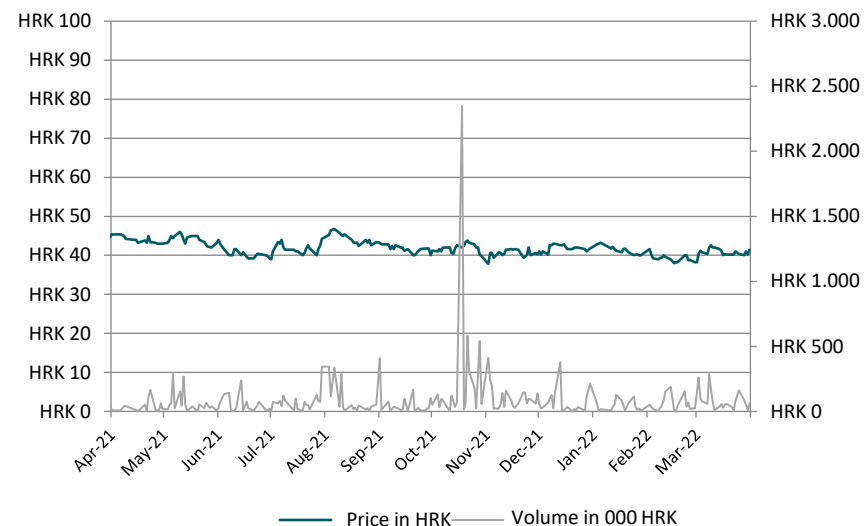
The share capital of the Company equals to HRK 436,667,250.00, divided into 8,733,345 ordinary dematerialized registered shares, without par value, and each share gives one vote at the General assembly of the Company.

The Company shares with the ticker TPNG-R-A are listed on the Zagreb Stock Exchange

In 2021, the TPNG-R-A share achieved the largest annual turnover since its listing, in the amount of HRK 25.52 million.

In Q1 2022, the TPNG-R-A share achieved turnover in the amount of HRK 3,6 million.

Price and volume of TPNG-R-A until the end of the first quarter of 2022



TPNG at ZSE	HRK					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Q1 2022
Volume (million)	4.1	1.5	5.9	17.2	25.5	3.6
Last price	54.00	38.80	47.20	43.00	41.80	41.40
Highest price	84.89	57.00	49.60	60.00	49.80	43.20
Lowest price	54.00	33.40	28.80	36.00	37.20	37.40
Average price	70.88	43.61	39.98	48.59	42.30	40.09



Risk management

TNG's risk management policy in connection to managing its financial assets can be summarized as follows:

Foreign exchange risk

TNG is exposed to the following currency risks: the transaction risk, which is the risk of a negative impact of fluctuations in foreign exchange rates against the Croatian kuna on TNG's cash flows from commercial activities; and the balance sheet risk, which is the risk that the net value of monetary assets on retranslation of kuna-denominated balances becomes lower as a result of changes in foreign exchange rates.

TNG operates internationally and is exposed to changes of US currency as significant amount of receivables and foreign revenues are stated in this currency. Current TNG policies do not include active hedging.

Interest rate risk

Interest rate risk is the risk of change in value of financial instruments due to changes in market interest rates. The risk of interest rate in cash flow is a risk that the interest expenditure on financial instruments will be variable during the period. As TNG has no significant interest-bearing assets, its operating income and cash flows from operations are not significantly exposed to fluctuations in market interest rates. TNG's interest rate risk arises from long-term borrowings. TNG is exposed to interest rate risk on its long-term borrowings that bear interest at variable

rates.

Arranging interest rate swaps with the key lenders provides for easing the risk of volatility in the variable interest rate, allowing the company, which operates in terms of pre-fixed income contracted to manage the profitability of operations fixing one of the major cost components.

Credit risk

Credit risk is the risk of failure by one party to meet commitments to the financial instruments, what could cause the financial loss to the other party. Maximum exposure to credit risk is expressed in the highest value of each of the financial asset in statement of financial position. Basic financial assets of TNG consist of cash and of account balance with banks, trade receivables and other receivables, and of investments. Credit risk in liquid funds is limited as the counterparty is often the bank that most international agencies assessed with high credit ratings.

Liquidity risk

The responsibility for managing liquidity risk rests with the Management Board which sets an appropriate liquidity risk management framework for the purpose of managing its short-term, medium-term and long-term funding and liquidity requirements. Liquidity risk, which is considered the risk of financing, is the risk of difficulties which the TNG may encounter in collecting funds to meet commitments associated with financial instruments. TNG has significant interest bearing non-

current liabilities for loans with variable interest that expose TNG to the risk of cash flows. Company manages liquidity risk through maintaining adequate reserves and loan facilities, in parallel to continuously comparing planned and realized cash flow and maturity of receivables and liabilities.

Price risk

TNG's activities expose it to price risk associated with changes in the freight rate. The daily freight rate (the spot rate) measured in USD per day, has historically been very volatile. In addition, TNG trades its spot exposed vessels in different pools that reduces the sensitivity to freight rate volatility by economies of scale and optimization of the fleet's geographical position.

Operational risk

Due to the risks involved in seaborne transportation of oil products as well as due to very stringent requirements by the "oil majors", safety and environmental compliance are TNG's top operational priorities. The Fleet Manager will operate TNG's vessels in a way so as to ensure maximum protection of the safety and health of staff, the general public and the environment. TNG and the Fleet Manager actively manage the risks inherent in TNG's business and are committed to eliminating incidents that would threaten safety and the integrity of the vessels. Fleet Manager uses a risk management program that includes, among other, computer-aided risk analysis tools, maintenance and assessment programs, seafarers competence training program, and seafarers workshops.

