

# TANKERSKA **NEXT GENERATION**

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH  
QUARTER AND THE FULL YEAR 2021

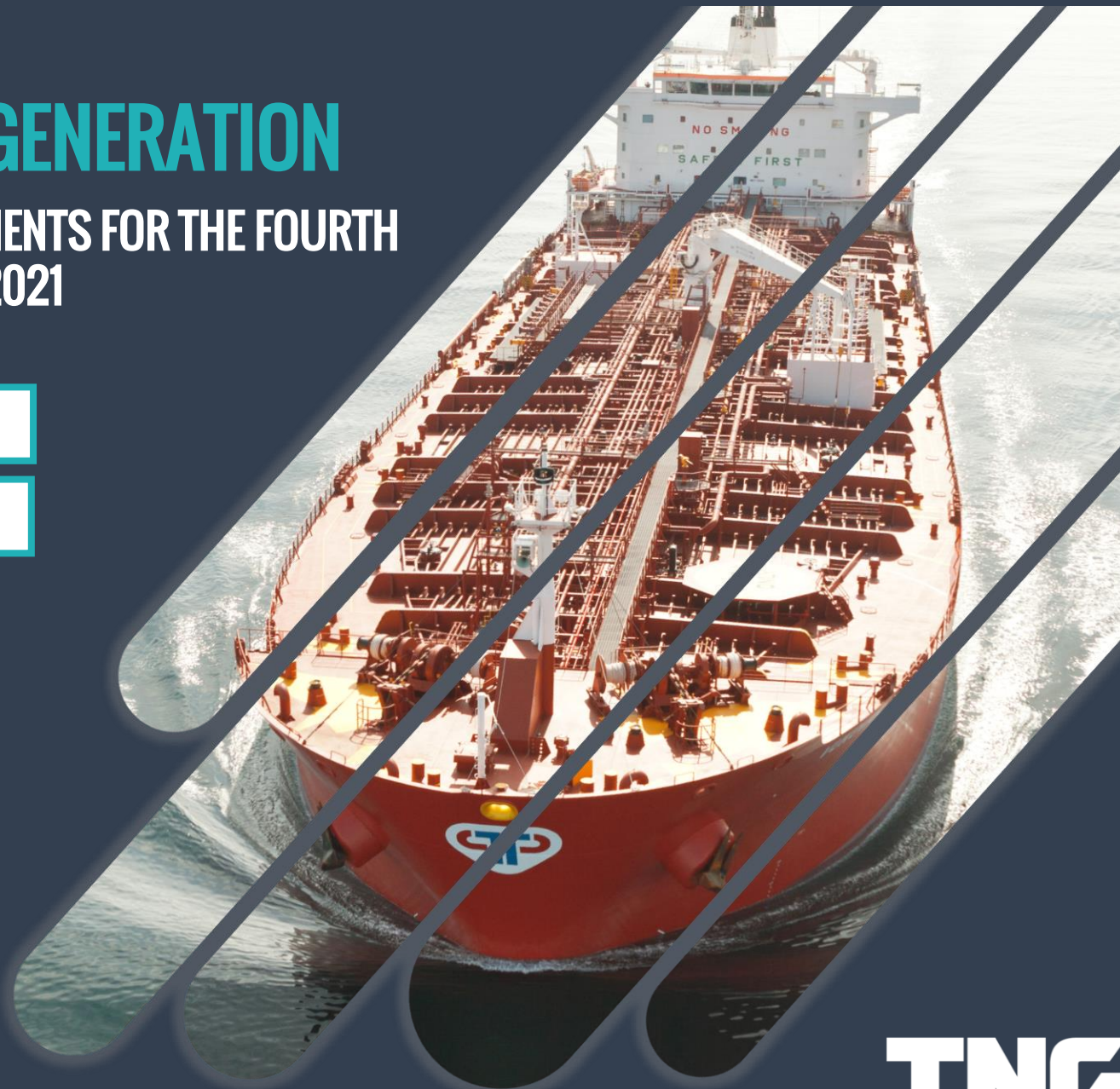
2021

Q1

Q2

Q3

Q4



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## Results FY 2021

Vessel revenues  
USD 39.8m

EBITDA  
USD 9.2m

EBIT  
USD (8.9m)

Net income  
USD (13.2m)

TCE NET  
11,763 USD/day

OPEX  
6,897 USD/day

The crude and product tanker markets do not necessarily always overlap when it comes to their performance but this time around they have both been depressed over more quarterly earnings reports than anyone in shipping cares to remember.

Contrary to 2020, which offered a remarkably uplifting freight market in H1 that dramatically declined in H2, last year witnessed crude oil and product seaborne freight markets desperately looking for a lifeline during the entire 12 months. The somewhat moderate ascend in the spot markets seen in Q4 2021 was often commented as a desperately needed light at the end of the tunnel; which never fully materialised. In fact it was very short-lived, and not driven by a structural increase in demand for oil, moreover it was geographically unevenly spread. The period from the first half of 2020, which was characterized by large stockpiling on land as well as at sea, turning tankers into temporary storage units, and therefore limiting the available capacity of tankers, which created greater uplifting pressure on freight rates, has become a thing of the past. This time the bright lights were out quicker than envisioned; dampened by rising crude oil prices which in turn boosted bunker prices making chartering deals at “last done” levels less and less attractive for shipowners eagerly trying to keep head above water in the spot markets.

As a result, the intensified cash burnout created additional tensions among tanker owners. This was bridged by liquidity lifelines in the hope for a steady stream of older tonnage being discarded in the foreseeable future giving a boost to the market recovery. Meanwhile, bracing ourselves for limited activity in terms of new newbuilding orders being placed throughout the period became a normality.

A glance at the Baltic Exchange Clean Tanker Index with an average index of 530 captures the bleak picture of 2021 and offers little or no grounds to dispute any of the above within the product tanker space.

With these concerns in mind the company, as a group has, more than ever, been exceptionally focused on vessel operations targeting spot voyages with shorter ballasts and reducing charter party speeds

when and where obtainable. Patiently planning optimum ship routing with the assistance of modern forecast advisories thus avoiding adverse weather wherever possible have returned positive results which are encouraging on the environmental GHG emission level but with inconsequential hope in overturning an imbalanced freight market.

Looking back, 2020 and 2021 were indeed challenging for Tankerska Next Generation. The entire fleet had their regular five-year periodical drydocks in Chinese yards bringing all of our tankers in compliance with the International Convention for the Control and Management of Ships' Ballast Water. M/t Velebit concluded its regular five year drydock during May 2021 which included the installation of the ballast water treatment system, while the drydock and the installation of the system for m/t Vinjerac was completed during the first part of Q4 2021.

All the drydockings were concluded within budget. More specifically, the average cost of delivery and installation of BWTS and the cost of docking amounted about to USD 1.65 million per vessel. Overall, this also meant the vessels were not in service for a total of (just over) 200 days while out of about 50% occurred in 2021.

**The net loss of Tankerska Next Generation in 2021 was HRK 87.0 million (USD 13.2m) as a result of:**

- The fact global economies were still struggling to emerge from lockdown
- Miserable tanker freight markets
- A USD 9 million impairment due to strong market depreciation of vessel's values
- A total of almost 100 days spent in drydock
- Low time charter coverage
- Self-financing of ballast water management systems
- Soaring costs of repatriation

Despite difficult times, Tankerska Next Generation managed to secure and execute two long-term loan agreements in the amount of USD 44 million and USD 35.3 million.

The first loan agreement was concluded jointly with Credit Agricole Corporate and Investment bank and Hamburg Commercial bank AG. The Company utilized the funds for the early repayment of existing loan facilities maturing in 2021, which partly financed the purchase of newbuildings M/T Vukovar, M/T Zoilo and M/T Dalmacija during 2015.

The second loan agreement was sealed with our current creditor ABN AMRO Bank N.V. The Company utilized the majority of funds for the early repayment of the existing loan facility of the same creditor maturing in January 2022, which partly financed M/T Velebit, M/T Vinjerac and M/T Pag during 2015. The remaining funds will be invested in these three vessels, in order to maintain their high level of competitiveness.

By concluding this financial arrangement, the Company reaffirmed its recognized position in the international banking market and expanded cooperation with new international creditors who have placed their trust with the Company and identified us as a reliable, long-term partner.

Tanker market conditions remained poor over 2021 further deflating the company's healthy financial results accumulated in Q1 and Q2 of 2020. The fleet's ECO vessels carrying amounts were reduced by about 5.5% of the estimated market value since the book value by the Management's estimates exceeded the corresponding estimated market value. Therefore, the Company recorded other revenue based on the elimination of part of the loss from the impairment of vessels in the amount of 1.0 million USD (HRK 6.3 million) while the adjustment of the value of vessels resulted in impairment loss in the amount of USD 9.9 million (HRK 65.5 million) presented as an expense in the income statement.

A heated debating topic in 2021 was United Nations Climate Change Conference (more commonly referred to as COP26) was where world leaders were expected to make enhanced commitments towards mitigating climate change. Progress was made in terms of government pledges and targets however, owing to late interventions from India and China, which weakened a move to end coal power and fossil fuel subsidies, the conference ended with the adoption of a less stringent resolution than some anticipated. Nevertheless, the pact was the first climate deal to explicitly commit to reducing the use of coal which in turn could become a potential mid-term driver for the tanker industry if coal was to be substituted by oil.

Persistent underinvestment in upstream facilities and western refineries for more than several years and the pressure on oil majors and gas companies to curb emissions will likely lead to peak global oil production earlier than previously expected, analysts say.

This would be a perfect scenario for green energy advocates, net-zero agendas, and the planet if it weren't for one simple fact on the opposite end of the equation: oil demand is rebounding from the pandemic-driven slump and we might set a new annual oil demand record as early as the end of the year.

The energy transition and the various government plans for net-zero emissions have prompted analysts to forecast that peak oil demand would occur earlier than expected just a few years ago. However, as current investment trends in oil and gas stand, global oil supply could peak sooner than global oil demand, opening a supply gap that would lead to increased instability in the oil market, with spikes in prices, and, potentially, structurally higher oil prices by the middle of this decade.

Beyond doubt, geopolitical tensions on top of a growing disparity between supply and demand will drive up prices.

We need to find a sustainable balance that looks a little brighter, where the recent jump in crude oil prices could be amortized by easing tensions between Russia and Ukraine and the reviving of Iran's nuclear deal, which could potentially support the recovery of subdued tanker markets.

