TANKERSKA NEXT GENERATION

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND THE FIRST SIX MONTHS OF 2022

2022			
H1		H2	
Q1	Q2	Q3	Q4

TNG
Tankerska Next Generation

Contents

Comments from the CEO

Results H1 2022

Vessel revenues
USD 24.0m

EBITDA
USD 8.9m

EBIT
USD 5.1m

Net income
USD 0.9m

TCE NET
15,512 USD/day

OPEX
6,830 USD/day

The product tanker markets are reliving the times before the 2008 financial crisis when the Baltic Exchange TC2 (cross Atlantic) index for MR2 vessels used to frequently drift above Worldscale 300. As opposed to 2008, the orderbook remains near historical lows. Except this time, the short to mid-term product tanker market conditions have much to do with the geopolitical downslide and the Russian appetite to redraw Ukraine borders. The number of days since Russia invaded eastern Ukraine has run from February through all of the second quarter and most likely will be the case well into Q3 without any signs of relief. Over the past five months, the world has witnessed terrible brutality. Civilians have been targeted, hospitals shelled, innocent lives lost. The cost, both civilian and military, is incalculable.

Western sanctions have so far been too shy in the attempt to suppress Russia's oil exports while Kremlin has been redirecting crude to its more than willing Asian new regular customers, China and India.
This is by most standards, the biggest war in scale in Europe since 1945. In the mist of such horror, it's sometimes hard to get a grasp on what's happening day to day. The sheer duration of the war can make it difficult to follow. It also tends to overshadow other drivers in play. In the midterm, it is sanctions that should have the largest impact for the tanker market. OPEC's willingness to compensate for a possible loss of Russian energy production may also play a pivotal role in adjusting to the equation.
Tankerska Next Generation has also adjusted. The company has committed itself to two-time charters at rates credible for withstanding headwinds in earlier poor market conditions and yet the company is still well positioned to capitalize on exposure to an exceptionally intense spot market, laying the foundation for a brighter outlook for the balance of the fleet. Our MT Dalmacija was chartered out to a global energy and commodities firm at USD 16,000 per day for the firm period under standard market terms.

This 4-year time charter employment for our ECO tanker was delivered in early March while Clearlake withdrew from the opportunity to extend the Vinjerac at USD 15,750 per day for an additional year (formerly on time charter at USD 15,250 daily) therefore she was redelivered to TNG in the US Gulf in the first decade of June perfectly timed for the spot market surge.

Overall high bunker costs, which normally put pressure on sailing speeds, no longer present a factor at the supply end of the equation due to the outstanding spot market conditions which currently substantially exceed Owner's voyage expenses. Cash inflows in Tankerska Next Generation have started to outrun outflows. Since a company's ability to create value for shareholders is fundamentally determined by its ability to generate positive cash flows, we believe this is certainly something to keep in focus over the next quarters.

Major factors in Q2 that determined tanker markets and Tankerska Next Generation's operational results:

- **Russia's invasion of Ukraine, diesel shortages and the long-awaited effects of refinery closures have seen freight rates soar, predominantly on product tankers**
- **TNG's exposure to a fully recovered spot market rates as of late February**
- **Persistently high costs of repatriation and pressure on seafarers' incomes**
- **A secured 4-year time charter employment at USD 16,000 commencing in March**
- **A perfectly timed expiry of the Vinjerac TC in June**

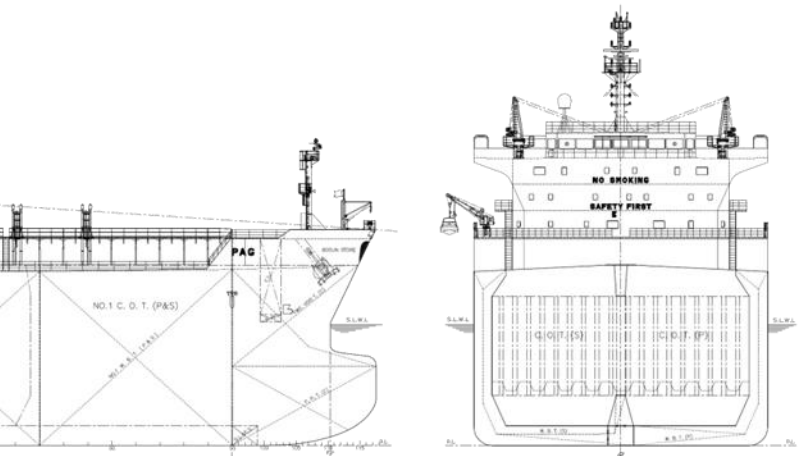
Comments from the CEO

Russia's invasion of Ukraine, diesel shortages and the long-awaited effects of refinery closures and reallocations, have seen product tanker rates soar in the second quarter of 2022, unlike other tanker segments which seem to be lagging. This is all based on a very disbalanced global economy in which the common view is we are fresh out of a pandemic, judged by the mood of the country and indeed the world about the pandemic although statistically speaking, probably half of all Covid infections have happened this calendar year and its only July. Fortunately, the gap between cases and severe conditions is larger than it has ever been, with only a fraction of infections ending in fatalities; one-tenth that of the pandemic's early stages. But simply speaking we are far from an ideal position not just in terms of infection.
In the longer term, the consequences Russia's military action in Ukraine, will also have its repercussions on decarbonisation although analysts have noted Russia's invasion of Ukraine has put a planned energy transition at crossroads.

The challenge facing policymakers is that the shift away from fossil fuels is vital to avoid a cataclysmic climate scenario. Putin's invasion of Ukraine has pushed the issue of energy security back toward the top of the political agenda. Indeed, one of the most pressing challenges facing European leaders today is how to sever their dependence on Russian energy while accelerating the fight against the climate crisis.
Complicating this challenge, however, is the fact that many European countries are acutely reliant on Russian oil and gas. Does decarbonisation of the global economy in the wake of Russia's invasion require to be put on hold or is this an additional incentive towards a renewable energy future?

A permanent concern has been the seafarer crisis whereby Owners are facing difficulties recruiting Ukrainian seafarers, a nation that has grown to be recognized as good seafarers, even more so since the pandemic. Russia and Ukraine offer two of the largest pools of officers and ratings often sailing on board the same vessels. This becomes yet another obstacle to overcome.

COVID-19 labelled 2020 and 2021 worldwide. It seems President Putin and the Russian military have already put a stamp on 2022. This has received widespread international condemnation but has also left a forceful impact on transportation by land, sea, and air. Disrupted shipping lanes mean vessels opt for the safer, often longer sea routing. This in turn requires longer turnaround which results in reduced ship supply, which has a major impact on earnings. If it could be possible to detach the company`s results from the terrible consequences of the conflict in Ukraine as the predominant driver, todays' tanker freight market levels would bring long awaited complacency to tanker owners. It does, but mainly for all the wrong geopolitical reasons.



John Karavanić, CEO

Market environment

Market environment

Global market environment

Compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is potentially turning into what could become a protracted period of weak growth and elevated inflation, according to the World Bank’s latest Global Economic Prospects report. This raises the risk of stagflation, with potentially harmful consequences for middle and low-income economies alike.

Global growth is expected to fall from 5.7 percent in 2021 to 2.9 percent in 2022— significantly lower than 4.1 percent that was anticipated in January.

While the economic pain of Russia's invasion of Ukraine has been unevenly spread across the globe, there is no cause for complacency for regions less effected. The longer the conflict persists, the higher the risks. Funds and other resources built up by households during the couple of pandemic years are significant especially in the US, but they will not last forever. Moreover, the fall in confidence could pick up speed if the conflict and associated economic pain on all sides drag on. Some analysts believe the worst of the economic impact from the conflict is therefore likely still to come.

With a war on the eurozone’s border, an uncertain energy supply from Russia and a growing risk of recession, the pressures bearing down on the euro finally grew so strong that reached parity with the U.S. dollar
Even more remarkable than breaching this level is how quickly the euro has dropped against the dollar. The currency, shared by 19 European countries (the eurozone, began with 11 countries, will welcome its 20th member next year), has fallen more than 11 percent this year, as the dollar’s strength has been almost unmatched. The euro’s descent has intensified concerns that the eurozone would fall into recession.

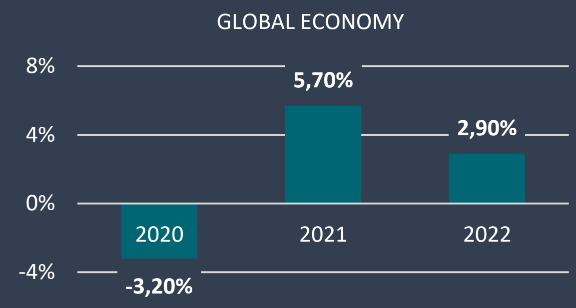
In recent months, though, as war has challenged Europe’s political and financial stability, a vast number of factors have been mounting against the euro and in favor of the U.S. dollar, which has reasserted itself as a haven during economic upheaval.

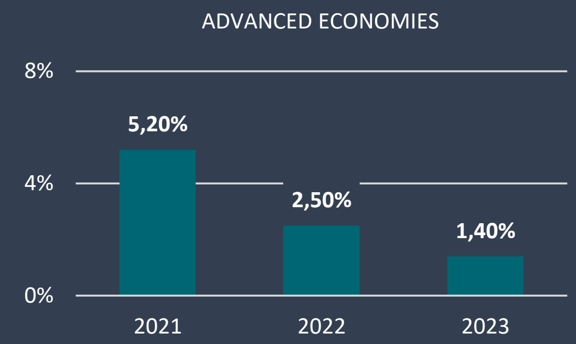
In an effort to get inflation under control, the European Central Bank last week announced it would hike its key interest rate by a half percentage point.
That marks the first time since 2011 that the ECB has raised rates and takes Europe's main rate back to zero. Rates in the European region have been negative since 2014.
The raise, which takes effect on July 27, comes as Europe faces record inflation nourished by surging energy and commodity prices. Annual inflation in the European Union jumped to 9.6% in June. Slightly less at 8.6% for the 19 countries that use the euro.