Daily rates

Time charter rates are usually fixed during the term of the charter. Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time and yield conservative profitability margins. Prevailing time charter rates fluctuate on a seasonal and year-to-year basis reflecting changes in spot charter rates, expectations about future spot charter rates and other factors. The degree of volatility in time charter rates is lower for longer-term time charters as opposed to shorter term time charters.

Employment strategy based on longer than one year time charter enables the mitigation of this type of risk.

TNG and its fleet manager are committed to the following standards, strategies and insurance:

- International Standards Organization's ("ISO") 9001 for quality assurance,
- ISO 14001 for environmental management systems,
- ISO 50001 for energy management systems and Occupational Health and Safety
- "OHSAS"18001 Safety Advisory Services
- ISM Code - International safety management code

Company strategy

The Company's strategy is to be a reliable, efficient and responsible provider of seaborne refined petroleum product transportation services and to manage and expand the Group in a manner that is believed will enable the Company to increase its distributable cash flow, enhance its ability to pay dividends and maximize value to its shareholders.

Business operations are based on the timely acquisition of tankers, ensuring efficient use of raised capital and debt minimization. Basically, fleet management is directed towards increasing cash flow and profitability through outsourcing majority of functions and services, maintaining a flexible and simple organizational structure unencumbered with additional overheads. This enables efficient assets and liabilities management and ensures a stable dividend return to shareholders.

Chartering strategy

Charterer's financial condition and reliability is an important factor in counterparty risk. TNG generally minimizes such risks by providing services to major energy corporations, large trading houses (including commodities traders), major crude and derivatives producers and other reputable entities with extenuating tradition in seaborne transportation.

Insurance

The operation of any ocean-going vessel represents a potential risk of major losses and liabilities, death or injury of persons, as well as property damage caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. The transportation of oil is subject to the risk of pollution and to business interruptions due to political unrest, hostilities, labour strikes and boycotts. 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.

As an integral part of operating the vessels, TNG maintains insurance with first class international insurance providers to protect against the majority of accident-related risks in connection with the TNG's marine operations.

The Company believes that the TNG's current insurance program, is adequate to protect TNG against the majority of accident-related risks involved in the conduct of its business and that an appropriate level of protection and indemnity against pollution liability and environmental damage is maintained. TNG's goal is to maintain an adequate insurance coverage required by its marine operations and to actively monitor any new regulations and threats that may require the TNG to revise its coverage.



INTERIM FINANCIAL STATEMENTS

FOR PERIOD FROM 1ST JANUARY UNTIL 31ST MARCH, 2022

(UNAUDITED)

- I. Report of the Management Board on the Company's operations for the period from 1st January until 31st March, 2022
- II. Unaudited condensed quarterly financial statements:
 - Balance Sheet per as at 31st March, 2022
 - Profit and Loss Account for the period from 1st January until 31st March, 2022
 - Cash Flow Statement for the period from 1st January until 31st March, 2022
 - Statement of Changes in Equity for the period from 1st January until 31st March, 2022
 - Notes to the Financial Statements
- III. Statement of Responsibility for the Financial Statements

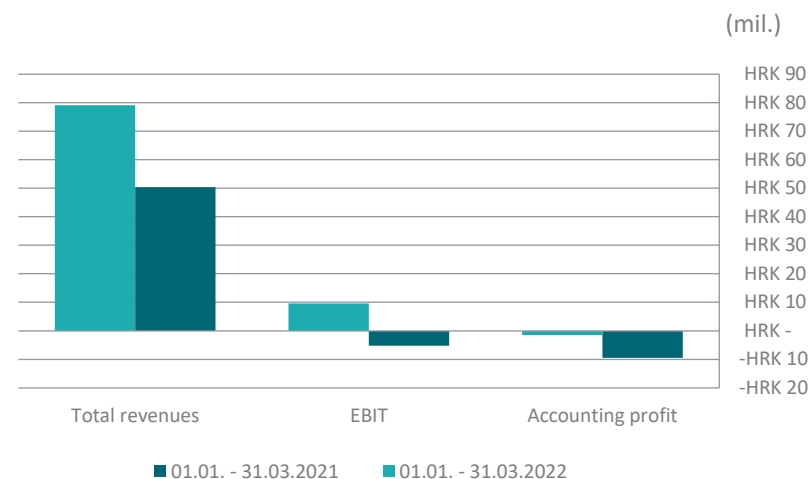
Report of the management board on the company's operations

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022

TNG
Tankerska Next Generation

for the period from 1st January until 31st March, 2022

DESCRIPTION	Period	
	1 st Jan – 31 st Mar 2021	1 st Jan – 31 st Mar 2022
Total revenues	HRK 50,306,610	HRK 79,106,439
Operating revenues / Total revenues	99%	100%
Other revenues / Total revenues	1%	0%
International market / Total revenues	100%	100%
Domestic market / Total revenues	0%	0%
Material costs / Operating expenses	45%	56%
Employee costs / Operating expenses	22%	19%
Financial expenses / Total Expenses	7%	14%
Net margin	(18.85%)	(1.84%)
Accounting profit	(HRK 9,463,358)	(HRK 1,454,183)
Operating profit (EBIT)	(HRK 5,165,410)	HRK 9,545,916



During the reporting period the Company reported HRK 79.1 million of operating revenues, attributed predominantly to revenue generated from sales.

In the same period, the Company reported HRK 69.6 million of operating costs. The majority of operating expenses are the material costs HRK 39.0 million, followed by depreciation in the amount of HRK 12.9 million (including HRK 1.7 million of dry dock expenses depreciation), employee costs in the amount HRK 12.9 million and other expenses in the amount of HRK 4.8 million.