With the peak of the pandemic now looking to be slow in retreat across most of the globe and the concerns and threats of COVID-19 becoming manageable to a more significant degree, the expectations are running high for the summer period in the northern hemisphere, bringing us a chance to see the summer solstice once again.



John Karavanić, CEO



# Market environment

## Global economy

2021 was loaded, in fact overloaded with global events. Most of them were overshadowed by COVID-19 and the race for its antidote. This time last year the jury was out on whether the durability of the vaccine-induced immune response and whether vaccination prevents transmission of the virus. This would of course prove to be a vital factor in determining how quick the world would be able to return to pre 2019 normality.

The universal topics for the global economy in 2021, with corresponding consequences on the shipping sectors, which will clearly continue to be in the focus through 2022;

- COVID-19; which will continue to be a headwind but has gradually been built in the economies as a manageable impediment. This is providing we do not identify new potent mutated infectious variants.
- Supply chain bottlenecks; which drive inflation should eventually subside.
- Interest / FED rates; also interrelated with inflation risks, are anticipated to be hiked three times during the course of 2022.
- Geopolitical tensions and a growing disparity between supply and demand; have driven up prices. It is undeniable that the China, Russia and the United States are involved in a new era of great-power competition on a new level.

Although in January last year the number of confirmed COVID-19 cases exceeded 100 million worldwide, experts predicted a tamed pandemic would unleash a new era of global growth. But 2021 had other ideas: supply chains became disrupted, inflation spiked across the world, and gross domestic product (GDP) growth failed forecasts. Then came Omicron, the latest COVID-19 variant imposing a new series of restrictions. In late November the World Health Organization convened an emergency meeting in Geneva amid concerns over Omicron, a highly mutated variant of COVID-19 first identified in South Africa that, at the time, appeared to be more infectious than Delta.

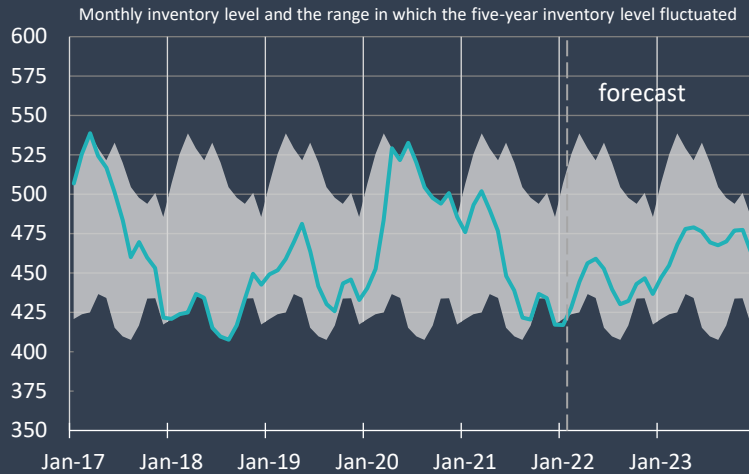
In the pandemic turmoil of 2021, food prices have also reached new highs according to the Food and Agriculture Organization of the U.N. The FAO Food Price Index (FFPI). A measure of the monthly change in international prices of a basket of food commodities, food prices have skyrocketed globally because of disruptions in the global supply chain, adverse weather and rising energy prices. The IMF's data shows that average food inflation across the world reached 6.85 percent on an annualized basis in December, the highest level since their series started in 2014.

A former chief economist at the International Monetary Fund sees the world approaching a global food crisis, and that slower growth, high unemployment and stressed budgets from governments that have spent heavily to combat the pandemic had created "a perfect storm of adverse circumstances." Even before the pandemic, global food prices had been trending upward as disease wiped out much of China's pig herd and the U.S. - China trade war resulted in Chinese tariffs on American agricultural goods. During the pandemic i.e. in March 2021, the Ever Given, one of the largest container ships in the world, demonstrated how fragile and dependent the world economy was on shipping when it ran aground and obstructed the Suez Canal, disrupting global trade.

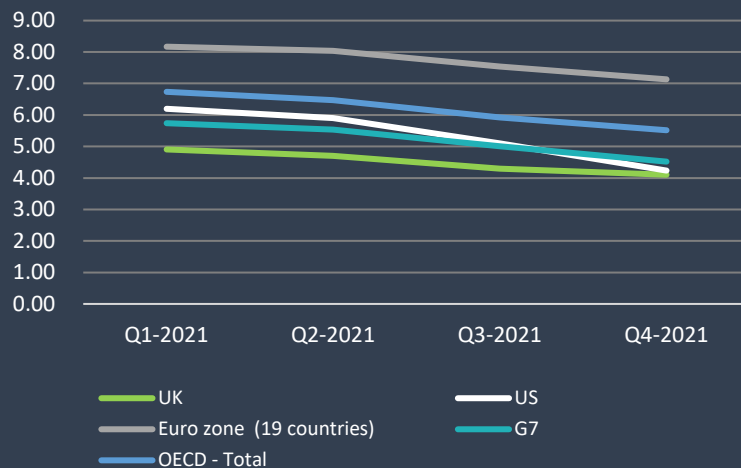
Two years later, global demand for food remains strong, but higher fuel prices and shipping costs, along with other supply chain bottlenecks like a shortage of truck drivers and shipping containers, continue to push up prices, according to an economist at the International Monetary Fund.

After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly in 2022—to 4.1 percent, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks.

## Crude oil stocks in US mil. barrels



## Unemployment u %



The monthly unemployment rate in the OECD area fell for the eighth consecutive month to 5.4% in December 2021, down from 5.5% in November, bringing it to just 0.1 percentage point above the pre-pandemic rate recorded in February 2020. The number of unemployed workers across the OECD area also continued to fall (by 0.7 million) reaching 36.1 million, still 0.5 million above the pre-pandemic level. In December (or the latest period available), the unemployment rate was below the pre-pandemic level in Australia, Chile, France, Iceland, Italy, Lithuania, Luxembourg, the Netherlands, New Zealand, Portugal, Spain and Turkey (OECD).

Although output and investment in advanced economies is projected to return to pre-pandemic trends by next year, they will remain below in emerging market and developing economies, due to lower vaccination rates, tighter fiscal and monetary policies, and more persistent damage from the pandemic.

### US Economy

In 2021 the US was off to a cracking start, to put it mildly. On January 6th supporters of outgoing President Donald Trump attacked the United States Capitol, disrupting certification of the 2020 presidential election, and forcing Congress to evacuate.

U.S. crude inventories have shed some 80 million barrels since the start of 2021 and about 22 million barrels since the start of 2020. Global crude stockpiles are also low.

U.S. consumer prices soared last year by the most in nearly four decades, draining the purchasing power of American families and setting the stage for the Federal Reserve to begin hiking interest rates as soon as March. The consumer price index climbed 7% in 2021, the largest 12-month gain since June 1982, according to Labor Department data.

The impact of food price inflation has been less severe in the United States, where food accounts for less than one-seventh of household spending on average, and inflation has become broad-based, spilling into energy, used cars, services and rents as price increases reach a 40-year high.

Yet American food prices have still risen sharply, putting a burden on the poorest households who spend more of their overall budget on food.

### China

China's economy is projected to slow in 2022. After a strong rebound in the first half of 2021, economic activity in China cooled rapidly in the second half of last year. Real GDP growth is projected to reach 8.0 percent this year, before moderating to 5.1 percent in 2022. Downside risks to China's economic outlook have increased. A severe and prolonged downturn in the highly leveraged property sector poses another downside risk which could have significant economy-wide impacts. Financial contagion is roaring back in China's property sector, putting renewed pressure on Xi Jinping's government.

Three particular challenges stand out: first, rebalancing from external to domestic demand and from investment and industry-led growth to greater reliance on consumption and services, second shifting from the significant weight placed on state leadership and regulation to a greater role for markets and the private sector, and third transitioning from a high to a low-carbon economy.

## Oil prices are at their highest level since 2014

Western oil companies, partly under pressure from investors and environmental activists, are drilling fewer wells than they did before the pandemic to restrain the increase in supply. Industry executives say they are trying not to make the same mistake they made in the past when they pumped too much oil when prices were high, leading to a collapse in prices. Elsewhere, in countries like Ecuador, Kazakhstan and Libya, natural disasters and political turbulence have curbed output in recent months. On the demand side, much of the world is learning to cope with the pandemic and people are eager to shop and travel. Wary of coming in contact with an infectious virus, many are choosing to drive rather than taking public transportation. But the most immediate and critical factor is geopolitical.

In April last year, Russia warned NATO against sending any troops to aid Ukraine, amid reports of a large Russian military build-up on its borders. A potential Russian invasion of Ukraine still has “the oil market on edge”. “In a tight market, any significant disruptions could send prices well above \$100 per barrel. On the supply side it is worth noting Russia produces 10 million barrels of oil a day, or roughly one of every 10 barrels used around the world on any given day.

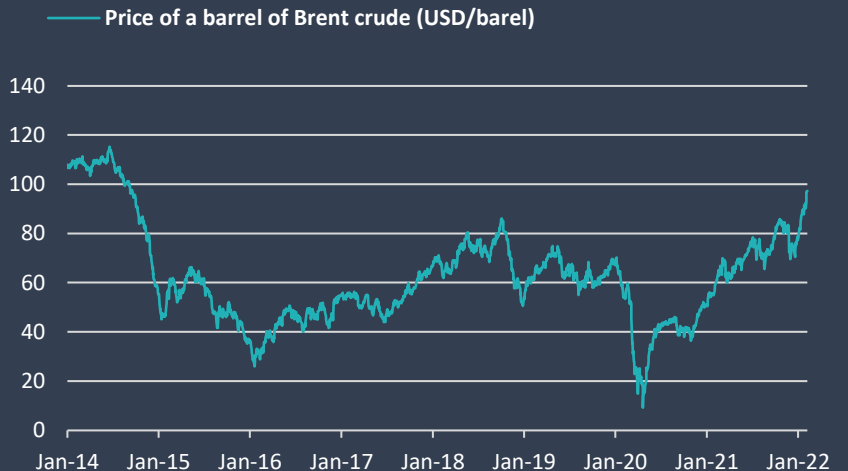
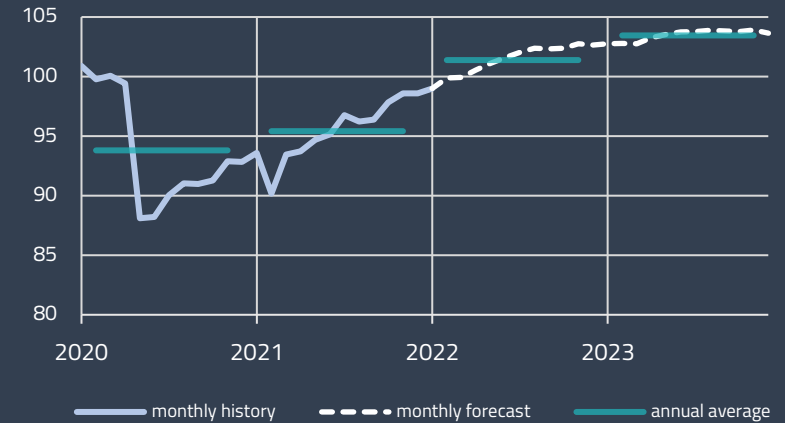
## What would it take for oil prices to fall?