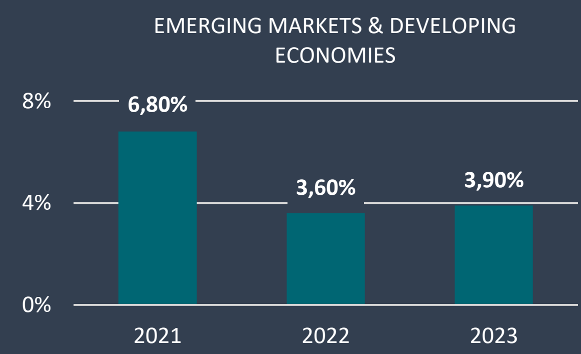
The euro, which hit parity with the US dollar for the first time in two decades, ticked up after the announcement to about $1.02.
The currency's weakness is making the problem of inflation even worse, since it means European companies need to pay more for imports, including energy.

World Bank`s, July 2022
Platts, July 2022
CNN, July 2022

WORLD ECONOMIC OUTLOOK JULY 2022







IMF, July 2022

Recession risks could constrain the ECB's ability to keep hiking interest rates, which help combat inflation but also slow down the economy.
The ECB is far behind its peers in terms of raising rates. The Fed cut rates to zero at the beginning of the pandemic and has been hiking rates since March, raising its benchmark rate in huge increments over the past few months to confront inflation.
At the same time, Russia has started to choke off exports of natural gas to some EU countries — adding to the energy supply crunch that has helped send US and European inflation to its highest level in decades and prices for gasoline and diesel to all-time highs.
Russia's Gazprom resumed gas shipments along the crucial Nord Stream 1 pipeline last week, easing fears that it wouldn't come back online after a period of scheduled maintenance. But it isn't operating at full capacity, and anxiety lingers that Russia could still shut off gas at some point in retaliation for Western sanctions.
Ukraine, on and off lockdowns in China, supply-chain disruptions, all contribute to the likelihood of stagflation. For many countries, recession will be hard to avoid.
Russia's invasion of Ukraine prompted Western powers to ban imports of Russian crude and refined products. The European Union agreed to ban 90% of Russian oil by the end of this year.

Global supplies

The global economy was in a reasonably strong position in the early months of 2022. The omicron variant of COVID-19 had made a sharp but short-lived comeback and was in decline almost everywhere. Six months later, global supply chains are still in disorder, disrupting deliveries of goods, adding to headaches for businesses and feeding the worldwide inflation. However, there are some indications, expressed by experts, that the situation is beginning improve. Others see huge risks; from another spike in coronavirus cases to labor shortages, shipping bottlenecks, all making it difficult to assume much confidence, clouding the outlook for the global economy.
In reality, the recovery from the pandemic freed a wave of demand that industry players and the network that transports goods around the world weren't capable of handling. But after months of pain, there are some signs conditions are starting to improve.
Cargo is flowing more smoothly, and the transit of goods has mostly recovered from the initial shock of the war in Ukraine. Containers are coming back on-stream. The cost of booking a 40-foot shipping container has dropped to nearly $6,400, according to freight platform Freightos. At the beginning of the year, it was closer to $9,300 after topping $11,000 last September.
China has also been able to handle higher volumes of containers at crucial ports despite restrictions aimed at completely stopping the spread of Covid-19.

World Bank`s, July 2022
Platts, July 2022
CNN, July 2022

However, the timeline for a full normalization is still anyone's guess.
According to Morgan Stanley's survey, 54% of respondents believe supply disruptions will subside in the first half of next year, while almost a third think it will take longer.
Circumstances are still changing quickly, making forecasting a difficult task.
Rising infections tied to the BA.5 Omicron sub-variant could cause another wave of worker shortages and. The potential for fresh sanctions on Russia or another round of lockdowns in China also needs to be monitored.
A global recession, meanwhile, would reduce pressure instantly. A plunge in demand would curb supply chain traffic much sooner than expected.
Both OPEC and the International Energy Agency are predicting next year’s oil market to be one of the tightest in recent history. According to a Financial Times post, the two bodies have based this assumption on recovering demand in China and continued growth in India. The prediction also runs counter to widespread fears of recession. With oil prices currently declining from record highs, it can be difficult to predict where the market will go next.
However, as Investing.com reports, it’s not that the IEA is completely ignoring those recession fears. In fact, the organization has reduced its expected increase in demand for next year specifically because of recessionary forces. That said, they are still predicting an increase in demand of 2.1M b/d – down from 2.2M b/d estimated last month.
Still, after 2022’s surge in oil prices, is it even possible to determine where demand will go from here? In its first forecast for 2023, OPEC said it expected average demand to rise by 2.7 million barrels a day next year. This would put estimates at roughly 103mn b/d total. The forecast is based heavily on increased economic activity and even makes light of fears that a recession would crush demand.
On the one hand, you have OPEC and the IEA’s optimistic view of constrained supply and rising demand. On the other hand, you have the prevailing market view. It states that recessionary pressures in the West and further lockdown-related disruption in China will hamper recovery and drastically reduce demand.
Both could be correct, of course. Perhaps the former will describe the long term while the latter describes the short term. We also have to consider China’s recovery after the October re-election of President Xi, and Russia’s ability to continue to pump and find markets for its oil.
There are too many moving pieces to call it at the moment and too much potential for volatility.

Freightos, July 2022
Morgan Stanley, July 2022
IEA, July 2022
OPEC, July 20222
Investing.com, July 20222

China & India

Annual growth in the first half of the year dropped to 2.5% yoy (Q1: 4.8%). A modest figure considering China's official growth target was 5.5% which now seems out of reach. Forecasters however still expect growth momentum to pick-up significantly in the second half of the year. This is providing the country's lockdown intensity remains significantly lower than in March and April.

OPEC and the International Energy Agency are both predicting an especially tight market for oil next year. Recovering demand in China and continued growth in India will play a key role in the 2023 oil market.

It's important to note that fears of ongoing disruption in China are not constrained to oil. This past week, COVID-triggered lockdowns resulted in iron ore prices plunging on concerns of weakening Chinese demand.

In Asia-Pacific, the most direct link to the Russia-Ukraine conflict is energy dependency. Most countries in the region run an energy trade deficit. Higher energy prices are the main impact variable from the conflict, hitting both growth and inflation. Overall, however, the effect of Russia-Ukraine on Asia-Pacific growth is less apparent then elsewhere in the western hemisphere.

For India, the key impact from the conflict is via higher energy prices, which affect inflation. While financial markets would probably want to see the Reserve Bank of India lean toward tighter policy, whether it will do that remains to be seen, given its focus on growth.

McQuilling, July 2022

U.S.

Apart from maybe Japan, the world's largest economy is relatively least affected by the Russia-Ukraine conflict in comparison to the remaining OECD countries, given its energy independence and overall weak trade and financial links to both countries. For the time being, households and firms have managed to absorb higher energy prices, including by using savings cushions built up from government COVID-19-related transfers.

With inflation in the United States at its highest rate in four decades, the Federal Reserve has ramped up its tightening of monetary policy with large interest-rate increases. Jerome H. Powell, the Fed's chair, said at a conference in late June that he expected its benchmark rate to reach as high as 3.5 percent this year. He added that there was a risk that the central bank would go too far in raising rates to cool the U.S. economy but that letting inflation stay high was a greater risk.

More than three months after the Biden administration announced in late March the biggest-ever release from the SPR — one million barrels of oil per day for the next six months — prices for oil still stand about $100, and retail gasoline's down by just around 6% from its record high in June.

Adding to the frustration, the U.S. exported more than 5 million barrels of oil to Europe and Asia last month — oil that was part of the historic release from the SPR, Reuters reported this week, citing data and sources. This is explained by the fact US Exports are profitable and they allow some refiners to send products that don't meet U.S. specifications overseas where the formulae are less stringent. The exports were made during the same month that that nation's average prices for regular gasoline hit a record high.

After months of gasoline prices making life more expensive, they have quietly started to go down offering financial relief for many Americans.

The average nationwide price last week was $4.49 a gallon, down from a peak of $5.01 in June. The average price of gasoline is still about $1.30 higher than it was a year ago, but it has now fallen for more than a month.

Several factors are behind the good news. Oil and gas production has ticked up in the U.S. and elsewhere, increasing supply. Some people are driving less to avoid high prices, decreasing demand. Continued Covid disruptions, particularly in China, have also played a role; lockdowns lead to fewer people traveling, further reducing global demand for oil and gas.

Reuters, July 2022

Tankers

Faced with uncertainty about which fuels to use in the long term to cut greenhouse gas emissions, many shipowners choose to remain with their existing ageing fleets, but older vessels may soon have to start sailing slower to comply with new environmental rules.

From next year, the International Maritime Organization (IMO) requires all ships to calculate their annual carbon intensity based on a vessel's emissions for the cargo it carries - and show that it is progressively coming down.

While older ships can be retrofitted with devices to lower emissions, analysts say the quickest fix is just to reduce speed, with a 10% drop in sailing speeds slashing fuel usage can become significant from a global perspective.

Supply chains are already strained due to a surge in demand as economies rebound from lockdowns, pandemic disruptions at ports and a lack of new ships. If older vessels move into the slow lane as well, shipping capacity could take another hit at a time when record freight rates are driving up inflation.

At the moment, only about 5% of the world's fleet can run on less-polluting alternatives to fuel oil, even though more than 40% of new ship orders will have that option, according to data from shipping analytics firm Clarksons Research.

But the new orders are not coming in fast enough to halt the trend of an ageing fleet across all three main types of cargo vessels: tankers, container ships and bulk carriers, the data provided to Reuters by Clarksons Research shows.

The average age of bulk carriers, which carry loose cargo such as grain and coal, had jumped to 11.4 years by June 2022 from 8.7 five years ago. Container ships now average 14.1 years, up from 11.6, while for tankers the average age was 12 years, up from 10.3 in 2017, according to the data.