In the period ended 31st March 2022, financial income amounted to HRK 3 thousand while financial expenses amounted to HRK 11.0 million.

In the reporting period, the Company achieved cumulative loss in the amount of HRK 1.5 million.

The Company's equity capital in the amount of HRK 436.7 million was allocated to 8.7 million of approved, issued and fully paid ordinary shares without nominal value.

As of March 31, 2022, the Company held 28,319 treasury shares, representing 0.3243% of the total number of shares. Reserves for treasury shares are formed from retained Company's earnings.

On March 31, 2022, the Company has the following companies abroad:

1. Tankerska Next Generation International Ltd., Majuro, Marshal Islands;
2. Fontana Shipping Company Limited, Monrovia, Liberia;
3. Teuta Shipping Company Ltd., Monrovia, Liberia;
4. Vukovar Shipping, LLC, Majuro, Marshal Islands;
5. Zoilo Shipping, LLC, Majuro, Marshal Islands;
6. Pag Shipping, LLC, Majuro, Marshal Islands.

The table above shows some of the most significant financial report data for the observed period.

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1/1/2022	to 12/31/2022
Year:	2022	
Quarter:	1.	
Quarterly financial statements		
Registration number (MB):	04266838	Issuer's home Member State code: HR
Entity's registration number (MBS):	110046753	
Personal identification number (OIB):	30312968003	LEI: 74780000Y04HB9CIA883
Institution code:	30559	
Name of the issuer:	Tankerska Next Generation d.d.	
Postcode and town:	23000	Zadar
Street and house number:	Božidara Petranovića 4	
E-mail address:	tng@tng.hr	
Web address:	www.tng.hr	
Number of employees (end of the reporting period):	134	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Bookkeeping firm:	Yes (Yes/No)	Tankerska plovidba d.d. (name of the bookkeeping firm)
Contact person:	KARAVANIĆ JOHN (only name and surname of the contact person)	
Telephone:	023/202-132	
E-mail address:	tng@tng.hr	
Audit firm:	(name of the audit firm)	
Certified auditor:	(name and surname)	

BALANCE SHEET			
balance as at 31.03.2022			
			in HRK
Submitter: Tankerska Next Generation d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1,002,145,792	1,013,725,249
I INTANGIBLE ASSETS (ADP 004 to 009)	003	0	0
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1,002,145,792	1,013,725,249
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	1,002,145,792	1,013,725,249
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	0	0
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	0	0
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	120,342,037	106,571,409
I INVENTORIES (ADP 039 to 045)	038	14,003,606	13,028,126
1 Raw materials and consumables	039	14,003,606	13,028,126
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	50,905,901	54,414,776
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	50,796,065	54,315,090
4 Receivables from employees and members of the undertaking	050	21,308	10,413
5 Receivables from government and other institutions	051	34,754	35,500
6 Other receivables	052	53,774	53,773
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	20,814,236	21,323,884
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	20,814,236	21,323,884
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	34,618,294	17,804,623
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5,038,203	5,448,677
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,127,526,032	1,125,745,335
OFF-BALANCE SHEET ITEMS	066	0	0

BALANCE SHEET			
balance as at 31.03.2022			
			in HRK
Submitter: Tankerska Next Generation d. d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	548,289,831	567,084,869
I INITIAL (SUBSCRIBED) CAPITAL	068	436,667,250	436,667,250
II CAPITAL RESERVES	069	68,425,976	68,425,976
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	60,118,250	60,118,250
1 Legal reserves	071	5,118,250	5,118,250
2 Reserves for treasury shares	072	1,641,650	1,641,650
3 Treasury shares and holdings (deductible item)	073	-1,641,650	-1,641,650
4 Statutory reserves	074	0	0
5 Other reserves	075	55,000,000	55,000,000
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	13,365,296	33,614,517
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	13,365,296	33,614,517
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	56,701,883	-30,286,941
1 Retained profit	084	56,701,883	-30,286,941
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-86,988,824	-1,454,183
1 Profit for the business year	087	0	0
2 Loss for the business year	088	86,988,824	1,454,183
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	469,695,100	460,777,191
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	59,791,932	40,837,314
3 Liabilities to companies linked by virtue of participating	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	409,903,168	419,939,877
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	98,677,540	71,398,257
1 Liabilities to undertakings within the group	110	5,136,508	6,524,263
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	66,690,074	48,689,931
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	21,734,054	9,800,844
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4,946,125	6,220,205
11 Taxes, contributions and similar liabilities	120	55,318	63,348
12 Liabilities arising from the share in the result	121	53,774	53,774
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	61,687	45,892
E) ACCRUALS AND DEFERRED INCOME	124	10,863,561	26,485,018
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,127,526,032	1,125,745,335
G) OFF-BALANCE SHEET ITEMS	126	0	0