Oil prices go up and down in cycles, and there are several reasons prices could fall in the next few months. The pandemic is far from over, and China has shut down several cities to stop the spread of the virus, slowing its economy and demand for energy. Russia and the West could reach an agreement that prevents a Ukraine invasion.

And the United States and its allies could restore a 2015 nuclear agreement with Iran that former President Donald J. Trump abandoned. Such a deal would allow Iran to sell oil much more easily than now. Analysts think the country could export a million or more barrels daily if the nuclear deal is revived. Ultimately, high prices could depress demand for oil enough that prices begin to come down.

New York Times, February 2022  
Energy Information Administration, February 2022

## Global crude oil and liquid fuels production (million barrels per day)





## MR product tankers

### QUICK OVERVIEW

(MR 25-59.999 DWT)

#### Key fleet figures

as at 01st January 2022

**In Service:** **2,662** vessels  
total dwt capacity: 117,340,470 dwt  
year to date growth 1.33%

**Over 20yrs:** **238** vessels  
total dwt capacity: 9,551,248 dwt  
as percentage of fleet: 8.94 %

**On order:** **175** vessels  
total dwt capacity: 7,868,300 dwt  
as percentage of fleet: 6.57 %

#### Remaining deliveries for 2022

until 01st January 2023

**Scheduled:** **111** vessels  
total dwt capacity: 5,009,196 dwt  
as percentage of fleet: 4.65 %

#### Changes in 2021

as at 01st January 2022

**Deliveries:** **94** vessels  
total dwt capacity: 4,454,376 dwt  
as percentage of fleet: 3.53 %  
of which in Q4 '21: 20 vessels

**New orders:** **91** vessels  
total dwt capacity: 4,235,122 dwt  
as percentage of fleet: 3.42 %  
of which in Q4 '21: 14 vessels

**Scrapped:** **59** vessels  
total dwt capacity: 2,412,978 dwt  
as percentage of fleet: 2.22 %  
of which in Q4 '21: 9 vessels

Allied research, February 2021

### MR product tanker fleet

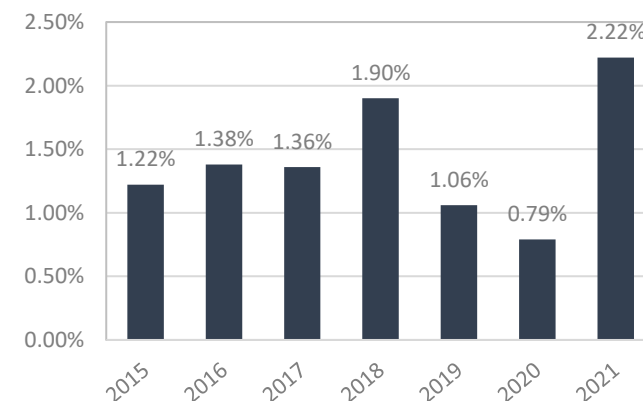
The product tanker fleet grew by 1,33% in 2021 which shows slowing down from 2020 and 2019 growth which amounted 3,3% and 3,6% respectively, which presents a potential long-term positive impact on the product tanker market.

During 2021, a total of 59 MR tankers were sent to scrap which is more than was scrapped during the last two years altogether (in 2020 a total of 19 tankers were scrapped, while in 2019 a total of 27 tankers were scrapped).

Up to 31st December 2021, 94 deliveries were reported. The total orderbook stands at 175 tankers, out of which 111 tankers are expected to be delivered in 2022 (of which 9 tankers were delivered by 1 February).

### Scrapping as a percentage of the fleet

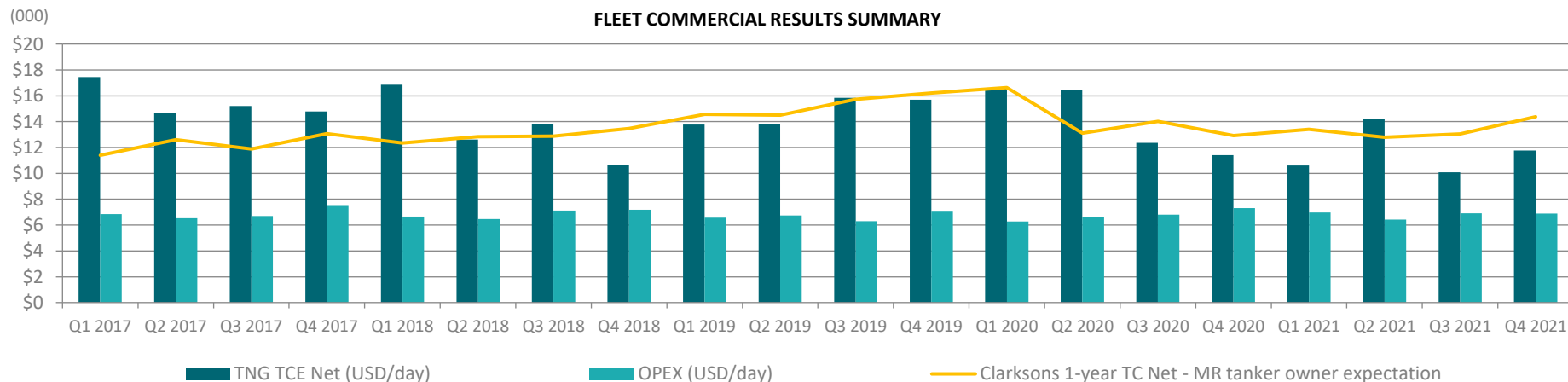
(%)



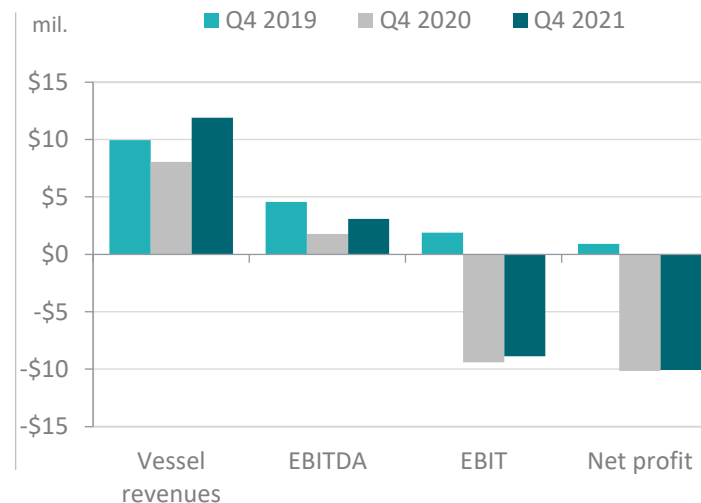


# Results for the period

## FLEET COMMERCIAL RESULTS SUMMARY



SELECTED FINANCIALS	HRK 000				USD 000			
	Q4 2020	Q4 2021	FY 2020	FY 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Vessel revenues	51,244	78,768	236,956	<b>253,869</b>	8,050	11,915	35,445	<b>39,775</b>
EBITDA	11,212	20,730	97,267	<b>59,069</b>	1,766	3,095	14,274	<b>9,238</b>
EBIT	(57,748)	(58,623)	(11,201)	<b>(59,065)</b>	(9,405)	(8,868)	(2,822)	<b>(8,880)</b>
Net profit	(62,509)	(66,777)	(31,684)	<b>(86,989)</b>	(10,167)	(10,073)	(5,907)	<b>(13,208)</b>



In 2021, vessel's revenues reached HRK 253.9 million (USD 39.8m), which represents an increase from the level achieved in 2020 when the vessel revenues amounted to HRK 237.0m (USD 35.4m).

Commissions and voyage associated costs amounted to HRK 97.4m (USD 15.2m) in 2021, while in 2020 they added up to HRK 38.1m (USD 5.8m) which was significantly lower. This ascend in expenses can be attributed to higher exposure to the spot market during 2021 compared to the year before when most of the vessels were employed on time charter.

Higher exposure to spot market results in achieving 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 like bunkers, port expenses, agency fees etc. while operating on spot market.

Operating expenditures of the fleet in 2021 amounted to HRK 95.9m (USD 15.1m), while general and administrative expenses were recorded at HRK 6.2m (USD 1.0m), both of these categories of expenses were held at the similar level as in the same period of 2020.

Profit before interest, taxes, depreciation and amortization (EBITDA) in 2021 amounts to HRK 59.1m (USD 9.2m), while in 2020 it amounted to HRK 97.3m (USD 14.3m).

Depreciation costs in 2021 amounts to HRK 52.8m (USD 8.3m). 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.