Shipping companies are responsible for about 2.5% of the world's carbon emissions and they are coming under increasing pressure to reduce both air and marine pollution.
The industry's emissions rose last year, underlining the scale of the challenge in meeting the IMO's target of halving emissions by 2050 from 2008 levels. The organization is now facing calls to go further and commit to net zero by 2050.

Some companies are testing and ordering vessels using alternative fuels such as methanol. Others are developing ships that can be retrofitted for fuels beyond oil, such as hydrogen or ammonia. There's even a return to wind with vast, high-tech sails being tested by companies such as Cargill.

But many of the potential low-carbon technologies are in the early stages of development with limited commercial application, meaning the majority of new orders are still for vessels powered by fuel oil and other fossil fuels.

Of the vessels on order, more than a third, or 741, are set to use liquefied natural gas (LNG), 24 can be driven by methanol and six by hydrogen. Another 180 have some form of hybrid propulsion using batteries, Clarksons data shows.

Many shipping firms are hedging their bets mainly because prolonging the life span of vessels is cheaper and lower risk than new builds. They also gain breathing space while waiting for the predominant new technologies to become mainstream.

Cargill says that as of now it doesn't expect to have many new-build ships in its fleet, instead fitting energy saving devices to older vessels and prolonging their use, while there's still uncertainty about future technology.

Cragil Ocean Transportation, July 2022
Clarkson Research, July 2022
Reuters, July 2022

Product tankers

Global inefficiencies have resulted in longer distances for Product tankers, but seaborne volumes are still below pre-Covid levels. Low net fleet growth due to higher scrapping has translated into higher freight rates across all segments – although MR tankers have benefited the most.

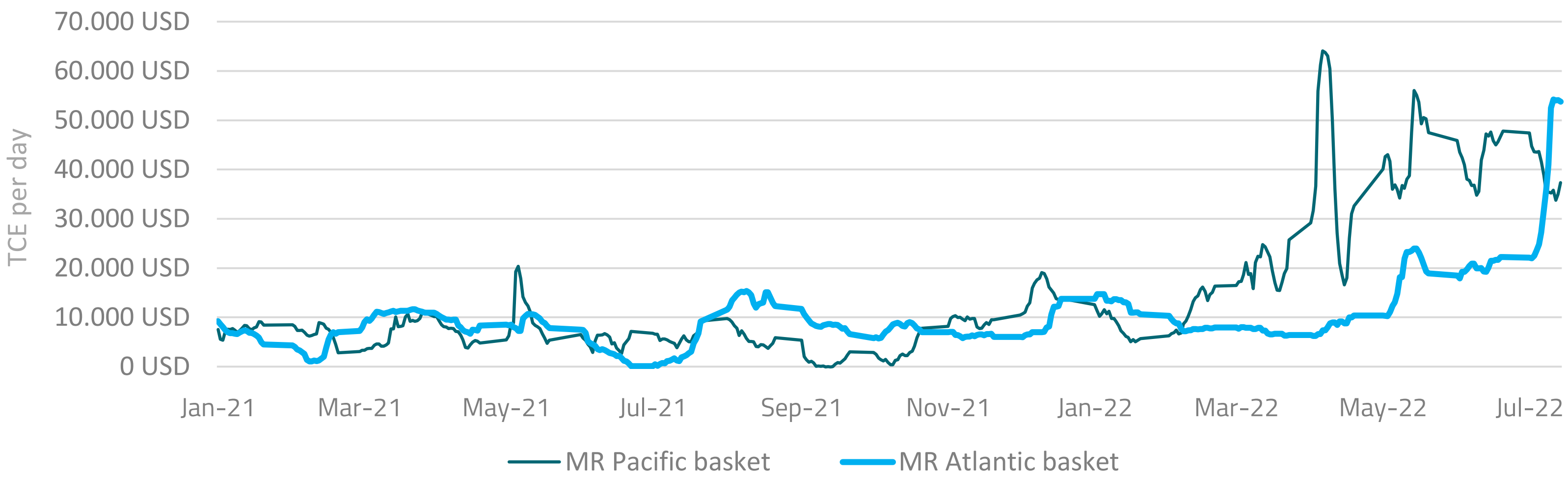
The short-term supply outlook is supportive, as shipowners have stayed away from the newbuilding market. Furthermore, upcoming regulations and sanctions against Russia could further lower the fleet growth. Demand is also expected to increase, but uncertainty over high inflation rates and inadequate crude supply to refineries persists. Freight rates are, for now, expected to increase on the back of higher tonne-mile demand and low fleet growth.

Product tanker earnings have more than tripled, going from USD 6,400 per day in September 2021 to over USD 26,000 per day in April 2022. The increase has been partly supported by a spike in spot rates for vessels trading in the Baltics and Black Sea (around 10% of the total port calls in 2021). Secondhand prices have also appreciated and remain well above their median level, reflecting expectations of higher earnings.

After two years of enduring masks, social distancing and quarantines, there's not much that can come between consumers and their summer vacations this year. Outbreaks of Covid-19 no longer seem to stop them from traveling — and based on recent demand for air travel, neither do higher prices for getaways.

But while consumers may have gotten over fears of Covid, the economy is still riddled with its impacts — including high fuel prices, disrupted supply chains, and a labor market filled with workers hoping to work at least part of the time from home. For airlines, busy summer travel is turning into a season of operational and workforce headaches.

Average time charter equivalent spot rates for product tankers (USD/day)



Vortexa, July 2022
Reuters, July 2022
Eurostat, July 2022
Baltic Exchange, July 2022

Product tankers

The diesel shortage in Europe poses a significant risk to the European economy, as diesel is one of the main components for the road and industrial sectors. European refineries are running at high-capacity rates to produce more diesel, but European countries will most likely have to import more over longer distances.

Europe's Russian diesel imports have spiked this month to the highest level since March, with Russia still accounting for the bulk of the continent's needs, data from oil analytics firm Vortexa showed.

Diesel imports from Russia in the July 1-19 period reached 825,000 barrels per day, up 24% from June levels and accounting for nearly 60% of European imports, the data showed.

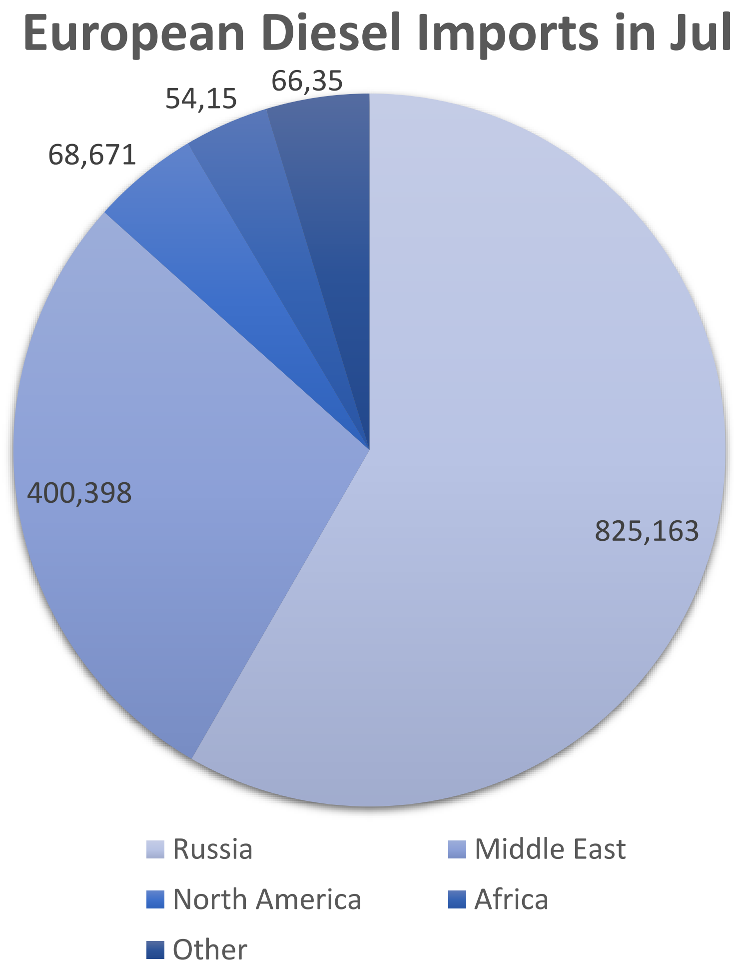
Vortexa expects non-Russian European imports to reach 660,000 bpd in July.

Overall, European imports in July are set to reach 1.41 million bpd, their highest since April and about 14% higher than June levels.

The European Union in May agreed to cut 90% of its oil imports from Russia by the end of this year.

Russia accounted for 40% of Europe's imports of refined product, reaching 800,000 bpd in 2020, 55% of which was diesel and gasoil, Eurostat figures show.

Imports from Russia have primarily been transported by MR Tankers, while long-haul imports from Asia and the Middle East have been transported by LR2 Tankers.



Note: in barrels per day, data from 1-19 July 2022

Vortexa, July 2022
Reuters, July 2022
Eurostat, July 2022

Market environment

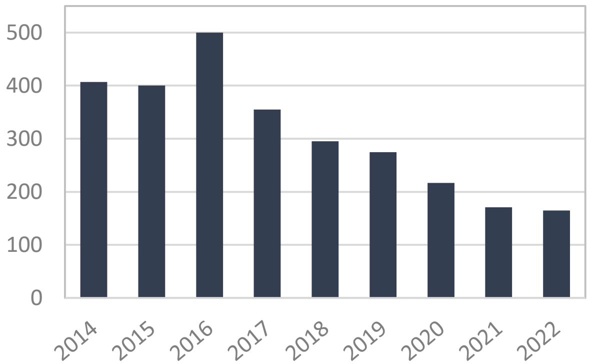
MR product tanker fleet

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

During 2021. a total of 59 MR tankers were sent to scrap which is more than it was scrapped during the last two year altogether (in 2020 a total of 19 tankers were scrapped, while in 2019 a total of 27 tankers were scarpped). During 2022 a total of 27 tankers were sent to scrap up to date (1,01% of the fleet).