Statement of profit or loss

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.03.2022

in HRK

Submitter: Tankerska Next Generation d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	50,206,851	50,206,851	79,103,745	79,103,745
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	50,020,132	50,020,132	78,840,442	78,840,442
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	186,719	186,719	263,303	263,303
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	55,372,260	55,372,260	69,557,829	69,557,829
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	24,714,713	24,714,713	38,985,936	38,985,936
a) Costs of raw materials and consumables	010	12,180,926	12,180,926	19,730,521	19,730,521
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	12,533,787	12,533,787	19,255,415	19,255,415
3 Staff costs (ADP 014 to 016)	013	11,925,337	11,925,337	12,878,058	12,878,058
a) Net salaries and wages	014	11,772,942	11,772,942	12,695,711	12,695,711
b) Tax and contributions from salary costs	015	104,265	104,265	119,941	119,941
c) Contributions on salaries	016	48,130	48,130	62,406	62,406
4 Depreciation	017	12,790,323	12,790,323	12,888,339	12,888,339
5 Other costs	018	5,510,611	5,510,611	4,605,804	4,605,804
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	431,276	431,276	199,692	199,692
III FINANCIAL INCOME (ADP 031 to 040)	030	99,760	99,760	2,694	2,694
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	1,490	1,490	2,694	2,694
8 Exchange rate differences and other financial income	038	98,270	98,270	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	4,397,709	4,397,709	11,002,793	11,002,793
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	353,271	353,271
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	4,397,709	4,397,709	4,189,330	4,189,330
4 Exchange rate differences and other expenses	045	0	0	6,460,192	6,460,192
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	50,306,611	50,306,611	79,106,439	79,106,439
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	59,769,969	59,769,969	80,560,622	80,560,622
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-9,463,358	-9,463,358	-1,454,183	-1,454,183
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-9,463,358	-9,463,358	-1,454,183	-1,454,183
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-9,463,358	-9,463,358	-1,454,183	-1,454,183
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-9,463,358	-9,463,358	-1,454,183	-1,454,183
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0

Statement of profit or loss

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



STATEMENT OF PROFIT OR LOSS for the period 01.01.2022 to 31.03.2022					
					in HRK
Submitter: Tankerska Next Generation d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-9,463,358	-9,463,358	-1,454,183	-1,454,183
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	29,265,552	29,265,552	20,249,219	20,249,219
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	29,265,552	29,265,552	20,249,219	20,249,219
1 Exchange rate differences from translation of foreign operations	088	29,265,552	29,265,552	20,249,219	20,249,219
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	29,265,552	29,265,552	20,249,219	20,249,219
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	19,802,194	19,802,194	18,795,036	18,795,036
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01.01.2022. to 31.03.2022.			
			in HRK
Submitter: Tankerska Next Generation d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-9,463,358	-1,454,183
2 Adjustments (ADP 003 to 010):	002	17,626,460	23,888,436
a) Depreciation	003	12,790,323	12,888,339
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-1,490	-2,694
e) Interest expenses	007	4,397,709	4,542,601
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	439,918	6,460,190
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	8,163,102	22,434,253
3 Changes in the working capital (ADP 013 to 016)	012	5,015,576	6,038,961
a) Increase or decrease in short-term liabilities	013	-7,697,221	8,490,510
b) Increase or decrease in short-term receivables	014	16,383,764	-3,624,793
c) Increase or decrease in inventories	015	-3,670,967	1,173,244
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	13,178,678	28,473,214
4 Interest paid	018	-4,162,319	-3,836,158
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	9,016,359	24,637,056
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	2,336	6,062
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	2,336	6,062
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-8,385,837	-2,169,669
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-8,385,837	-2,169,669
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-8,383,501	-2,163,607
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	493,658,743	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	493,658,743	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-483,715,252	-39,457,004
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-31,859	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-483,747,111	-39,457,004
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	9,911,632	-39,457,004
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	2,551,078	679,533
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	13,095,568	-16,304,022
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	34,803,934	55,432,530
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	47,899,502	39,128,508

Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2022 to 31.03.2022

Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent										in HRK	
									Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	436,667,250	68,425,976	5,118,250	1,578,097	1,578,097	0	55,000,000	0	0	0	0	0	0	-43,479,713	56,765,436	0	578,497,199	0	578,497,199
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	436,667,250	68,425,976	5,118,250	1,578,097	1,578,097	0	55,000,000	0	0	0	0	0	0	-43,479,713	56,765,436	0	578,497,199	0	578,497,199
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-9,463,358	-9,463,358	0	-9,463,358
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	29,265,552	0	29,265,552	0	29,265,552	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	31,859	31,859	0	0	0	0	0	0	0	0	0	-31,859	0	-31,859	0	-31,859
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	436,667,250	68,425,976	5,118,250	1,609,956	1,609,956	0	55,000,000	0	0	0	0	0	0	-14,214,161	56,733,577	-9,463,358	598,267,534	0	598,267,534
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	29,265,552	0	0	29,265,552	0	29,265,552
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	29,265,552	0	-9,463,358	19,802,194	0	19,802,194
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	31,859	31,859	0	0	0	0	0	0	0	0	0	-31,859	0	-31,859	0	-31,859

Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022



STATEMENT OF CHANGES IN EQUITY

for the period from 01.01.2022 to 31.03.2022

Item	ADP code	Attributable to owners of the parent																		in HRK	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 in 17)	19	20 (18+19)		
Current period																					
1 Balance on the first day of the current business year	28	436.667.250	68.425.976	5.118.250	1.641.650	1.641.650	0	55.000.000	0	0	0	0	0	0	13.365.296	-30.286.941	0	548.289.831	0	548.289.831	
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	436.667.250	68.425.976	5.118.250	1.641.650	1.641.650	0	55.000.000	0	0	0	0	0	0	13.365.296	-30.286.941	0	548.289.831	0	548.289.831	
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.454.183	-1.454.183	0	-1.454.183	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	20.249.221	0	20.249.221	0	20.249.221		
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	436.667.250	68.425.976	5.118.250	1.641.650	1.641.650	0	55.000.000	0	0	0	0	0	0	33.614.517	-30.286.941	-1.454.183	567.084.869	0	567.084.869	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																					
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	20.249.221	0	0	20.249.221	0	20.249.221	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	20.249.221	0	-1.454.183	18.795.038	0	18.795.038	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Tankerska Next Generation was incorporated in 2014 in the Republic of Croatia. It's headquarter is at Božidara Petranovića 4, Zadar, Croatia.