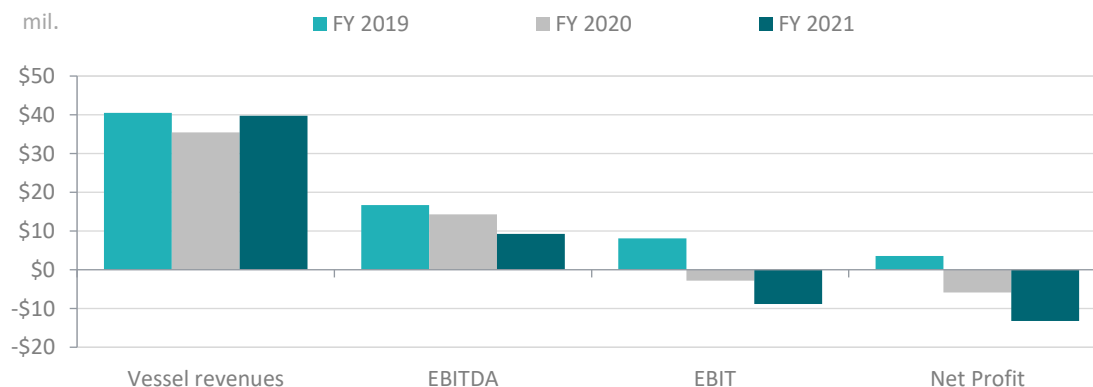
An annual impairment test was performed on 31 December 2021 and it has been determined that the carrying amount of three vessels exceeds the recoverable amount of the asset. The impairment loss was determined using the discounted cash flow method of "VesselsValue Ltd.", London, and a decision was made to adjust the value of assets in the total amount of HRK 65.5 milion (USD 9.9m).

Simultaneously, the Company recorded other revenue based on the revocation of part of the loss from the impairment of two vessels in the amount of 6.3 mil. HRK (USD 1.0 m).

Net interest expenses amounted to HRK 17.8 mil. (USD 2.8m), while net foreign exchange losses were recorded at HRK 10.1m (USD 1.5m).

During 2021 the Company recorded a net loss which amounted to HRK 86.9m (USD 13.2m).

The average daily TCE of the fleet during 2021 was recorded at USD 11,763.



In the fourth quarter of 2021, the revenues reached HRK 78.8 million (USD 11.9m), which is an increase compared to revenues generated in the same period of 2020 when they amounted HRK 51.2m (USD 8.1m).

Commissions and voyage associated costs amounted to HRK 36.2m (USD 5.5m) in the fourth quarter of 2021, while in the same period of 2020 they added up to HRK 12.8m (USD 2.0m) which is significantly less. This ascend in expenses can be attributed to higher exposure to the spot market during the fourth quarter of 2021 compared to the same period last year, when most of the fleet was employed on time charter.

Higher exposure to the spot market results in achieving 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 like bunkers, port expenses, agency fees etc. while operating on spot market.

Operating expenses of the fleet in the fourth quarter of 2021 amounted to HRK 26.5m (USD 4,1m), while administrative expenses amounted to HRK 1.6m (USD 0.2m), both of these categories of expenses were held at the similar level as in the same period of 2020.

Profit before interest, taxes, depreciation and amortization (EBITDA) in the fourth quarter of 2021 amounts to HRK 20.7m (USD 3.1m) and was significantly reduced compared to the same period of 2020 when it amounted to HRK 11.2m (USD 1.8m).

Depreciation costs in the fourth quarter of 2021 amounted to HRK 13.9m (USD 2.1m) and are in accordance with the depreciation plan.

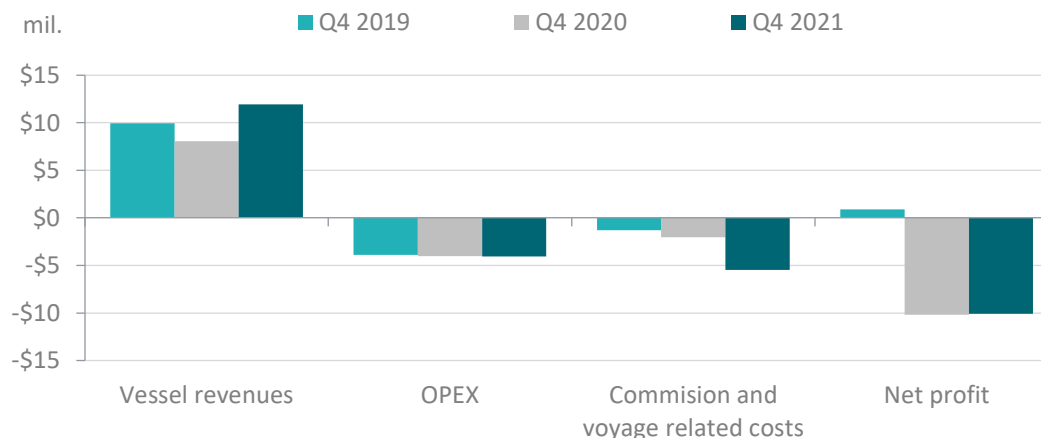
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Simultaneously, the Company recorded other revenue based on the revocation of part of the loss from the impairment of two vessels in the amount of 6.3 mil. HRK (USD 1.0 million).

Net interest expenses in the fourth quarter amounted to HRK 4.7 mil. (USD 0.7m), while net foreign exchange loss were recorded at HRK 3.5m (USD 0.5m).

During the fourth quarter of 2021 the Company recorded a net loss which amounted to HRK 66.8m (USD 10.1m).

The average daily TCE of the fleet during the fourth quarter of 2021 was recorded at USD 12,382 per day.





# 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 December 31, 2021, the average age of the vessels in TNG's fleet was 7.7 years.

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

Vessel	Year built	Type	Employment	Hire rate (USD/day)
Velebit	2011	ICE class MR product	SPOT market	SPOT (from Aug 2021)
Vinjerac	2011	ICE class MR product	Clearlake	15.250 (until May 2022)
Vukovar	2015	Eco MR product	EXXON	17.050 (until Aug 2023)
Zoilo	2015	Eco MR product	SPOT market	SPOT (from May 2021)
Dalmacija	2015	Eco MR product	SPOT market	SPOT (from Jul 2020)
Pag	2015	Eco MR product	SPOT market	SPOT (from Jul 2020)

## CURRENT CHARTERING STRATEGY

### Vinjerac

At the beginning of May 2020, a two-year time charter contract was secured for m/t Vinjerac. The tanker is under contract with the Charterer Clearlake Shipping („Clearlake”) at an agreed hire rate of USD 15,250 per day, with an option to extend the contract for a third year with a freight rate of USD 15,750 per day. In late September the tanker was delivered to its technical manager in order to perform the drydock, after which it was redelivered to its Charterer in the beginning of November.

### Pag

During December 2020, the vessel began its regular five-year drydock. After the completion of drydock in January 2021, the vessel continued its employment on the spot market.

### 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.

### Velebit

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

### Zoilo

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

### Dalmacija

After the redelivery from the time charter contract with Trafigura Maritime Logistics („Trafigura”) in Q3/2020, a regular five-year drydock was performed for m/t Dalmacija, after which the vessel was predominately employed on the spot market.

OPERATIONAL DATA OF THE FLEET	Q4 2020.	Q1 2021.	Q2 2021.	Q3 2021.	Q4 2021.	FY 2020.	FY 2021.
Time Charter Equivalent rates (USD/day)	11,403	10,600	14,219	10,088	12,382	14,250	<b>11,763</b>
Daily vessel operating expenses (USD/day)	7,315	6,967	6,426	6,909	7,351	6,823	<b>6,897</b>
Operating days *	552	540	546	552	552	2,196	<b>2,190</b>
Revenue days *	528	514	516	542	520	2,079	<b>2,093</b>
Fleet utilization (%) *	95.7%	95.2%	94.5%	98.2%	94.3%	94.7%	<b>95.6%</b>

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 the fourth quarter of 2021 tankers were employed on time charter contracts for only 152 days out of 552 revenue days, which equates to 27.5% of revenue days, due to the drydocking of MT Vinjerac.

The average TCE net daily rate for 2021 equates to USD 11,763, while the average daily vessel operating expenses (OPEX) in the same period amounted to USD 6,897 per vessel.

During Q4, a total of 31,6 off hire days were recorded, with majority of days accounted to m/t Vinjerac which was performing its regular five-year drydock.

The Ballast Water Convention of the International Maritime Organization entered into force on September 8, 2017. The approved ballast water treatment system had to be installed by

the time it is necessary to renew the International Oil Pollution Prevention (IOPP) certificate, which for TNG meant that the systems were installed on vessels following a five-year drydock cycle that started in mid 2020.

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

Based on the dockings done so far, we can conclude that the actual costs are in line with the plan. In other words, the average cost of delivery and installation of BWTS and the cost of docking amounted about USD 1.9 million per vessel, keeping in mind that the Eco tanker m/t Dalmacija was delivered from the shipyard as a newbuilding with an already implemented ballast water treatment system, therefore its cost of drydocking amounted to USD 0.77 million.

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

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

\*Fleet utilization = revenue days / operating days





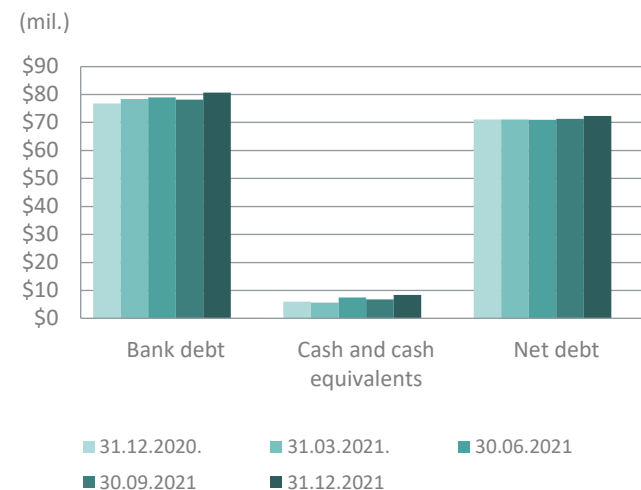
# Financial position summary

Tankerska Next Generation concluded 2021 with the gearing ratio of 47%. The gearing ratio is in line with the Company's business strategy. In accordance with the repayment plans, we expect that the level of indebtedness will continuously decrease in the future with regular loan repayments.

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

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

During the fourth quarter, the Company secured an additional revolving loan of a parent company in the amount of USD 3.0 million for the purpose of financing working capital. At the reporting date, USD 9 million was in use out of the total of USD 9 million of a parent company's revolving loans received.