There have been 43 newbuilding deliveries up to 30th June 2022, with 64 vessels scheduled to be delivered by the end of the year.

MR orderbook at the year beginning
(number of vessels)



MR product tankers

QUICK OVERVIEW **(MR 25-59.999 DWT)**

Key fleet figures

as at 01st July 2022

In Service:	**2,679** vessels
total dwt capacity:	118,353,646 dwt
year to date growth	0.53%
Over 20yrs:	**282** vessels
total dwt capacity:	11,363,454 dwt
as percentage of fleet:	10.53 %
On order:	**142** vessels
total dwt capacity:	6,283,909 dwt
as percentage of fleet:	5.30 %

Remaining deliveries for 2022

as at 01st July 2022

Scheduled:	**64** vessels
total dwt capacity:	2,843,490 dwt
as percentage of fleet:	2.39 %

Changes in 2022

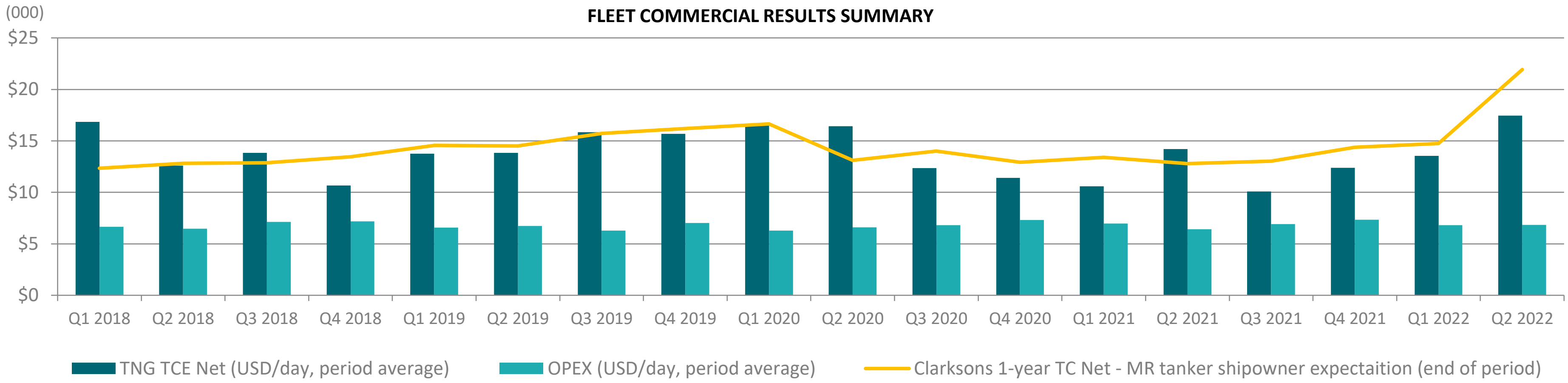
as at 01st July 2022

Deliveries:	**43** vessels
total dwt capacity:	2,030,012 dwt
as percentage of fleet:	1.61 %
of which in June '22:	8 vessels
New orders:	**14** vessels
total dwt capacity:	647,300 dwt
as percentage of fleet:	0.53 %
of which in June '22:	2 vessels
Scrapped:	**27** vessels
total dwt capacity:	1,106,817 dwt
as percentage of fleet:	1.01 %
of which in June '22:	2 vessels

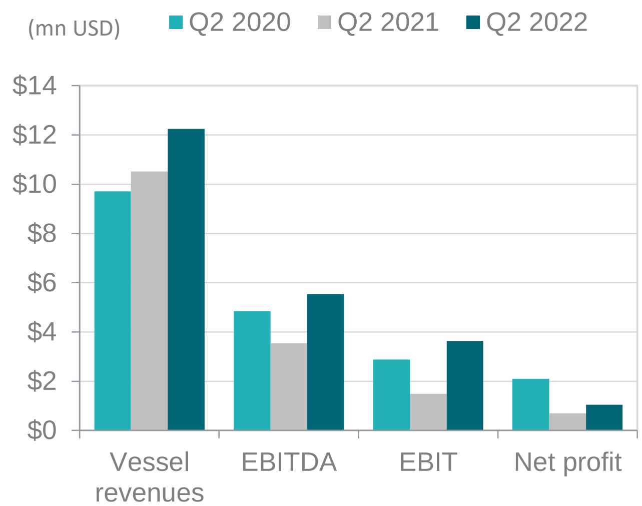
Allied, July 2022

Results for the period

Tankerska Next Generation



SELECTED FINANCIALS	HRK 000				USD 000			
	Q4 2021	Q1 2022	Q2 2022	H1 2022	Q4 2021	Q1 2022	Q2 2022	H1 2022
Vessel revenues	78,768	78,840	85,898	164,738	11,915	11,762	12,245	24,007
EBITDA	20,730	22,409	38,373	60,782	3,095	3,373	5,536	8,909
EBIT	(58,623)	9,546	24,805	34,351	(8,868)	1,473	3,629	5,102
Net profit	(66,777)	(1,454)	6,090	4,636	(10,073)	(159)	1,044	885



Vessel revenues for the first six months of 2022 amounted to HRK 164.7 million (USD 24.0m), which represents an increase from the level achieved in the same period of last year when the vessel revenues amounted to HRK 115.8m (USD 18.5m).

Commissions and voyage associated costs came to HRK 49.9m (USD 7.2m) in the first six months of 2022, while in the same period of 2021 they added up to HRK 36.5m (USD 5.8m) which was significantly lower. This escalation in expenses can be attributed to higher exposure to the spot market during the first six months of 2022 compared to the same period last year when most of the vessels were employed on time charter. As the most significant factor in travel-related costs, we highlight the drastic increase in the cost of fuel, which in the previous period reached levels of more than 1,000 USD/mt in the most prominent bunker ports.

Higher exposure to spot market results achieves a nominally higher revenue, but at the same time has increased voyage-related costs due to the fact that the ship owner covers the voyage related expenses while operating on spot market.

Operating expenditures of the fleet amounted to HRK 50.9m (USD 7.4m), while general and administrative expenses equaled HRK 3.1m (USD 0.5m)

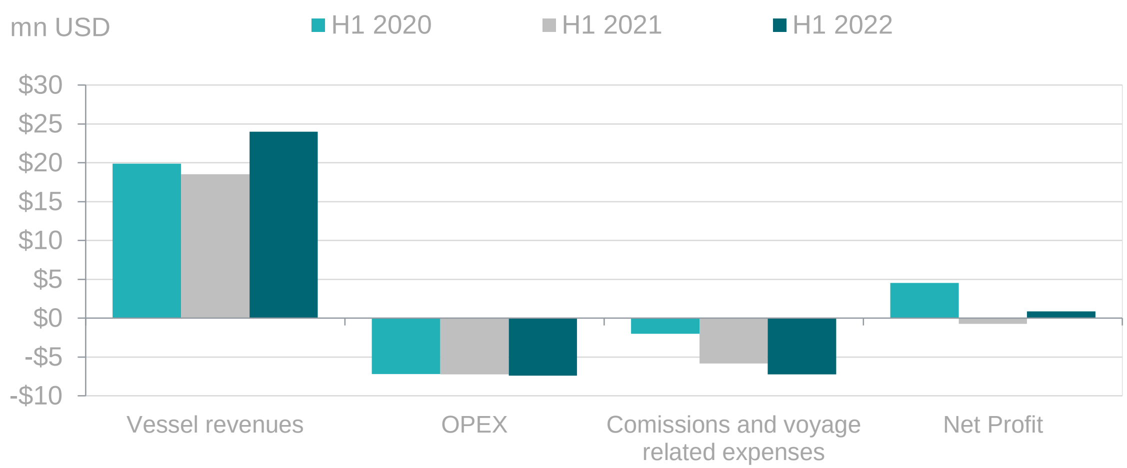
Profit before interest, taxes, depreciation and amortization (EBITDA) in the first six months of 2022 reached HRK 60.8m (USD 8.9m) and was significantly increased compared to the same period last year when it amounted to HRK 30.4m (USD 4.9m).

Depreciation costs in the first half of 2022 amounted to HRK 26.4m (USD 3.8m). All the vessels in operation 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.

Net interest expenses corresponded to HRK 9.4 mil. (USD 1.4m) and decreased compared to the first six months of 2021 when they amounted to HRK 9.9m (USD 1.6m) due to the favorable impact of the reduction of the respective LIBOR rate.

Operating profit (EBIT) for the first six months of 2022 amounted to HRK 34.4m (USD 5.1m), while the net profit of the Company in the first six months of 2022 came up to HRK 4.6m (USD 0.9m).

The average daily TCE of the fleet during the first half of 2022 was recorded at USD 15.512.



Results for Q2 2022

In the second quarter of 2022, vessels' revenues reached HRK 85.9 million (USD 12.2m), and thus significantly increased compared to revenues generated in the same period of 2021 when they amounted HRK 65.8m (USD 10.5m).

The decisive influence on the increase in income in the second quarter of 2022 is significantly higher freight rates on the "spot" market. An additional factor that influenced the growth of income is the absence of non-revenue days, which in the same period last year moderated the result due to the five-year drydocking cycle for m/t Velebit completed during Q2 2021.

Commissions and voyage associated costs amounted to HRK 19.9m (USD 2.8m) in the second quarter of 2022, while in the same period of 2021 they added up to HRK 20.3m (USD 3.3m).
High voyage related costs can be attributed to greater exposure of TNG`s fleet to the spot market during the second quarter of 2022 and high fuel costs.

Operating expenses of the fleet in the second quarter of 2022 amounted to HRK 26.1m (USD 3,7m), while administrative expenses amounted to HRK 1.5m (USD 0.2m).