Management Board:

- John Karavanić, the sole member of the Board

Supervisory board members from January 1st, 2022 up to the reporting date:

- Ivica Pijaca, chairman
- Mario Pavić, vice chairman
- Nikola Koščica, member
- Joško Miliša, member
- Dalibor Fell, member

As of March 31st, 2022 Tankerska Next Generation's Inc. share capital amounted to HRK 436,667,250 divided into 8,733,345 TPNG-R-A ordinary shares with no par value.

The Financial Statements for the period ending March 31st, 2021 include assets and liabilities, revenues and expenses respectively of Tankerska Next Generation Inc. and its international subsidiaries (companies engaged in international shipping). All companies are managed by Tankerska Next Generation Inc. from the sole headquarters and by the same Management Board. Pursuant to the Article 429.a, section 4 of the Maritime Code ("Official Gazette" No. 181/04., 76/07., 146/08., 61/11., 56/13., 26/15. and 17/19.) Tankerska Next Generation Inc. is obliged to conduct accounting and prepare financial statements for all domestic and international business operations, including all shipping companies in which it holds the majority ownership and

which are engaged in vessel operations with their net tonnage being included in the tonnage tax calculation.

For some of Tankerska Next Generation Inc. subsidiaries that, pursuant to the regulations of the states they have been founded in, are not obliged to keep business books and prepare financial statements, Tankerska Next Generation Inc., in accordance with the Accounting Act and the Income Tax Act, states their assets and liabilities, revenues and expenses respectively, within its financial statements.

2. Principal accounting policies

Tankerska Next Generation Inc. financial statements include assets and liabilities, revenues and expenses of the following fully owned subsidiaries:

1. Tankerska Next Generation International Ltd., Majuro, Marshall Islands;
2. Fontana Shipping Company Ltd., Monrovia, Liberia;
3. Teuta Shipping Company Ltd., Monrovia, Liberia;
4. Vukovar Shipping, LLC, Majuro, Marshall Islands;
5. Zoilo Shipping, LLC, Majuro, Marshall Islands;
6. Pag Shipping, LLC, Majuro Marshall Islands.

The Financial statements for the period ending March 31st, 2022 do not include all information important for comprehension of the current period in the course of the year and should be read together with the Company's Financial Statements as at 31st December, 2021.

Financial statements have been prepared based on the same accounting policies, presentations and calculation methods as the ones used during preparation of the financial statements for the period ending 31st December 2021.

3. Equity and reserves

The Company did not repurchased treasury shares in the first quarter of 2022.

As of 31 March 2022, the Company holds a total of 28,319 treasury shares, representing 0.3243% of the Company's share capital (31 March 2021: 27,620 treasury shares, representing 0.3163% of share capital).

4. Earnings per Share

Since the Company has no potential dilutable ordinary shares, basic and diluted earnings per share are identical.

EARNINGS PER SHARE	Period 1 st Jan – 31 st Mar 2021	Period 1 st Jan – 31 st Mar 2022
Net (loss) / profit to shareholders	(HRK 9,463,358)	(HRK 1,454,183)
Weighted average number of shares	8,706,421	8,705,026
Basic (loss) / earnings per share	(HRK 1.09)	(HRK 0.17)

5. Transactions with the Related Parties

RELATED PARTY TRANSACTIONS	Period 1 st Jan – 31 st Mar 2021	Period 1 st Jan – 31 st Mar 2022
Sales to related parties	HRK 0	HRK 0
Purchase from related parties	HRK 4,042,971	HRK 7,511,719
Receivables from related parties	HRK 0	HRK 0
Liabilities towards related parties	HRK 1,467,237	HRK 47,361,577
Given loans to related parties	HRK 0	HRK 0
Received loans from related parties	HRK 0	HRK 0

6. Subsequent events after Balance Sheet date

Impact of COVID-19 on the Company's operations

The consequences of COVID-19 continue to affect the Company's operations. New variants of COVID-19 continue to burden global demand for petroleum products.

Impact of Ukrainian crisis on the Company's operations

Further development, duration and impact of the Ukrainian crisis can not be predicted. The Company is indirectly exposed to these events and is facing problems in the supply chain, rising costs (including raw material / energy prices) and the current inflation trend.

Apart from the above, there were no other events after the balance sheet date that would significantly affect the Company's financial statements as at March 31st, 2022.

Statement of responsibility for the financial statements

UNAUDITED FINANCIAL STATEMENTS FOR THE
FIRST QUARTER OF 2022

TNG
Tankerska Next Generation

The financial statements for the period starting January 1st, 2022 and ending March 31st, 2022, have been prepared by applying the International Financial Reporting Standards and provide an accurate and truthful review of assets, liabilities, profit and loss, financial position and operating of the Company.

The report of the Management Board on the Company's operations for the period starting on January 1st, 2022, and ending on March 31st, 2022, contains a fair presentation of the Company's development, operating results and position with the description of significant risks and uncertainty the Company is exposed to.

Zadar, April 29th, 2022



John Karavanić, CEO

The Group uses a variety of industry terms and concepts when analysing its own performance. These include the following:

Revenue Days. Revenue Days represent the total number of calendar days the Group's vessels were in possession of the Group during a period, less the total number of Off-Hire Days during that period generally associated with repairs, drydocking or special or intermediate surveys.

Consequently, Revenue Days represent the total number of days available for a vessel to earn revenue. Idle days, which are days when a vessel is available to earn revenue, yet is not employed, are included in Revenue Days. The Group uses Revenue Days to explain changes in its net voyage revenues (equivalent to time charter earnings) between periods.