FINANCIAL POSITION SUMMARY	HRK 000					USD 000				
	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Bank debt	471,431	505,524	496,986	502,060	<b>536,385</b>	76,792	78,392	79,007	78,123	<b>80,737</b>
Cash and cash equivalents	34,804	47,900	51,244	43,451	<b>55,433</b>	5,669	7,428	8,146	6,761	<b>8,344</b>
Net debt	436,627	457,624	445,742	458,609	<b>480,952</b>	71,123	70,964	70,861	71,362	<b>72,393</b>
Capital and reserves	578,496	598,268	588,055	592,009	<b>548,290</b>	94,233	92,773	93,485	92,120	<b>82,530</b>
Gearing ratio Net debt / (Capital and reserves + Net debt)	43%	43%	43%	44%	<b>47%</b>	43%	43%	43%	44%	<b>47%</b>

# Income statement and statement of other comprehensive income

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR PERIOD FROM JANUARY 1st to DECEMBER 31st, 2021 Unaudited	HRK 000				USD 000			
	Q4 2020	Q4 2021	FY 2020	FY 2021	Q4 2020	Q4 2021	FY 2020	FY 2021
Vessel revenues	51,244	78,768	236,956	253,869	8,050	11,915	35,445	39,775
Other revenues	1	6,342	3,965	6,683	-	955	619	1,009
<b>Sales revenues</b>	<b>51,245</b>	<b>85,110</b>	<b>240,921</b>	<b>260,552</b>	<b>8,050</b>	<b>12,870</b>	<b>36,064</b>	<b>40,784</b>
Commission and voyage related costs	(12,752)	(36,239)	(38,056)	(97,419)	(2,025)	(5,471)	(5,825)	(15,157)
Vessel operating expenses	(25,868)	(26,537)	(99,087)	(95,898)	(4,038)	(4,058)	(14,984)	(15,104)
General and administrative	(1,248)	(1,604)	(6,001)	(6,240)	(196)	(246)	(904)	(982)
Other expenses	(165)	-	(510)	(1,926)	(25)	-	(77)	(303)
<b>Total operating expenses</b>	<b>(40,033)</b>	<b>(64,380)</b>	<b>(143,654)</b>	<b>(201,483)</b>	<b>(6,284)</b>	<b>(9,775)</b>	<b>(21,790)</b>	<b>(31,546)</b>
<b>EBITDA</b>	<b>11,212</b>	<b>20,730</b>	<b>97,267</b>	<b>59,069</b>	<b>1,766</b>	<b>3,095</b>	<b>14,274</b>	<b>9,238</b>
Depreciation and amortization	(13,284)	(13,887)	(52,792)	(52,668)	(2,102)	(2,109)	(8,027)	(8,264)
Impairment	(55,676)	(65,466)	(55,676)	(65,466)	(9,069)	(9,854)	(9,069)	(9,854)
<b>Operating profit (EBIT)</b>	<b>(57,748)</b>	<b>(58,623)</b>	<b>(11,201)</b>	<b>(59,065)</b>	<b>(9,405)</b>	<b>(8,868)</b>	<b>(2,822)</b>	<b>(8,880)</b>
Net interest expenses	(3,849)	(4,677)	(19,605)	(17,810)	(601)	(722)	(2,930)	(2,806)
Net foreign exchange gains (losses)	(912)	(3,477)	(878)	(10,114)	(161)	(483)	(155)	(1,522)
<b>Net income</b>	<b>(62,509)</b>	<b>(66,777)</b>	<b>(31,684)</b>	<b>(86,989)</b>	<b>(10,167)</b>	<b>(10,073)</b>	<b>(5,907)</b>	<b>(13,208)</b>
Other comprehensive income	(31,531)	23,058	(54,473)	56,845	(10)	(268)	-	1,515
<b>Total comprehensive income</b>	<b>(94,040)</b>	<b>(43,719)</b>	<b>(86,157)</b>	<b>(30,144)</b>	<b>(10,177)</b>	<b>(10,341)</b>	<b>(5,907)</b>	<b>(11,693)</b>
Weighted average number of shares outstanding, basic & diluted (thou,)	8,707	8,705	8,709	8,705	8,707	8,705	8,709	8,705
Net income (loss) per share, basic & diluted	(7.18)	(7.67)	(3.64)	(9.99)	(1.17)	(1.16)	(0.68)	(1.52)

# Balance sheet

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



BALANCE SHEET AT THE DATE OF DECEMBER 31st, 2021 unaudited	HRK 000				USD 000			
	31 Dec 2020	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Dec 2020	30 Jun 2021	30 Sep 2021	31 Dec 2021
<b>Non-current Assets</b>	<b>1,002,442</b>	<b>1,020,324</b>	<b>1,030,568</b>	<b>1,002,146</b>	<b>163,290</b>	<b>162,203</b>	<b>160,361</b>	<b>150,845</b>
Vessels	992,995	1,009,856	1,025,181	1,001,749	161,751	160,539	159,522	150,785
Tangible assets in preparation	8,951	10,020	422	0	1,458	1,593	773	-
Other non-current assets	496	448	4,965	397	81	71	66	60
<b>Current Assets</b>	<b>81,888</b>	<b>99,337</b>	<b>86,007</b>	<b>125,380</b>	<b>13,339</b>	<b>15,792</b>	<b>13,383</b>	<b>18,872</b>
Inventory	9,022	10,148	13,492	14,004	1,470	1,613	2,099	2,108
Accounts receivable	33,838	30,968	23,032	50,796	5,512	4,923	3,584	7,646
Cash and cash equivalents	34,804	51,244	43,451	55,433	5,669	8,146	6,761	8,344
Other current assets	4,224	6,977	6,032	5,147	688	1,110	939	774
<b>Total Assets</b>	<b>1,084,330</b>	<b>1,119,661</b>	<b>1,116,575</b>	<b>1,127,526</b>	<b>176,629</b>	<b>177,995</b>	<b>173,744</b>	<b>169,717</b>
<b>Shareholders Equity</b>	<b>578,496</b>	588,055	592,009	548,290	<b>94,233</b>	<b>93,485</b>	<b>92,120</b>	<b>82,530</b>
Share capital	436,667	436,667	436,667	436,667	67,500	67,500	67,500	67,500
Reserves	85,065	99,713	118,852	141,910	19,024	19,037	20,056	20,539
Retained earnings	56,764	51,675	36,490	(30,287)	7,709	6,948	4,564	(5,509)
<b>Non-Current Liabilities</b>	<b>395,803</b>	<b>466,986</b>	<b>486,735</b>	<b>469,695</b>	<b>64,473</b>	<b>74,238</b>	<b>75,738</b>	<b>70,699</b>
Interest-bearing loans	395,803	466,986	486,735	469,695	64,473	74,238	75,738	70,699
<b>Current Liabilities</b>	<b>110,031</b>	<b>64,620</b>	<b>37,831</b>	<b>109,541</b>	<b>17,923</b>	<b>10,272</b>	<b>5,886</b>	<b>16,488</b>
Interest-bearing loans	75,628	30,000	15,325	66,690	12,319	4,769	2,385	10,038
Accounts payable	18,688	18,456	13,078	26,857	3,044	2,934	2,034	4,043
Other current liabilities	15,715	16,164	9,428	15,994	2,560	2,569	1,467	2,407
<b>Total liabilities and shareholders equity</b>	<b>1,084,330</b>	<b>1,119,661</b>	<b>1,116,575</b>	<b>1,127,526</b>	<b>176,629</b>	<b>177,995</b>	<b>173,744</b>	<b>169,717</b>

# Cash flow statement

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



CASH FLOW STATEMENT FOR THE YEAR 2021 unaudited	HRK 000				USD 000			
	Q1 2021	H1 2021	Q1-Q3 2021	FY 2021	Q1 2021	H1 2021	Q1-Q3 2021	FY 2021
Profit before tax	(9,463)	(5,027)	(20,212)	(86.989)	(1,446)	(751)	(3,135)	(13,208)
Amortisation	12,765	25,568	38,781	52.668	2,022	4,077	6,155	8,264
Changes in working capital	5,016	(1,583)	(4,179)	(14.561)	897	(397)	(723)	1,982
Other	3,252	1,858	10,364	76.156	32	46	1,118	10,692
<b>Cash flow from operating activities</b>	<b>11,570</b>	<b>20,816</b>	<b>24,754</b>	<b>27.274</b>	<b>1,505</b>	<b>2,975</b>	<b>3,415</b>	<b>3,766</b>
Cash inflows from investing activities	-	-	-	-	-	-	-	-
Cash outflows from investing activities	(8,386)	(18,081)	(24,086)	(31.669)	(1,341)	(2,702)	(3,653)	(5,026)
<b>Cash flow from investing activities</b>	<b>(8,386)</b>	<b>(18,081)</b>	<b>(24,086)</b>	<b>(31.669)</b>	<b>(1,341)</b>	<b>(2,702)</b>	<b>(3,653)</b>	<b>(5,026)</b>
Cash inflows from financing activities	493,659	512,381	521,919	551.573	78,392	81,392	82,892	87,392
Cash outflows from financing activities	(483,747)	(498,677)	(513,940)	(526.550)	(76,797)	(79,187)	(81,561)	(83,456)
<b>Cash flow from financing activities</b>	<b>9,912</b>	<b>13,704</b>	<b>7,978</b>	<b>25.023</b>	<b>1,595</b>	<b>2,205</b>	<b>1,330</b>	<b>3,935</b>
Net changes in cash	13,096	16,440	8,647	20.629	1,759	2,477	1,093	2,676
Cash and cash equivalents (beg, of period)	34,804	34,804	34,804	34.804	5,669	5,669	5,669	5,669
<b>Cash and cash equivalents (end of period)</b>	<b>47,900</b>	<b>51,244</b>	<b>43,451</b>	<b>55.433</b>	<b>7,428</b>	<b>8,146</b>	<b>6,761</b>	<b>8,344</b>

# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
<b>For the period from 1 Jan to 31 Mar 2021</b>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>
Balance at 1 January 2021	436,667	56,764	128,554	(43,479)	578,496
Net profit for the period	-	(9,463)	-	-	(9,463)
Change in capital	-	-	-	-	-
Change in other reserves	-	(32)	-	-	(32)
Changes in other comprehensive income	-	-	-	29,267	29,267
<b>Balance at 31 March 2021</b>	<b>436,667</b>	<b>47,269</b>	<b>128,544</b>	<b>(14,212)</b>	<b>598,268</b>
<b>For the period from 1 April to 30 Jun 2021</b>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>
Balance at 1 April 2021	436,667	47,269	128,544	(14,212)	598,268
Net profit for the period	-	4,436	-	-	4,436
Change in capital	-	-	-	-	-
Change in other reserves	-	(30)	-	-	(30)
Changes in other comprehensive income	-	-	-	(14,619)	(14,619)
<b>Balance at 30 June 2021</b>	<b>436,667</b>	<b>51,675</b>	<b>128,544</b>	<b>(28,831)</b>	<b>588,055</b>
<b>For the period from 1 Jul to 30 Sep 2021</b>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>
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	-	(30)	-	-	-
Changes in other comprehensive income	-	-	-	19,139	19,139
<b>Balance at 30 September 2021</b>	<b>436,667</b>	<b>36,490</b>	<b>128,544</b>	<b>(9,692)</b>	<b>592,009</b>
<b>For the period from 1 Oct to 31 Dec 2021</b>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>	<i>HRK 000</i>
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
<b>Balance at 31 December 2021</b>	<b>436,667</b>	<b>(30,287)</b>	<b>128,554</b>	<b>13,366</b>	<b>548,290</b>