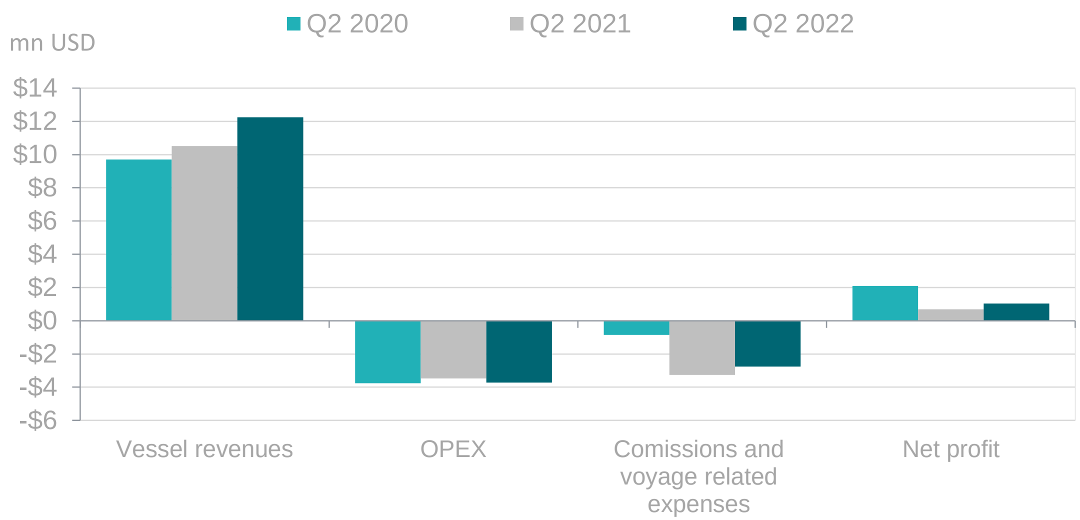
Profit before interest, taxes, depreciation and amortization (EBITDA) in the second quarter of 2022 equaled HRK 38.4m (USD 5.5m) and was significantly increased compared to the same period last year when it amounted to HRK 22.2m (USD 3.5m).

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 second quarter of 2022 amounted to HRK 13.6m (USD 1.9m) and are in accordance to the depreciation plan.

Operating profit (EBIT) for the second quarter of 2022 amounted to HRK 24.8m (USD 3.6m), while the net profit of the Company in the second quarter of 2022 reached HRK 6.1m (USD 1.0m).

The average daily TCE of the fleet during the second quarter of 2022 was recorded at USD 17.463.



Operational data of the fleet

Tankerska Next Generation

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 June 30, 2022, the average age of the vessels in TNG's fleet was 8.27 years.

Starting from the third quarter of 2020 until the fourth quarter of 2021, all tankers in the TNG fleet have completed their five-year drydocking and installation of BWTS equipment.

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	SPOT market	SPOT (from Jun 2022)
Vukovar	2015	Eco MR product	EXXON	17.050 (until Jul 2023)
Zoilo	2015	Eco MR product	SPOT market	SPOT (from May 2021)
Dalmacija	2015	Eco MR product	HARTREE	16.000 (until Mar 2026)
Pag	2015	Eco MR product	SPOT market	SPOT (from May 2022)

CURRENT CHARTERING STRATEGY

Vinjerac

At the beginning of May 2020, a two-year time charter contract was secured for m/t Vinjerac. The tanker was under contract with the Charterer Clearlake Shipping („Clearlake”) at an agreed hire rate of USD 15,250 per day. The Charterer had the option to extend the contract for a third year with a freight rate of USD 15,750 per day which he did not utilize, and the tanker was re-delivered to the Company at the beginning of June, after which it was employed on the "spot" market.

Velebit

After a successful five-year drydock and installation of BWTS devices in Q2/2021, a short-term time charter contract was concluded with Trafigura Maritime Logistics ("Trafigura"). After the expiration of the contract, from the beginning of August 2021, the ship is employed on the "spot" market.

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

In January 2022, a short-term time charter contract was concluded for the vessel with Trafigura Maritime Logistics ("Trafigura") with an escalating freight rate (from USD 13,400 to USD 14,000). Upon the expiration of the contract, the charterer re-delivered the ship in the second half of May 2022, after which the ship was employed on the "spot" market.

Zoilo

Upon completion of the time charter contract with the charterer CSSA Chartering Shipping Services SA ("CSSA") with a maximum duration of up to 12 months in the charterer's option with an escalating freight rate, from May 2021 the ship was transferred to the "spot" market.

Dalmacija

At the beginning of the year, MT Dalmacija was employed on the "spot" market until March 2, 2022. when delivered to charterer Hartree under a four-year fixed time shipping contract at USD 16,000 per day with an option to extend the contract for one year at the charterer's option at USD 19,000 per day.

Operational data of the fleet

OPERATIONAL DATA OF THE FLEET	Q1 2021	Q2 2021	H1 2021	FY 2021	Q1 2022	Q2 2022	H1 2022
Time Charter Equivalent rates (USD/day)	10,602	14,054	12,403	11,763	13,549	17,463	15,512
Daily vessel operating expenses (USD/day)	6,967	6,355	6,696	6,897	6,828	6,832	6,830
Operating days*	540	546	1,080	2,190	540	546	1,086
Revenue days*	514	516	1,025	2,093	540	543	1,082
Fleet utilization (%)*	95.3%	94.5%	94.9%	95.6%	99.9%	99.4%	99.7%

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.
In Q2/2022 tankers were employed on time charter contracts for 302 days out of 543 revenue days, which equates to 55,6% of revenue days.

The average TCE net daily rate for Q2/2022 equates to USD 17,463, while the average daily vessel operating expenses (OPEX) in the same period amounted to USD 6,832 per vessel.

During first six months in 2022, a total of 3.13 days without income were recorded, all accounted to m/t Velebit's.

The Ballast Water Convention of the International Maritime Organization entered into force on September 8, 2017. The approved ballast water treatment system will have to be installed by the time it is necessary to renew the International Oil Pollution Prevention (IOPP) certificate, which for TNG means that the systems are installed on vessels following a five-year drydock cycle that started in mid 2020.

During 2020 and 2021, the BWTS was installed in three out of four tankers that had their regular five-year drydocks (m/t Zoilo, m/t Vukovar, m/t Velebit; 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 1.8 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

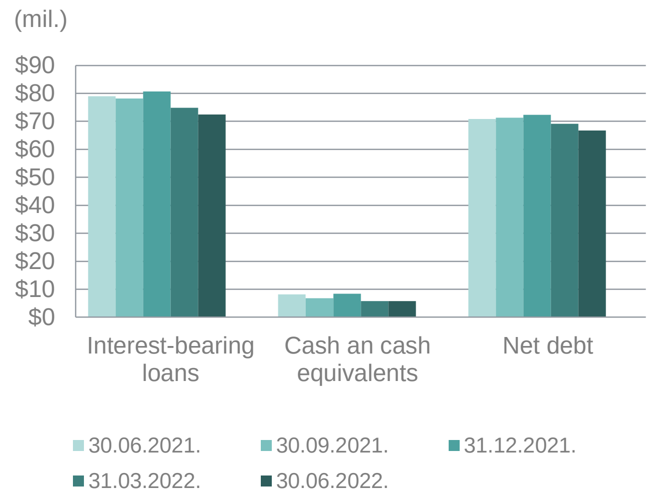
Financial position summary

Financial position summary

Tankerska Next Generation concluded the first six months of 2022 with the gearing ratio of 44%. 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.

Following its strategy of maintaining financial stability and liquidity, the Company, through the refinancing of credit obligations at the end of 2020 and the beginning of 2021, fully implemented the plan to refinance its credit liabilities maturing due in 2021 and 2022, thereby ensuring refinancing for the entire fleet on competitive terms for the upcoming five-year period

During the first half of the year, the Company returned Erste Bank's revolving credit in the amount of USD 0.5 million and settled part of the revolving credit of an associated company in the amount of USD 3.0 million out of the total contracted USD 9 million for working capital financing needs. As of May 30, 2022, USD 6 million of the associated company's revolving credit was used.



FINANCIAL POSITION SUMMARY	HRK 000					USD 000				
	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022
Interest-bearing loans	496,986	502,060	536,385	509,467	519,127	79,007	78,123	80,737	74,853	72,468
Cash and cash equivalents	51,244	43,451	55,433	39,129	40,979	8,146	6,761	8,344	5,749	5,721
Net debt	445,742	458,609	480,952	470,338	478,148	70,861	71,362	72,393	69,104	66,747
Capital and reserves	588,055	592,009	548,290	567,085	617,782	93,485	92,120	82,530	83,320	86,242
Gearing ratio Net debt / (Capital and reserves + Net debt	43%	44%	47%	45%	44%	43%	44%	47%	45%	44%