Off-Hire Days. Off-Hire Days refer to the time a vessel is not available for service due primarily to scheduled and unscheduled repairs or drydocking.

When a vessel is off-hire, or not available for service, the charterer is generally not required to pay the charter hire rate and the Group will be responsible for all costs, including the cost of fuel bunkers unless the charterer is responsible for the circumstances giving rise to the lack of availability. Prolonged off-hire may obligate the vessel owner to provide a substitute vessel or permit the charter termination.

The Group's vessels may be out of service, that is, off-hire, for several reasons: scheduled drydocking, special surveys, vessel upgrade or maintenance or inspection, which are referred to as scheduled off-hire; and unscheduled repairs, maintenance, operational deficiencies, equipment breakdown, accidents/incidents, crewing strikes, certain vessel detentions or similar problems, or charterer's failure to maintain the vessel in compliance with its specifications and contractual and/or market standards (for example major oil company acceptances) or to man a vessel with the required crew, which is referred to as unscheduled off-hire.

Operating Days. Operating Days represent the number of days the Group's vessels are in operation during the year. Operating Days is a measurement that is only applicable to owned and not bareboated or chartered-in vessels. Where a vessel is under the Group's ownership for a full year, Operating Days will generally equal calendar days. Days when a vessel is in a dry dock are included in the calculation of Operating Days as the Group still incurs vessel operating expenses.

Operating Days are an indicator of the size of the fleet over a period of time and affect both revenues and expenses recorded during that period.

Time Charter Equivalent (TCE). TCE is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time

charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed per day as charter hire rates for vessels on time charters are. Therefore the net equivalent of a daily time voyage rate is expressed in net daily time charter rate.

(Net) TCE earnings. The Group defines time charter equivalent earnings, or TCE earnings, as vessel revenues less commissions and voyage-related costs (both major and minor) during a period.

(Net) TCE rates. The Group defines time charter equivalent rates, or **TCE rates**, as vessel revenues less commission and voyage related costs (both major and minor) during a period divided by the number of Revenue Days during that period. TCE rates is a measure of the average daily revenue performance of a vessel or a fleet, achieved on a given voyage or voyages and it is expressed in US dollars per day. TCE rates correspond to the net voyage earnings per day. The Group's definition of TCE rates may not be the same as that used by other companies in the shipping or other industries. The Group uses the foregoing methodology for calculating TCE rates and TCE earnings in cases of both time charter and voyage charter contracts.

Gross Time Charter rates (GTC rates). The Group defines gross time charter rates, or GTC rates, as vessel revenues during a period divided by the number of Revenue Days during that period. GTC rates should reflect the average daily charter rate of a vessel or a fleet and is expressed in US dollars per day. The Group's definition of GTC rate may not be the same as that used by other companies in the shipping or other industries.

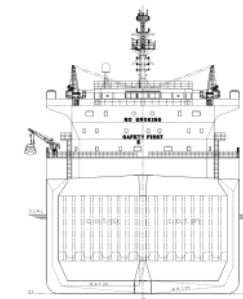
Daily vessel operating expenses. Daily vessel operating expenses is a metric used to evaluate the Group's ability to efficiently operate vessels incurring operating expenses and to limit these expenses.

Daily vessel operating expenses represent vessel operating expenses divided by the number of Operating Days of vessels incurring operating expenses and is expressed in US dollars per day.

Average number of vessels. Historical average number of owned vessels consists of the average number of vessels that were in the Group's possession during a period. The Group uses average number of vessels primarily to highlight changes in vessel operating costs.

Fleet utilization. Fleet utilization is the percentage of time that the Group's vessels generate revenues. The shipping industry uses fleet utilization to measure a company's efficiency in finding employment for its vessels and in minimizing the number of days that its vessels are off-hire for reasons such as scheduled repairs, drydocking, surveys or other reasons other than

commercial waiting time. Fleet utilization is calculated by dividing the number of Revenue Days during a period by the number of Operating Days during that period.



The Group's performance can be affected by some of the following types of charter contracts:

Time charter. Time charter is a contract under which a charterer pays a fixed daily hire rate on a semi-monthly or monthly basis for a fixed period of time for using the vessel. Subject to any restrictions in the charter, the charterer decides the type and quantity of cargo to be carried and the ports of loading and unloading. Under a time charter the charterer pays substantially all of the voyage-related costs (etc. port costs, canal charges, cargo manipulation expenses, fuel expenses and others). The vessel owner pays commissions on gross voyage revenues and the vessel operating expenses (etc. crew wages, insurance, technical maintenance and other).

Time charter rates are usually fixed during the term of the charter. Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time, but can yield lower profit margins than vessels operating under voyage charters in the spot market during periods characterized by favourable market conditions. Prevailing time charter rates fluctuate on a seasonal and year-on-year basis reflecting changes in spot charter rates, expectations about future spot charter rates and other factors. The degree of volatility in time

charter rates is lower for longer-term time charters compared to shorter-term time charters.

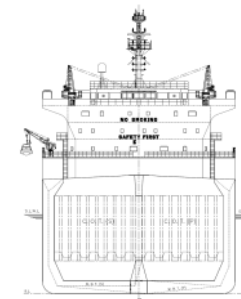
Voyage charter. Voyage charter involves the carriage of a specific amount and type of cargo from a specific loading port(s) to a specific unloading port(s) and most of these charters are of a single voyage nature. The owner of the vessel receives one payment derived by multiplying the tonnes of cargo loaded on board by the cost per cargo tonne. The owner is responsible for the payment of all expenses including commissions, voyage-related costs, operating expenses and capital costs of the vessel. The charterer is typically responsible for any costs associated with any delay at the loading or unloading ports. Voyage charter rates are volatile and fluctuate on a seasonal and year-on-year basis.