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
<b>For the period from 1 Jan to 31 Mar 2021</b>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>
Balance at 1 January 2021	67,500	7,709	19,867	(843)	94,233
Net profit for the period	-	(1,446)	-	-	(1,446)
Change in capital	-	-	-	-	-
Change in other reserves	-	(5)	-	-	(5)
Changes in other comprehensive income	-	-	-	(9)	(9)
<b>Balance at 31 March 2021</b>	<b>67,500</b>	<b>6,258</b>	<b>19,867</b>	<b>(852)</b>	<b>92,773</b>
<b>For the period from 1 April to 30 Jun 2021</b>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>
Balance at 1 April 2021	67,500	6,258	19,867	(852)	92,773
Net profit for the period	-	695	-	-	695
Change in capital	-	-	-	-	-
Change in other reserves	-	(5)	-	-	(5)
Changes in other comprehensive income	-	-	-	22	22
<b>Balance at 30 June 2021</b>	<b>67,500</b>	<b>6,948</b>	<b>19,867</b>	<b>(830)</b>	<b>93,485</b>
<b>For the period from 1 Jul to 30 Sep 2021</b>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>
Balance at 1 July 2021	67,500	6,948	19,867	(830)	93,485
Net profit for the period	-	(2,384)	-	-	(2,384)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	1,770	1,770
<b>Balance at 30 September 2021</b>	<b>67,500</b>	<b>4,564</b>	<b>19,867</b>	<b>940</b>	<b>92,871</b>
<b>For the period from 1 Oct to 31 Dec 2021</b>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>	<i>USD 000</i>
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)
<b>Balance at 31 December 2021</b>	<b>67,500</b>	<b>(5,509)</b>	<b>19,867</b>	<b>672</b>	<b>82,530</b>

# NET ASSET VALUE CALCULATION

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



NET ASSET VALUE CALCULATION ESTIMATE	As of 31 Dec 2020 (000 USD)	As of 31 Mar 2021 (000 USD)	As of 30 Jun 2021 (000 USD)	As of 30 Sep 2021 (000 USD)	As of 31 Dec 2021 (000 USD)
<b>Total fleet value</b>	<b>146,800</b>	<b>139,350</b>	<b>140,160</b>	<b>141,430</b>	<b>151,680</b>
Investments	-	-	-	-	-
Current assets	7,670	5,151	7,646	6,622	10,528
Other non-current assets	81	73	71	66	60
<b>Total value of other assets</b>	<b>7,751</b>	<b>5,224</b>	<b>7,717</b>	<b>6,688</b>	<b>10,588</b>
Cash and cash equivalents	5,669	7,428	8,146	6,761	8,344
Interest-bearing loans	(76,792)	(78,392)	(79,007)	(78,123)	(80,737)
<b>Net debt</b>	<b>(71,123)</b>	<b>(70,964)</b>	<b>(70,861)</b>	<b>(71,362)</b>	<b>(72,393)</b>
Other non-current liabilities	-	-	-	-	-
Current liabilities	(5,604)	(3,910)	(5,503)	(3,501)	(6,450)
<b>Total value of other liabilities</b>	<b>(5,604)</b>	<b>(3,910)</b>	<b>(5,503)</b>	<b>(3,501)</b>	<b>(6,450)</b>
<b>NET ASSET VALUE</b>	<b>77,824</b>	<b>69,700</b>	<b>71,513</b>	<b>73,255</b>	<b>83,425</b>
Weighted average number of shares outstanding, basic & diluted	8,709,407	8,706,421	8,705,817	8,705,549	8,705,549
Net asset value per share (USD)	8.94	8.01	8.21	8.41	9.58

## 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 seasonality 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.

The employment strategy of the fleet, which prefers medium-term time charter employment, confines from the short-term volatility manifested in swinging freight rates and ultimately in the volatility of the Company's asset value.

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 on December 31st, 2021 is estimated to USD 151.7 million, which with all other unchanged parameters gives a NAV per share of USD 9.58.

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 clean petroleum products, as well as the growth and development of the fleet in this segment in the available industrial analysis.

## ANNOUNCEMENTS IN 2021

19 Feb 2021 Announcement of the Management and Supervisory Board  
 25 Feb 2021 Management and Supervisory Board meeting held  
 15 Mar 2021 Secured long-term loan in the amount of USD 35.3 million  
 31 Mar 2021 Share acquisition notice  
 07 Apr 2021 Share acquisition notice  
 22 Apr 2021 Announcement of the Management and Supervisory Board  
 28 Apr 2021 Management and Supervisory Board meeting held  
 28 Apr 2021 Information about own shares  
 21 May 2021 Share acquisition notice  
 21 May 2021 Invitation to the General Assembly  
 02 July 2021 Annual General Assembly held  
 22 July 2021 Announcement of the Management and Supervisory Board  
 29 July 2021 Management and Supervisory Board meeting held  
 22 Oct 2021 Announcement of the Management and Supervisory Board  
 28 Oct 2021 Management and Supervisory Board meeting held

## SHAREHOLDER STRUCTURE

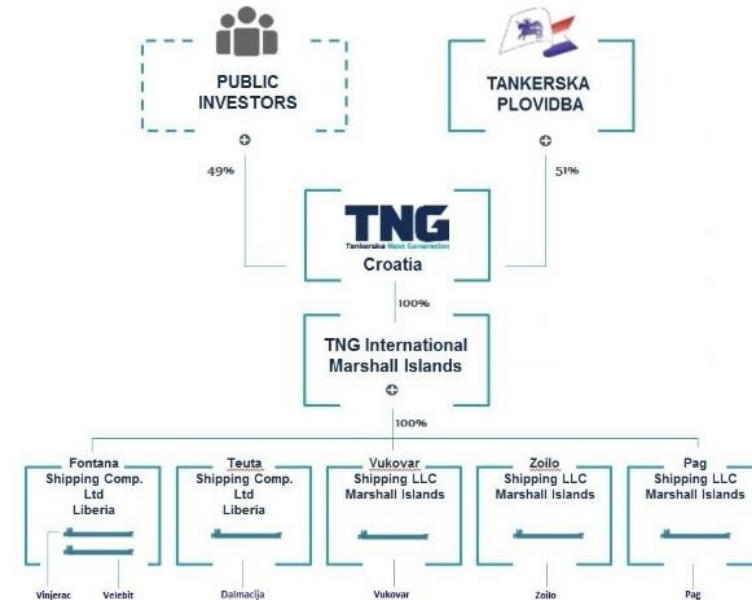
Shareholders on 31 December 2021	No. of shares	Share (%)
Tankerska Plovidba	4,454,994	51.01%
PBZ Croatia Osiguranje OMF	839,000	9.61%
Erste Plavi OMF	808,000	9.25%
Raiffeisen OMF	752,036	8.61%
Raiffeisen DMF	372,103	4.26%
Other institutional and private investors	1,507,212	17.26%
<b>Total</b>	<b>8,733,345</b>	<b>100.00%</b>

## MANAGEMENT AND SUPERVISORY BOARD

On December 31<sup>st</sup>, 2021, the sole member of the Management Board is Mr. John Karavanić.

In 2021 there were no changes in Supervisory Board. The Supervisory Board consists of Mr. Ivica Pijaca, president, Mr. Mario Pavić, deputy president, and members Mr. Joško Miliša, Mr. Nikola Koščica and Mr. Dalibor Fell.

## OVERVIEW OF RELATED PARTY TRANSACTIONS:





## TPNG-R-A STOCK

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

The Company shares with the ticker TPNG-R-A are listed on the Zagreb Stock Exchange. In October 2020, the Management Board adopted a decision to launch a new Treasury Share Buy-Back Programme (hereinafter: the New Programme) in accordance with the resolution adopted by the General Assembly from August 2nd, 2020. The Programme commenced on November 2nd, 2020 and lasted until November 2nd, 2021. The maximum number of shares intended to be acquired during the New Programme is 110,000, and the largest amount of money allocated to the Program is HRK 5,000,000.

During 2021 the Company had repurchased a total of 1,399 treasury shares on the Zagreb Stock Exchange, representing 0.016% of the Company's share capital. The Company paid the equivalent of HRK 63,553 for the acquisition of abovementioned treasury shares. As of December 31<sup>st</sup>, 2021, the Company had 28,319 treasury shares representing 0.3243% of the Company's share capital.

In 2021, the TPNG-R-A share achieved the largest annual turnover since its listing, in the amount of HRK 25.52 million. Market capitalization on 31.12.2021. amounts to HRK 363.9 million.



TPNG at ZSE	HRK					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Volume (million)	14.7	4.1	1.5	5.9	17.2	25.5
Last price	75,00	54,00	38,80	47,20	43,00	41,80
Highest price	79,99	84,89	57,00	49,60	60,00	49,80
Lowest price	66,00	54,00	33,40	28,80	36,00	37,20
Average price	72,78	70,88	43,61	39,98	48,59	42,30



# Risk management

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

## Foreign exchange risk

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

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

## Interest rate risk

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

rates.