Income statement and statement of other comprehensive income

TNG Tankerska Next Generation

INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR PERIOD FROM JANUARY 1st to JUNE 30th, 2022 Unaudited	HRK 000				USD 000			
	Q2 2021	Q2 2022	H1 2021	H1 2022	Q2 2021	Q2 2022	H1 2021	H1 2022
Vessel revenues	65,824	85,898	115,844	164,738	10,518	12,245	18,536	24,007
Other revenues	166	126	337	366	26	18	54	54
Sales revenues	**65,990**	**86,024**	**116,181**	**165,104**	**10,544**	**12,263**	**18,590**	**24,061**
Commission and voyage related costs	(20,304)	(19,909)	(36,531)	(49,897)	(3,263)	(2,765)	(5,828)	(7,216)
Vessel operating expenses	(21,752)	(26,124)	(45,237)	(50,884)	(3,470)	(3,730)	(7,232)	(7,417)
General and administrative	(1,346)	(1,508)	(3,230)	(3,087)	(213)	(215)	(515)	(450)
Other expenses	(350)	(110)	(780)	(454)	(54)	(17)	(123)	(69)
Total operating expenses	**(43,752)**	**(47,651)**	**(85,778)**	**(104,322)**	**(7,000)**	**(6,727)**	**(13,698)**	**(15,152)**
EBITDA	**22,238**	**38,373**	**30,403**	**60,782**	**3,544**	**5,536**	**4,892**	**8,909**
Depreciation and amortization	(12,803)	(13,568)	(25,568)	(26,431)	(2,055)	(1,907)	(4,077)	(3,807)
Impairment	-	-	-	-	-	-	-	
Operating profit (EBIT)	**9,435**	**24,805**	**4,835**	**34,351**	**1,489**	**3,629**	**815**	**5,102**
Net interest expenses	(4,919)	(4,904)	(9,880)	(9,444)	(779)	(719)	(1,565)	(1,404)
Net foreign exchange gains (losses)	(80)	(13,811)	18	(20,271)	(15)	(1,866)	(1)	(2,813)
Net income	**4,436**	**6,090**	**(5,027)**	**4,636**	**695**	**1,044**	**(751)**	**885**
Other comprehensive income	(14,619)	44,607	14,648	64,856	22	1,878	13	2,827
Total comprehensive income	**(10,183)**	**50,697**	**9,621**	**69,492**	**717**	**2,922**	**(738)**	3,712
Weighted average number of shares outstanding, basic & diluted (thou,)	8,707	8,705	8,706	8,705	8,707	8,705	8,706	8,705
Net income (loss) per share, basic & diluted	0.51	0.70	(0.58)	0.53	0.08	0.12	(0.09)	0.10

Balance sheet

TNG
Tankerska Next Generation

BALANCE SHEET AT THE DATE OF JUNE 30th, 2022 unaudited	HRK 000				USD 000			
	31 Mar 2021	30 Jun 2021	31 Mar 2022	30 Jun 2022	31 Mar 2021	30 Jun 2021	31 Mar 2022	30 Jun 2022
Non-current Assets	**1,047,893**	**1,020,324**	**1,013,725**	**1,053,300**	**162,496**	**162,203**	**148,942**	**147,038**
Vessels	1,042,210	1,009,856	1,013,349	1,052,931	161,615	160,539	148,886	146,986
Tangible assets in preparation	5,209	10,020	-	0	808	1,593	-	-
Other Non-current Assets	474	448	376	369	73	71	56	52
Current Assets	**81,118**	**99,337**	**112,020**	**123,852**	**12,579**	**15,792**	**16,458**	**17,290**
Inventory	12,692	10,148	13,028	33,000	1,969	1,613	1,914	4,607
Accounts receivable	14,609	30,968	54,315	40,111	2,265	4,923	7,980	5,599
Cash and cash equivalents	47,900	51,244	39,129	40,979	7,428	8,146	5,749	5,721
Other current assets	5,917	6,977	5,548	9,762	917	1,110	815	1,363
Total Assets	**1,129,011**	**1,119,661**	**1,125,745**	**1,177,152**	**175,075**	**177,995**	**165,400**	**164,328**
Shareholders Equity	**598,268**	**588,055**	**567,085**	**617,782**	**92,773**	**93,485**	**83,320**	**86,242**
Share capital	436,667	436,667	436,667	436,667	67,500	67,500	67,500	67,500
Reserves	114,330	99,713	162,159	176,479	19,015	19,037	21,488	17,857
Retained earnings	47,271	51,675	(31,741)	4,636	6,258	6,948	(5,668)	885
Non-Current Liabilities	**459,392**	**466,986**	**460,777**	**484,963**	**71,238**	**74,238**	**67,699**	**67,699**
Interest-bearing loans	459,392	466,986	460,777	484,963	71,238	74,238	67,699	67,699
Current Liabilities	**71,351**	**64,620**	**97,883**	**74,407**	**11,064**	**10,272**	**14,381**	**10,387**
Interest-bearing loans	46,132	30,000	48,690	34,164	7,154	4,769	7,154	4,769
Accounts payable	10,616	18,456	16,285	27,270	1,646	2,934	2,393	3,807
Other current liabilities	14,603	16,164	32,908	12,973	2,264	2,569	4,834	1,811
Total liabilities and shareholders equity	**1,129,011**	**1,119,661**	**1,125,745**	**1,177,152**	**175,075**	**177,995**	**165,400**	**164,328**

Cash flow statement

CASH FLOW STATEMENT FOR H1 2022 unaudited	HRK 000				USD 000			
	Q1-Q3 2021	FY 2021	Q1 2022	H1 2022	Q1-Q3 2021	FY 2021	Q1 2022	H1 2022
Profit before tax	(20,212)	(86,989)	(1,454)	4,636	(3,135)	(13,208)	(159)	885
Amortisation	38,781	52,668	12,863	26,431	6,155	8,264	1,900	3,807
Changes in working capital	(4,179)	(14,561)	6,039	(10,533)	(723)	(1,982)	815	(1,587)
Other	10,364	76,156	7,875	23,660	1,118	10,692	1,065	2,873
Cash flow from operating activities	**24,754**	**27,274**	**25,323**	**44,194**	**3,415**	**3,766**	**3,621**	**5,978**
Cash inflows from investing activities	-	-	-	-	-	-	-	-
Cash outflows from investing activities	(24,086)	(31,669)	(2,170)	(2,176)	(3,653)	(5,026)	(331)	(332)
Cash flow from investing activities	**(24,086)**	**(31,669)**	**(2,170)**	**(2,176)**	**(3,653)**	**(5,026)**	**(331)**	**(332)**
Cash inflows from financing activities	521,919	551,573	-	-	82,892	87,392	-	-
Cash outflows from financing activities	(513,940)	(526,550)	(39,457)	(56,472)	(81,561)	(83,456)	(5,885)	(8,269)
Cash flow from financing activities	**7,978**	**25,023**	**(39,457)**	**(56,472)**	**1,330**	**3,935**	**(5,885)**	**(8,269)**
Net changes in cash	8,647	20,628	(16,304)	(14,454)	1,093	2,676	(2,595)	(2,623)
Cash and cash equivalents (beg, of period)	34,804	34,804	55,433	55,433	5,669	5,669	8,344	8,344
Cash and cash equivalents (end of period)	**43,451**	**55,433**	**39,129**	**40,979**	**6,761**	**8,344**	**5,749**	**5,721**

Statement of changes in equity

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 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**
For the period from 1 Apr to 30 Jun 2022	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*
Balance at 1 Apr 2022	**436,667**	**(31,741)**	**128,544**	**33,615**	**567,085**
Net profit for the period	-	6,090			6,090
Change in capital	-				-
Change in other reserves	-	30,287	(30,287)		-
Changes in other comprehensive income	-			44,607	44,607
Balance at 30 Jun 2022	**436,667**	**4,636**	**98,257**	**78,222**	**617,782**

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 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	-	-	-	-	-
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**
For the period from 1 Apr to 30 Jun 2022	*USD 000*	*USD 000*	*USD 000*	*USD 000*	*USD 000*
Balance at 1 Apr 2022	**67,500**	**(5,668)**	**19,867**	**1,621**	**83,320**
Net profit for the period	-	1,044	-		1,044
Change in capital	-		-		-
Change in other reserves	-	5,509	(5,509)		-
Changes in other comprehensive income	-	-	-	1,878	1,878
Balance at 30 Jun 2022	**67,500**	**885**	**14,358**	**3,499**	**86,242**

Net asset value calculation

NET ASSET VALUE CALCULATION Estimate	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)	At the date 30 Jun 2022 (000 USD)
Total fleet value	**140,160**	**141,430**	**151,680**	**152,890**	**175,180**
Investments	-	-	-	-	-
Current assets	7,646	6,622	10,528	10,709	11,569
Other non-current assets	71	66	60	56	52
Total value of other assets	**7,717**	**6,688**	**10,588**	**10,765**	**11,621**
Cash and cash equivalents	8,146	6,761	8,344	5,749	5,721
Interest-bearing loans	(79,007)	(78,123)	(80,737)	(74,853)	(72,468)
Net debt	**(70,861)**	**(71,362)**	**(72,393)**	**(69,104)**	**(66,747)**
Other non-current liabilities	-	-	-	-	
Current liabilities	(5,503)	(3,501)	(6,450)	(7,227)	(5,618)
Total value of other liabilities	**(5,503)**	**(3,501)**	**(6,450)**	**(7,227)**	**(5,618)**
NET ASSET VALUE	**71,513**	**73,255**	**83,425**	**87,324**	**114,436**
Weighted average number of shares outstanding, basic & diluted	8,705,817	8,705,549	8,705,549	8,705,549	8,705,549
Net asset value per share (USD)	8.21	8.41	9.58	10.03	13.15

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 June 30th, 2022 is estimated to USD 175.2 million, which with all other unchanged parameters gives a NAV per share of USD 13.15.