Other charters. Besides the two most common charters (time and voyage) the shipping industry provides other types of contracts between the ship owner and the charterer:

- **Bareboat charter.** Bareboat charter is a contract pursuant to which the vessel owner provides the vessel to the charterer for a fixed period of time at a specified daily rate, and the charterer provides for all of the vessel's operating expenses in addition to

the commissions and voyage related costs, and generally assumes all risk of operation. The charterer undertakes to maintain the vessel in a good state of repair and efficient operating condition and drydock the vessel during the term of the charter consistent with applicable classification society requirements.

- **Time charter trip.** Time charter trip is a short term time charter where the vessel performs a single voyage between loading port(s) and unloading port(s). Time charter trip has all the elements of a time charter including the upfront fixed daily hire rate.



Important financial and operating terms and concepts

The Group uses a variety of financial and operational terms and concepts when analysing its own performance. These include the following:

Vessel revenues. The Group generates revenues by charging customers for the transportation of their oil products using its own vessels. Historically, the Operating Fleet's services have generally been provided under time charters although the Group may enter into voyage charters in the future. The following describes these basic types of contractual relationships:

Time charters, under which the vessels are chartered to customers for a fixed period of time at rates that are generally fixed; and
Voyage charters, under which the vessels are chartered to customers for shorter intervals that are priced on a current or "spot" market rate

Under a time charter the charterer pays substantially all of the voyage-related costs. The vessel owner pays commissions on gross vessel revenues and also the vessel operating expenses. Time charter rates are usually fixed during the term of the charter.

Vessels operating under time charters provide

more predictable cash flows over a given period of time, but can yield lower profit margins than vessels operating under voyage charters in the spot market during periods characterized by favourable market conditions. Prevailing time charter rates fluctuate on a seasonal and year-on-year basis reflecting changes in spot charter rates, expectations about future spot charter rates and other factors. The degree of volatility in time charter rates is lower for longer-term time charters as opposed to shorter-term time charters.

Other revenues. Other revenues primary includes revenues from charterers for other services and revenues from profit commission on insurance policies.

Primary distinction among these types of charters and contracts

	Time charter	Voyage charter
Typical contract length	1-5 years	Single voyages, consecutive voyages and contracts of affreightment (COA)
Hire rate basis (1)	Daily	Varies
Commercial fee (2)	The Group pays	The Group pays
Commissions (2)	The Group pays	The Group pays
Major Vessel related costs (2)	Customer pays	The Group pays
Minor Vessel related cost (2)	The Group pays	The Group pays
Vessel operating costs (2)	Customer does not pay	Customer does not pay
(1) 'Hire' rate refers to the basic payment from the charterer for the use of the vessel		
(2) See 'Important Financial and Operational Terms and Concepts below'		
(3) 'Off-hire' refers to the time a vessel is not available for service due primarily to scheduled and unscheduled repairs and drydockings		

Commercial fee. Commercial fees expenses include fees paid to the Fleet Manager, under the Management Agreement, for providing the Group with chartering and commercial management services.

Commissions. Commissions are realized in two basic forms: addressed commission and brokerage commission.

Addressed commission is commission payable by the ship owner to the charterer, regardless of charter type and is expressed as a percentage of the freight or hire. This commission is a reimbursement to the charterer for costs incurred in relation to the chartering of the vessel either to third party brokers or by the charterer's shipping department.

Brokerage commission is payable under a time charter on hire. Subject to the precise wording of the charter, the broker's entitlement to commission will therefore only arise when the charterers remit hire or is recovered by some other means. Commission under a voyage charter is payable on freight, and may also be payable on deadfreight and demurrage.

Voyage-related costs. Voyage-related costs are typically paid by the ship owner under voyage charters and by the customer under time charters. Voyage-related costs are all expenses which pertain to a specific voyage. The Group differs major and minor voyage-related costs.

Most of the voyage-related costs are incurred in connection with the employment of the fleet on the spot market (voyage charter) and under COAs (contracts of affreightment). Major voyage-related costs include bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees, extra war risks insurance and any other expenses related to the cargo are typically paid by the customer.

Minor voyage-related expenses such as draft surveys, tank cleaning, postage and other minor miscellaneous expenses related to the voyage may occur and are typically paid by the ship owner. From time to time, the ship owner may also pay a small portion of above mentioned major voyage-related costs.

Vessel operating costs. The Group is responsible for vessel operating costs which include crewing, repairs and maintenance, lubricants, insurance, spares, stores, registration and communication and sundries.

Vessel operating costs also includes management fees paid to the Fleet Manager, under the Management Agreement, for providing the Group with technical and crew management, insurance arrangements and accounting services.

The largest components of vessel operating costs are generally crews and repairs and maintenance. Expenses for repairs and maintenance tend to fluctuate from period to period because most repairs

and maintenance typically occur during periodic drydocking. These expenses may tend to increase as these vessels mature and thus the extent of maintenance requirements expands.

Depreciation and amortization. The Group depreciates the original cost, less an estimated residual value, of its vessels on a straight-line basis over each vessel's estimated useful life. The estimated useful life of 25 years is the Management Board's best estimate and is also consistent with industry practice for similar vessels. The residual value is estimated as the lightweight tonnage of each vessel multiplied by an estimated scrap value (cost of steel) per tone. The scrap value per tone is estimated taking into consideration the historical Indian sub-continent five year scrap market rate.