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

## Credit risk

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

## Liquidity risk

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

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

## Price risk

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

## Operational risk

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

## Daily rates

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

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

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

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

## Company strategy

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

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

## Chartering strategy

Charterer's financial condition and reliability is an important factor in counterparty risk. TNG generally minimizes such risks by providing services to major energy corporations, large trading houses (including commodities traders), major crude and derivatives producers and other reputable entities with extenuating tradition in 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 1<sup>ST</sup> JANUARY UNTIL 31<sup>ST</sup> DECEMBER 2021

(UNAUDITED)

- I. Report of the Management Board on the Company's operations for the period from 1<sup>st</sup> January until 31<sup>st</sup> December, 2021
- II. Unaudited condensed quarterly financial statements:
  - Balance Sheet per as at 31<sup>st</sup> December, 2021
  - Profit and Loss Account for the period from 1<sup>st</sup> January until 31<sup>st</sup> December, 2021
  - Cash Flow Statement for the period from 1<sup>st</sup> January until 31<sup>st</sup> December, 2021
  - Statement of Changes in Equity for the period from 1<sup>st</sup> January until 31<sup>st</sup> December, 2021
  - Notes to the Financial Statements
- III. Statement of Responsibility for the Financial Statements

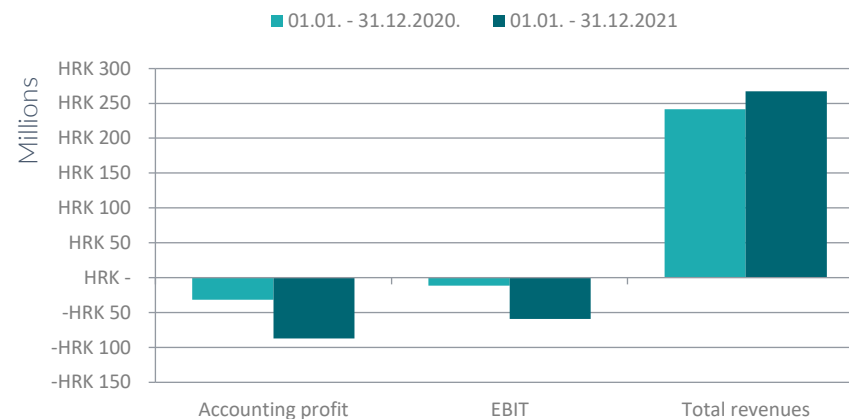
# Report of the management board on the company's operations

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021

**TNG**  
Tankerska Next Generation

for the period from 1<sup>st</sup> January until 31<sup>st</sup> December, 2021

DESCRIPTION	Period	
	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2020	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2021
Total revenues	HRK 241,380,155	HRK 267,118,047
Operating revenues / Total revenues	98%	95%
Other revenues / Total revenues	2%	5%
International market / Total revenues	100%	100%
Domestic market / Total revenues	0%	0%
Material costs / Operating expenses	30%	41%
Employee costs / Operating expenses	20%	16%
Financial expenses / Total Expenses	8%	10%
Net margin	(13.14%)	(33.36%)
Accounting profit	(HRK 31,682,843)	(HRK 86,988,824)
Operating profit (EBIT)	(HRK 11,317,160)	(HRK 59,064,941)



During the reporting period the Company reported HRK 267.1 million of operating revenues, attributed predominantly to revenue generated from sales and revenues recorder from the elimination of the part of the loss from impairment of vessels in the amount of HRK 6.3 million.

In the same period, the Company reported HRK 319.8 million of operating costs. The majority of operating expenses are the material costs HRK 131.3 million, followed by the costs of value adjustment of fixed assets (ships) in the amount of HRK 65.5 million, depreciation in the amount of HRK 52.8 million (including HRK 5.8 million of dry dock expenses depreciation), employee costs in the amount HRK 50.1 million and other expenses in the amount of HRK 20.1 million.

In the period ended 31<sup>st</sup> December 2021, financial income amounted to HRK 6.4 million, while financial expenses amounted to HRK 34.3 million.

In the reporting period, the Company achieved cumulative loss in the amount of HRK 87.0 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.

In the reporting period the Company acquired 1.399 treasury shares following the Share Buy-Back programme.

Details of each individual acquisition of treasury shares have been made public in accordance with the provisions of the Companies Act, the provisions of the Capital Market Act and the Rules of the Zagreb Stock Exchange.

As of December 31, 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 December 31, 2021, 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:	1/1/2021	to 12/31/2021
Year:	2021	
Quarter:	4.	
Quarterly financial statements		
Registration number (MB):	04266838	Issuer's home Member State code: HR
Entity's registration number (MBS):	110046753	
Personal identification number (OIB):	30312968003	LEI: 74780000Y04HB9CIA883
Institution code:	30559	
Name of the issuer:	Tankerska Next Generation d.d.	
Postcode and town:	23000	Zadar
Street and house number:	Božidara Petranovića 4	
E-mail address:	tng@tng.hr	
Web address:	www.tng.hr	
Number of employees (end of the reporting period):	134	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Bookkeeping firm:	Yes (Yes/No)	Tankerska plovidba d.d. (name of the bookkeeping firm)
Contact person:	KARAVANIĆ JOHN (only name and surname of the contact person)	
Telephone:	023/202-132	
E-mail address:	tng@tng.hr	
Audit firm:	(name of the audit firm)	
Certified auditor:	(name and surname)	

<b>BALANCE SHEET</b>			
balance as at 31.12.2021			
			in HRK
<b>Submitter: Tankerska Next Generation d.d.</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1,002,441,257	1,002,145,792
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	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
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1,002,441,257	1,002,145,792
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	993,490,420	1,002,145,792
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	3,135,487	0
7 Tangible assets in preparation	017	5,815,350	0
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	0	0
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	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
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	78,030,528	120,342,037
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	9,022,302	14,003,606
1 Raw materials and consumables	039	9,022,302	14,003,606
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
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	34,204,292	50,905,901
1 Receivables from undertakings within the group	047	7,276	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	33,838,253	50,796,065
4 Receivables from employees and members of the undertaking	050	26,792	21,308
5 Receivables from government and other institutions	051	67,116	34,754
6 Other receivables	052	264,855	53,774
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	6,139,039	20,814,236
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	6,139,039	20,814,236
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	28,664,895	34,618,294
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	3,865,421	5,038,203
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	1,084,337,206	1,127,526,032
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0



Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 085)</b>	<b>067</b>	<b>578,497,199</b>	<b>548,289,831</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	436,667,250	436,667,250
II CAPITAL RESERVES	069	68,425,976	68,425,976
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	60,118,250	60,118,250
1 Legal reserves	071	5,118,250	5,118,250
2 Reserves for treasury shares	072	1,578,097	1,641,650
3 Treasury shares and holdings (deductible item)	073	-1,578,097	-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	-43,479,713	13,365,296
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	-43,479,713	13,365,296
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	88,448,279	56,701,883
1 Retained profit	084	88,448,279	56,701,883
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-31,682,843	-86,988,824
1 Profit for the business year	087	0	0
2 Loss for the business year	088	31,682,843	86,988,824
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>0</b>	<b>0</b>
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
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>395,803,103</b>	<b>469,695,100</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	59,791,932
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	395,803,103	409,903,168
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
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>98,831,679</b>	<b>98,677,540</b>
1 Liabilities to undertakings within the group	110	11,232,172	5,136,508
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	75,627,733	66,690,074
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	7,459,721	21,734,054
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4,329,249	4,946,125
11 Taxes, contributions and similar liabilities	120	55,620	55,318
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	73,410	61,687
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>11,205,225</b>	<b>10,863,561</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>1,084,337,206</b>	<b>1,127,526,032</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

STATEMENT OF PROFIT OR LOSS					
for the period 01.01.2021 to 31.12.2021					
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
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>241,072,838</b>	<b>51,386,898</b>	<b>260,728,534</b>	<b>85,126,693</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	236,956,224	51,244,006	253,869,302	78,768,617
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	4,116,614	142,892	6,859,232	6,358,076
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>252,389,998</b>	<b>109,144,125</b>	<b>319,793,475</b>	<b>143,749,234</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	75,242,370	22,035,406	131,301,891	45,636,074
a) Costs of raw materials and consumables	010	32,345,420	9,072,357	66,873,215	22,448,027
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	42,896,950	12,963,049	64,428,676	23,188,047
3 Staff costs (ADP 014 to 016)	013	51,289,750	13,833,455	50,148,504	14,189,454
a) Net salaries and wages	014	50,629,395	13,677,702	49,523,008	14,025,295
b) Tax and contributions from salary costs	015	464,997	108,439	418,571	107,634
c) Contributions on salaries	016	195,358	47,314	206,925	56,525
4 Depreciation	017	52,806,268	13,293,427	52,771,120	13,913,530
5 Other costs	018	16,832,657	4,137,810	19,038,978	4,309,725
6 Value adjustments (ADP 020+021)	019	55,675,536	55,675,536	65,466,091	65,466,091
a) fixed assets other than financial assets	020	55,675,536	55,675,536	65,466,091	65,466,091
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	543,417	168,491	1,066,891	234,360
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>307,317</b>	<b>155,663</b>	<b>6,389,513</b>	<b>5,349,863</b>
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	6,372,636	5,339,967
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	82,071	3,648	16,877	9,896
8 Exchange rate differences and other financial income	038	225,246	152,015	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>20,673,000</b>	<b>4,906,511</b>	<b>34,313,396</b>	<b>13,503,673</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	469,402	297,322
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	1,103,256	1,064,063	0	0
3 Interest expenses and similar expenses	044	19,569,744	3,842,448	17,357,425	4,389,530
4 Exchange rate differences and other expenses	045	0	0	16,486,569	8,816,821
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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>241,380,155</b>	<b>51,542,561</b>	<b>267,118,047</b>	<b>90,476,556</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>273,062,998</b>	<b>114,050,636</b>	<b>354,106,871</b>	<b>157,252,907</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-31,682,843</b>	<b>-62,508,075</b>	<b>-86,988,824</b>	<b>-66,776,351</b>
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-31,682,843	-62,508,075	-86,988,824	-66,776,351
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-31,682,843</b>	<b>-62,508,075</b>	<b>-86,988,824</b>	<b>-66,776,351</b>
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-31,682,843	-62,508,075	-86,988,824	-66,776,351
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0

# Statement of profit or loss

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



<b>STATEMENT OF PROFIT OR LOSS</b>					
for the period 01.01.2021 to 31.12.2021					
					in HRK
<b>Submitter: Tankerska Next Generation d.d.</b>					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	-31,682,843	-62,508,075	-86,988,824	-66,776,351
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	-54,472,530	-31,530,599	56,845,009	23,057,214
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	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
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	-54,472,530	-31,530,599	56,845,009	23,057,214
1 Exchange rate differences from translation of foreign operations	088	-54,472,530	-31,530,599	56,845,009	23,057,214
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
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	-54,472,530	-31,530,599	56,845,009	23,057,214
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	-86,155,373	-94,038,674	-30,143,815	-43,719,137
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	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