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 H1 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 ECO tanker Dalmacija
21 Apr 2022 Announcement of the Management and the Supervisory Board session
29 Apr 2022 Management and Supervisory Board meeting held
16 May 2022 Invitation to the General Assembly
28 Jun 2022 General Assembly held

SHAREHOLDER STRUCTURE

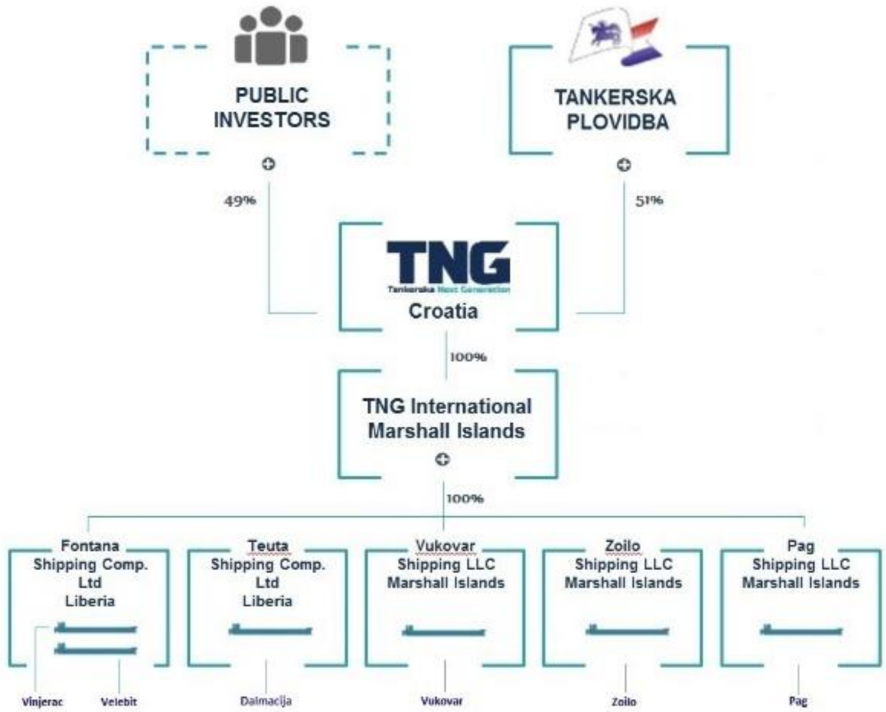
Shareholder on 30 June 2022	No. of shares	Share (%)
Tankerska Plovidba	4,500,994	51.54%
PBZ Croatia Osiguranje OMF	839,000	9.61%
Erste Plavi OMF	808,000	9.25%
Raiffeisen OMF	752,036	8.61%
Raiffeisen DMF	372,103	4.26%
Other institutional and private investors	1,461,212	16,73%
Total	**8,733,345**	**100.00%**

MANAGEMENT AND SUPERVISORY BOARD

On June 30th, 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



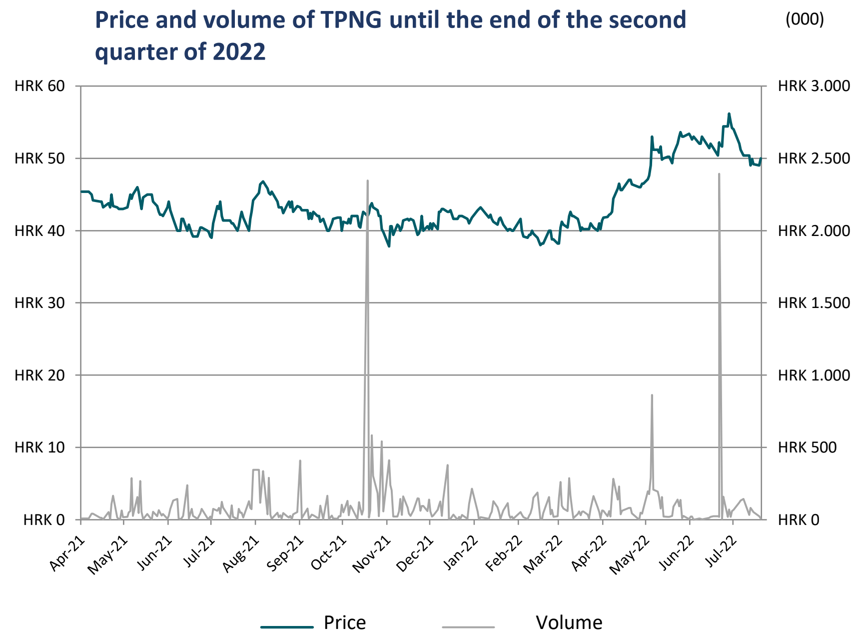
Trading data of TPNG shares at ZSE

TPNG SHARES

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 are listed on the Zagreb Stock Exchange

In H1 2022, the TPNG share achieved turnover in the amount of HRK 10,9 million.



TPNG at ZSE	HRK						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Q1 2022	H1 2022
Volume (million)	4.1	1.5	5.9	17.2	25.5	3.6	**10.9**
Last price	54.00	38.80	47.20	43.00	41.80	41.40	**54.20**
Highest price	84.89	57.00	49.60	60.00	49.80	43.20	**56.20**
Lowest price	54.00	33.40	28.80	36.00	37.20	37.40	**37.40**
Average price	70.88	43.61	39.98	48.59	42.30	40.09	**44.73**

Risk management

Tankerska Next Generation

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 relished 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 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 30TH JUNE 2022

(UNAUDITED)

I. Report of the Management Board on the Company's operations for the period from 1st January until 30th June, 2022

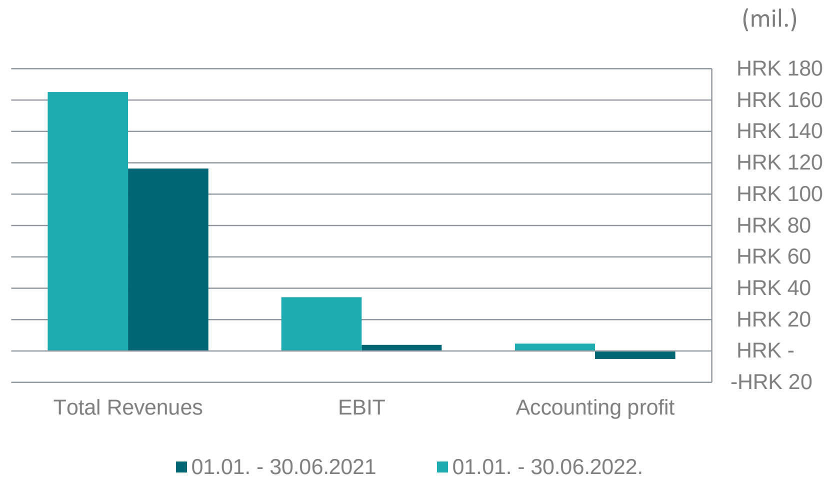
II. Unaudited condensed quarterly financial statements:
- Balance Sheet per as at 30th June, 2022
- Profit and Loss Account for the period from 1st January until 30th June, 2022
- Cash Flow Statement for the period from 1st January until 30th June, 2022
- Statement of Changes in Equity for the period from 1st January until 30th June, 2022
- Notes to the Financial Statements

III. Statement of Responsibility for the Financial Statements

Tankerska Next Generation

for the period from 1st January until 30th June, 2022

DESCRIPTION	Period 1st Jan – 30th Jun 2021	Period 1st Jan – 30th Jun 2022
Total revenues	HRK 116,346,760	165,159,731
Operating revenues / Total revenues	100%	100%
Other revenues / Total revenues	0%	0%
International market / Total revenues	100%	100%
Domestic market / Total revenues	0%	0%
Material costs / Operating expenses	47%	52%
Employee costs / Operating expenses	21%	20%
Financial expenses / Total Expenses	7%	19%
Net margin	(4,32%)	2,81%
Accounting profit	(HRK 5,026,645)	HRK 4,636,366
Operating profit (EBIT)	HRK 3,846,769	HRK 34,350,980



During the reporting period the Company reported HRK 165.2 million of operating revenues, attributed predominantly to revenue generated from sales.

In the same period, the Company reported HRK 130.8 million of operating costs. The majority of operating expenses are the material costs HRK 67.7 million, followed by depreciation in the amount of HRK 26.4 million, employee costs in the amount HRK 26.4 million and other expenses in the amount of HRK 10.0 million.

In the period ended 30th June 2022, financial income amounted to HRK 56 thousand while financial expenses amounted to HRK 29,8 million.

In the reporting period, the Company achieved cumulative profit in the amount of HRK 4,6 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 June 30, 2021, 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 June 30, 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	**6/30/2022**
Year:	**2022**		
Quarter:	**2.**		

Quarterly financial statements

ɟistration 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**
ɛet and house number:	**Božidara Petranovića 4**		
E-mail address:	tng@tng.hr		
Web address:	www.tng.hr		
Number of employees (end of the reporting	**135**		
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 30.06.2022

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	1,053,299,667
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	1,053,299,667
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	1,002,145,792	1,053,299,667
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	021	0	0
2 Investments in other securities of undertakings within the	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	114,259,878
I INVENTORIES (ADP 039 to 045)	038	14,003,606	32,999,721
1 Raw materials and consumables	039	14,003,606	32,999,721
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	40,281,283
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	40,111,273
4 Receivables from employees and members of the undertaking	050	21,308	47,330
5 Receivables from government and other institutions	051	34,754	68,906
6 Other receivables	052	53,774	53,774
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	20,814,236	22,443,148
1 Investments in holdings (shares) of undertakings within the	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	22,443,148
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	34,618,294	18,535,726
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5,038,203	9,592,285
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1,127,526,032	1,177,151,830
OFF-BALANCE SHEET ITEMS	066	0	0