Depreciation expense typically consists of charges related to the depreciation of the historical cost of the vessels (less an estimated residual value) over the estimated useful lives of the vessels and charges relating to the depreciation of upgrades to vessels, which are depreciated over the shorter of the vessel's remaining useful life or the life of the renewal or upgrade. The Group reviews the estimated useful life of vessels at the end of each annual reporting period.

Drydocking and surveys (special and intermediate).

The vessels are required to undergo planned drydocking for replacement of certain components, major repairs and maintenance of other components, which cannot be carried out while the vessels are operating, approximately every 30 months or 60 months depending on the nature of work and external requirements. The Group intend to periodically drydock each of vessels for inspection, repairs and maintenance and any modifications to comply with industry certification or governmental requirements. The number of drydocking undertaken in a given period and the nature of the work performed determine the level of drydocking expenses.

Vessel impairment. The carrying amounts of the vessels are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exists, the vessel's recoverable amount is estimated. Vessels that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The carrying values of the vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuilds. Historically, both the charter rates and vessel values have been cyclical in nature.

Management Board's judgment is critical in assessing whether events have occurred that may impact the carrying value of the vessels and in developing estimates of future cash flows, future charter rates, vessel operating expenses, and the estimated useful lives and residual values of those vessels. These estimates are based on historical trends as well as future expectations. Management Board's estimates are also based on the estimated fair values of their vessels obtained from independent ship brokers, industry reports of similar vessel sales and evaluation of current market trends.

General and administrative expenses. General and administrative expenses comprise of the administrative staff costs, management costs, office expenses, audit, legal and professional fees, travel expenses and other expenses relating to administration.

Interest expense and finance costs. Interest expense and finance costs comprise of interest payable on borrowings and loans and foreign exchange gains and losses.

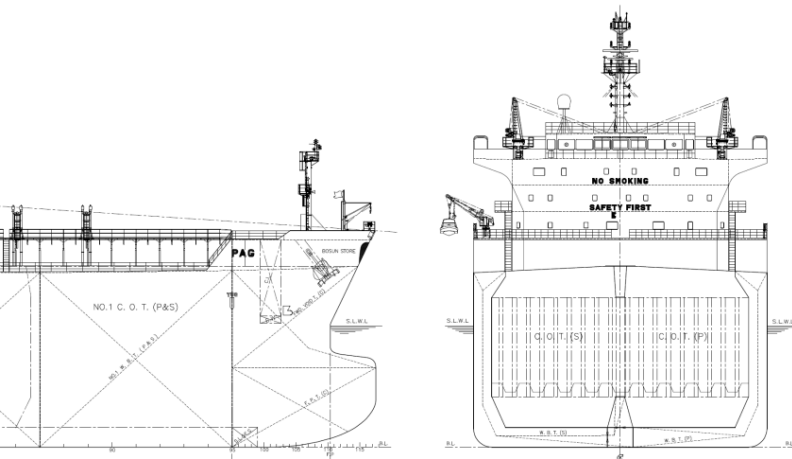
Tonnage tax. The tonnage tax regime is introduced into the Croatian maritime legislation by new amendments to the Maritime Act and is applicable from January 1, 2014. According to the relevant provisions of the Maritime Act ("Maritime Act"), qualifying companies may choose to have their

shipping activities taxed on the basis of the net tonnage of their fleet instead of on the basis of their actual profits. Companies, having opted for the tonnage tax, must remain subject to this regime for the following 10 years. The qualifying company has to be a shipping company liable under the Croatian corporate tax on any profits it generates. Furthermore, it must operate the vessels which satisfy all applicable requirements, and most importantly, the qualifying company must be carrying out the strategic and commercial management activities of vessels in Croatia.

In the tonnage tax system, the shipping operations shifted from taxation of business income to tonnage-based taxation. Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation, but is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the fleet under management.

Summary of expenses. Under voyage charters, the Group will be responsible for commissions, all vessel voyage-related costs and operating expenses. Under time charters, the charterer generally pays commissions, operating expenses and minor voyage-related costs. For both types of contracts the Group is responsible to pay fees to the Fleet Manager, under the Management Agreement.

Important financial and operating terms and concepts



EXPENSE TYPE	MAIN COMPONENTS	TIME CHARTER	VOYAGE CHARTER
Capital	Capital Principal Repayment Interest		
Operating	Crewing Repairs and Maintenance Lubricants Insurance Spares and stores Registration, communication and sundries <i>Management fee*</i> - <i>technical management</i> - <i>crew management</i> - <i>insurance arrangements</i> - <i>accounting services</i>		
Commissions	Address Brokerage		
Commercial fee*	<i>Chartering and commercial management services</i>		
Voyage (minor)	Draft surveys Tank cleaning Postage Other minor miscellaneous expenses		
Voyage (major)	Bunker fuel expenses Port fees Cargo loading and unloading expenses Canal tolls Agency fees Extra war risks insurance Other expenses related to the cargo		

Ship-owner payments

Charterer payments

* fees paid to the Fleet Manager, under the Management Agreements

Cautionary note regarding forward-looking statements

Certain statements in this document are not historical facts and are forward-looking statements. They appear in a number of places throughout this document. From time to time, the Group may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking statements include statements concerning the Group's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends which the Group anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information.

Words such as „believe“, „anticipate“, „estimate“, „expect“, „intend“, „predict“, „project“, „could“, „may“, „will“, „plan“ and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as of the date on which they were made.

Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws and the Zagreb Stock Exchange Rules. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

TANKERSKA NEXT GENERATION d.d.

Božidara Petranovića 4

23 000 Zadar

Croatia

Tel: +385 23 202 135

e-mail: tng@tng.hr

www.tng.hr



[LinkedIn](#)