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	617,781,960
I INITIAL (SUBSCRIBED) CAPITAL	068	436,667,250	436,667,250
II CAPITAL RESERVES	069	68,425,976	38,139,035
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	78,221,059
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	78,221,059
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	56,701,883	0
1 Retained profit	084	56,701,883	0
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-86,988,824	4,636,366
1 Profit for the business year	087	0	4,636,366
2 Loss for the business year	088	86,988,824	0
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	484,962,815
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	42,980,814
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	441,982,001
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	66,546,668
1 Liabilities to undertakings within the group	110	5,136,508	4,449,949
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	34,163,737
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	21,734,054	22,832,002
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4,946,125	4,942,182
11 Taxes, contributions and similar liabilities	120	55,318	60,132
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	44,892
E) ACCRUALS AND DEFERRED INCOME	124	10,863,561	7,860,387
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1,127,526,032	1,177,151,830
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS

for the period 01.01.2022 to 30.06.2022

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	116,324,972	66,118,121	165,103,557	85,999,812
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	115,843,798	65,823,667	164,737,856	85,897,414
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	481,174	294,454	365,701	102,398
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	112,478,203	57,105,942	130,752,577	61,194,748
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	52,479,253	27,764,539	67,687,928	28,701,992
a) Costs of raw materials and consumables	010	26,494,421	14,313,494	35,097,176	15,366,655
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	25,984,832	13,451,045	32,590,752	13,335,337
3 Staff costs (ADP 014 to 016)	013	23,291,676	11,366,338	26,376,143	13,498,085
a) Net salaries and wages	014	22,988,834	11,215,892	26,008,003	13,312,292
b) Tax and contributions from salary costs	015	207,152	102,887	242,614	122,673
c) Contributions on salaries	016	95,690	47,559	125,526	63,120
4 Depreciation	017	25,619,280	12,828,958	26,430,839	13,542,500
5 Other costs	018	10,308,241	4,797,631	10,010,091	5,404,286
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	779,753	348,476	247,576	47,885
III FINANCIAL INCOME (ADP 031 to 040)	030	21,789	2,679	56,173	53,479
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	4,170	2,679	56,173	53,479
8 Exchange rate differences and other financial income	038	17,619	0	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	8,895,203	4,578,145	29,770,787	18,767,994
1 Interest expenses and similar expenses with undertakings within the group	042	17,579	17,579	353,271	0
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	8,877,624	4,560,566	9,146,610	4,957,280
4 Exchange rate differences and other expenses	045	0	0	20,270,906	13,810,714
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 VRITUE 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	116,346,761	66,120,800	165,159,730	86,053,291
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	121,373,406	61,684,087	160,523,364	79,962,742
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-5,026,645	4,436,713	4,636,366	6,090,549
1 Pre-tax profit (ADP 053-054)	056	0	4,436,713	4,636,366	6,090,549
2 Pre-tax loss (ADP 054-053)	057	-5,026,645	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-5,026,645	4,436,713	4,636,366	6,090,549
1 Profit for the period (ADP 055-059)	060	0	4,436,713	4,636,366	6,090,549
2 Loss for the period (ADP 059-055)	061	-5,026,645	0	0	0

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
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 OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-5,026,645	4,436,713	4,636,366	6,090,549
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	14,648,487	-14,617,065	64,855,763	44,606,543
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	14,648,487	-14,617,065	64,855,763	44,606,543
1 Exchange rate differences from translation of foreign operations	088	14,648,487	-14,617,065	64,855,763	44,606,543
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	14,648,487	-14,617,065	64,855,763	44,606,543
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	9,621,842	-10,180,352	69,492,129	50,697,092
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 30.06.2022.

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	-5,026,645	4,636,366
2 Adjustments (ADP 003 to 010):	002	34,818,958	56,145,452
a) Depreciation	003	25,619,280	26,430,839
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	-4,168	-56,173
e) Interest expenses	007	8,877,624	9,499,881
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	326,222	20,270,905
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	29,792,313	60,781,818
3 Changes in the working capital (ADP 013 to 016)	012	-1,582,511	-10,532,530
a) Increase or decrease in short-term liabilities	013	865,120	-901,759
b) Increase or decrease in short-term receivables	014	-1,321,844	8,186,692
c) Increase or decrease in inventories	015	-1,125,787	-17,817,463
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	28,209,802	50,249,288
4 Interest paid	018	-8,551,429	-9,386,445
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	19,658,373	40,862,843
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	5,016	59,540
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	5,016	59,540
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-18,080,697	-2,176,469
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	-18,080,697	-2,176,469
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-18,075,681	-2,116,929
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	512,381,090	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	512,381,090	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-498,613,693	-56,471,980
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	-63,553	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-498,677,246	-56,471,980
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	13,703,844	-56,471,980
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	1,153,703	3,272,411
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	16,440,239	-14,453,655
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	51,244,173	40,978,875

Statement of changes in equity

STATEMENT OF CHANGES IN EQUITY

for the period from 1/1/2022 to 6/30/2022

in HRK

Item	ADP code	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
		Attributable to owners of the parent																	
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	-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
3 Correction of errors	03	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	-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	-5,026,645	-5,026,645	0	-5,026,645
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	14,648,487	0	0	14,648,487	0	14,648,487
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
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
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
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
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
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
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
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
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
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
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
18 Redemption of treasury shares/holdings	18	0	0	0	63,553	63,553	0	0	0	0	0	0	0	0	-63,553	0	-63,553	0	-63,553
19 Payments from members/shareholders	19	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
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
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
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
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	1,641,650	1,641,650	0	55,000,000	0	0	0	0	0	-28,831,226	56,701,883	-5,026,645	588,055,488	0	588,055,488
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	14,648,487	0	0	14,648,487	0	14,648,487
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	14,648,487	0	-5,026,645	9,621,842	0	9,621,842
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	63,553	63,553	0	0	0	0	0	0	0	0	-63,553	0	-63,553	0	-63,553

Statement of changes in equity

Item	ADP code	Attributable to owners of the parent																Minority (non-controlling) interest	Total capital and reserves
		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		
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)
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	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
3 Correction of errors	**30**	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	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	4,636,366	4,636,366	0	4,636,366
6 Exchange rate differences from translation of foreign operations	**33**	0	0	0	0	0	0	0	0	0	0	0	0	64,855,763	0	0	64,855,763	0	64,855,763
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
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
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
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
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
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
13 Other changes in equity unrelated to owners	**40**	0	-30,286,941	0	0	0	0	0	0	0	0	0	0	0	30,286,941	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
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
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
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
18 Redemption of treasury shares/holdings	**45**	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
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
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
22 Carryforward per annual plane	**49**	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
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	436,667,250	38,139,035	5,118,250	1,641,650	1,641,650	0	55,000,000	0	0	0	0	0	78,221,059	0	4,636,366	617,781,960	0	617,781,960
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	-30,286,941	0	0	0	0	0	0	0	0	0	0	64,855,763	30,286,941	0	64,855,763	0	64,855,763
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	**53**	0	-30,286,941	0	0	0	0	0	0	0	0	0	0	64,855,763	30,286,941	4,636,366	69,492,129	0	69,492,129
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

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 June 30th, 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 June 30th, 2022 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 June 30th, 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 30 June 2022, the Company holds a total of 28,319 treasury shares, representing 0.3243% of the Company's share capital (30 June 2021: 28,319 treasury shares, representing 0.3243% 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 1st Jan – 30th Jun 2021	Period 1st Jan – 30th Jun 2022
Net (loss) / profit to shareholders	(HRK 5,026,645)	HRK 4,636,366
Weighted average number of shares	8,705,817	8,705,026
Basic (loss) / earnings per share	(HRK 0.58)	HRK 0.53

5. Transactions with the Related Parties

RELATED PARTY TRANSACTIONS	Period 1st Jan – 30th Jun 2021	Period 1st Jan – 30th Jun 2022
Sales to related parties	HRK 0	HRK 0
Purchase from related parties	HRK 8,611,987	HRK 9,221,382
Receivables from related parties	HRK 0	HRK 0
Liabilities towards related parties	HRK 3,931,037	HRK 4,449,949
Given loans to related parties	HRK 0	HRK 0
Received loans from related parties	(HRK 18,722,347)	HRK 0

6. Subsequent events after Balance Sheet date

Impact of COVID-19 on the Company's operations

The spread of more infectious and vaccine-resistant strains of the COVID-19 virus is preventing a full reopening of the global economy, preventing demand for refined petroleum products from reaching pre-pandemic levels.

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 June 30th, 2021.

Statement of responsibility for the financial statements

The financial statements for the period starting January 1st, 2022 and ending June 30th, 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 June 30th, 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, July 28th, 2022

John Karavanić, CEO

Important industry terms and concepts

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.

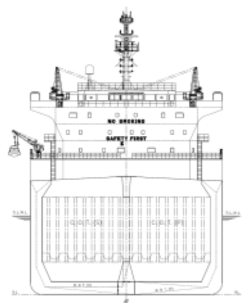
Gross Time Charter rates (GTC rates). The Group defines gross time charter rates, or GTC rates, as vessel revenues during a period divided by the number of Revenue Days during that period. GTC rates should reflect the average daily charter rate of a vessel or a fleet and is expressed in US dollars per 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.



Important chartering contracts

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).

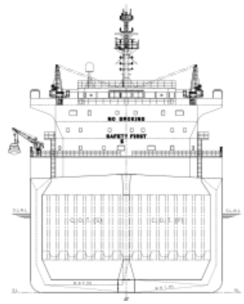
Time charter rates are usually fixed during the term of the charter. Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time, but can yield lower profit margins than vessels operating under voyage charters in the spot market during 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 deprecation 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.

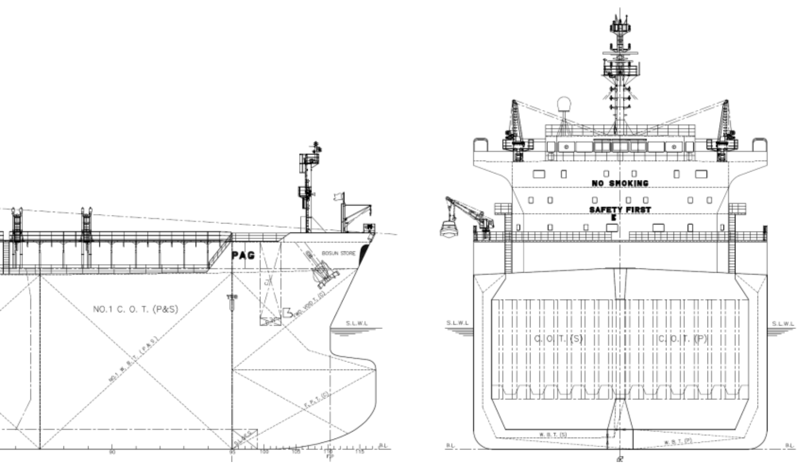
In the tonnage tax system, the shipping operations shifted from taxation of business income to tonnage-based taxation. Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation, but is based on the controlled fleet’s notional 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 *Management fee** - *technical management* - *crew management* - *insurance arrangements* - *accounting services*		
Commisions	Address Brokerage		
Commercial fee*	*Chartering and commerical management services*		
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.

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