<b>STATEMENT OF CASH FLOWS - indirect method</b>			
for the period 01.01.2021. to 31.12.2021.			
			in HRK
Submitter: Tankerska Next Generation d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-31,682,843	-86,988,824
2 Adjustments (ADP 003 to 010):	002	124,711,087	141,310,214
a) Depreciation	003	52,806,268	52,771,120
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	55,675,536	59,124,422
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	-82,070	-16,877
e) Interest expenses	007	19,569,744	17,826,827
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-4,361,647	17,977,358
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1,103,256	-6,372,636
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>93,028,244</b>	<b>54,321,390</b>
3 Changes in the working capital (ADP 013 to 016)	012	-19,969,465	-14,560,721
a) Increase or decrease in short-term liabilities	013	3,350,708	11,166,387
b) Increase or decrease in short-term receivables	014	-19,658,538	-20,745,804
c) Increase or decrease in inventories	015	-3,661,635	-4,981,304
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>73,058,779</b>	<b>39,760,669</b>
4 Interest paid	018	-20,410,967	-16,290,306
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>52,647,812</b>	<b>23,470,363</b>
<b>Cash flow from investment activities</b>			
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	95,554	14,367
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
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>95,554</b>	<b>14,367</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-33,114,534	-31,668,648
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
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-33,114,534</b>	<b>-31,668,648</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-33,018,980</b>	<b>-31,654,281</b>
<b>Cash flow from financing activities</b>			
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	12,319,252	551,572,766
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>12,319,252</b>	<b>551,572,766</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-62,607,648	-526,486,358
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	-581,497	-63,553
5 Other cash payments from financing activities	044	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-63,189,145</b>	<b>-526,549,911</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-50,869,893</b>	<b>25,022,855</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-1,666,614	3,789,659
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-32,907,675</b>	<b>20,628,596</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>67,711,609</b>	<b>34,803,934</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>34,803,934</b>	<b>55,432,530</b>

# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



## STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2021 to 31/12/2021

in HRK

Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	436,667,250	68,425,976	3,951,238	996,600	996,600	0	55,000,000	0	0	0	0	0	10,992,817	90,196,788	0	665,234,069	0	665,234,069
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	3,951,238	996,600	996,600	0	55,000,000	0	0	0	0	0	10,992,817	90,196,788	0	665,234,069	0	665,234,069
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	-54,472,530	0	-31,682,843	-31,682,843	0	-31,682,843
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	581,497	581,497	0	0	0	0	0	0	0	0	-581,497	0	-581,497	0	-581,497
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	1,167,012	0	0	0	0	0	0	0	0	0	0	-1,167,012	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	1,578,097	1,578,097	0	55,000,000	0	0	0	0	0	-43,479,713	88,448,279	-31,682,843	578,497,199	0	578,497,199
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
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	-54,472,530	0	0	-54,472,530	0	-54,472,530
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	-54,472,530	0	-31,682,843	-86,155,373	0	-86,155,373
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	1,167,012	581,497	581,497	0	0	0	0	0	0	0	0	-1,748,509	0	-581,497	0	-581,497

# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021

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)	
<b>Current period</b>																				
1 Balance on the first day of the current business year	28	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	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) (ADP 28 to 30)	31	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	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-86,988,824	-86,988,824	0	-86,988,824	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	56,845,009	0	56,845,009	56,845,009	0	56,845,009	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	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	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 plan	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	68,425,976	5,118,250	1,641,650	1,641,650	0	55,000,000	0	0	0	0	0	13,365,296	56,701,883	-86,988,824	548,289,831	0	548,289,831	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	56,845,009	0	0	56,845,009	0	56,845,009	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	56,845,009	0	-86,988,824	-30,143,815	0	-30,143,815	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	63,553	63,553	0	0	0	0	0	0	0	0	-63,553	0	-63,553	0	-63,553	

## 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 1<sup>st</sup>, 2021 up to the reporting date:

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

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

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

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

### 2. Principal accounting policies

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

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

The Financial statements for the period ending December 31<sup>st</sup>, 2021 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 31<sup>st</sup> December, 2020.

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 31<sup>st</sup> December 2020.

### 3. Vessels and equipment

In the fourth quarter, the Company invested HRK 8.2 million in the regular five-year drydock of the product tanker m/t "Vinjerac".

In accordance with the adopted docking policy, docking costs are capitalized as an integral part of the ship in the business books of the shipping company "Tankerska Next Generation International Ltd.", and amortized on a straight-line basis over the five-year period until the next docking.

The Company performed value adjustment of assets – vessels m/t Pag, m/t Velebit and m/t Vinjerac in the amount of HRK 65.5 million (2020: Pag, Dalmacija, Vukovar and Zoilo HRK 55.7 million). In the same period, part of the impairment loss of Dalmacija and Zoilo was reversed, and revenue was recognized in the statement of profit or loss in the amount of HRK 6.3 million (2020: HRK 0).

### 4. Interest bearing liabilities

In the observed period, Tankerska Next Generation International Ltd., Marshall Islands, received HRK 57.9 million from the associated company Tankerska plovidba International, Marshall Islands, based on long-term loan agreements, with a repayment period of 2024 and an interest rate of 3 % per year.

### 5. Equity and reserves

In the treasury share repurchase program, in the fourth quarter of 2021, the Company did not repurchase treasury shares.

As of 31 December 2021, the Company holds a total of 28,319 treasury shares, representing 0.3243% of the Company's share capital (31 December 2020: 26,920 treasury shares, representing 0.3082% of share capital).

### 6. Earnings per Share

EARNINGS PER SHARE	Period	
	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2020	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2021
Net (loss) / profit to shareholders	(HRK 31,682,843)	(HRK 86,988,824)
Weighted average number of shares	8,709,407	8,705,417
Basic (loss) / earnings per share	(HRK 3,64)	(HRK 9,99)

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

### 7. Transactions with the Related Parties

RELATED PARTY TRANSACTIONS	Period	
	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2020	1 <sup>st</sup> Jan – 31 <sup>st</sup> Dec 2021
Sales to related parties	HRK 0	HRK 0
Purchase from related parties	HRK 17,818,796	HRK 18,855,465
Receivables from related parties	HRK 7,276	HRK 0
Liabilities towards related parties	HRK 11,232,172	HRK 5,136,508
Given loans to related parties	HRK 0	HRK 0
Received loans from related parties	HRK 0	HRK 57,914,023

#### *Impact of COVID-19 on the Company's operations*

The consequences of COVID-19 continue to affect the Company's operations and, more importantly, the demand for petroleum products.

The increased contagiousness of the Omicron variant is likely to lead to the extension of restrictions on international travel, crew change and port entry.

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 December 31<sup>st</sup>, 2021.



# Statement of responsibility for the financial statements

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021

**TNG**  
Tankerska Next Generation

The financial statements for the period starting January 1<sup>st</sup>, 2021 and ending December 31<sup>st</sup>, 2021, 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 1<sup>st</sup>, 2021, and ending on December 31<sup>st</sup>, 2021, 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, February 24<sup>th</sup>, 2022



John Karavanić, CEO

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

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

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

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

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

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

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

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

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

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

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

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

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

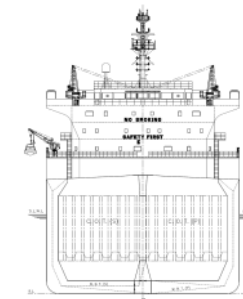
**Daily vessel operating expenses.** Daily vessel operating expenses is a metric used to evaluate the Group's ability to efficiently operate vessels incurring operating expenses and to limit these expenses.

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

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

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

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



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

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

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

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

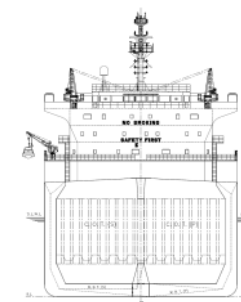
**Voyage charter.** Voyage charter involves the carriage of a specific amount and type of cargo from a specific loading port(s) to a specific unloading port(s) and most of these charters are of a single voyage nature. The owner of the vessel receives one payment derived by multiplying the tonnes of cargo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

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

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

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

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



# Important financial and operating terms and concepts

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

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

**Time charters**, under which the vessels are chartered to customers for a fixed period of time at rates that are generally fixed; and

**Voyage charters**, under which the vessels are chartered to customers for shorter intervals that are priced on a current or "spot" market rate

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

Vessels operating under time charters provide

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

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

## Primary distinction among these types of charters and contracts

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Drydocking and surveys (special and intermediate).**

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

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

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

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

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

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

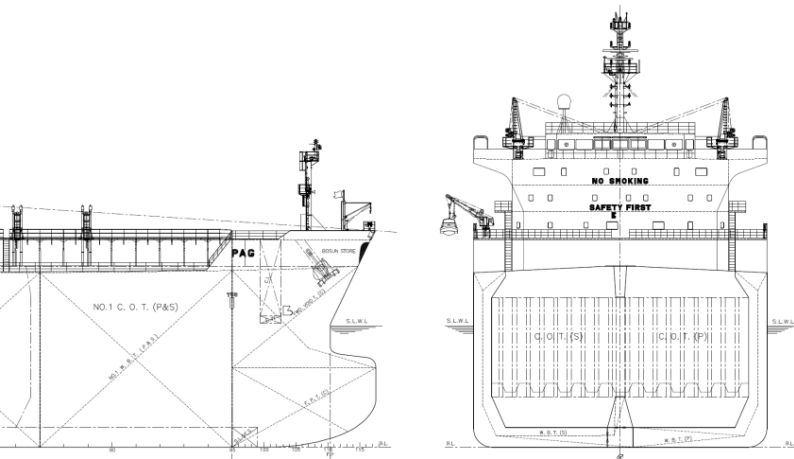
shipping activities taxed on the basis of the net tonnage of their fleet instead of on the basis of their actual profits. Companies, having opted for the tonnage tax, must remain subject to this regime for the following 10 years. The qualifying company has to be a shipping company liable under the Croatian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

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

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

# Important financial and operating terms and concepts

UNAUDITED FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER AND THE FULL YEAR 2021



EXPENSE TYPE	MAIN COMPONENTS	TIME CHARTER	VOYAGE CHARTER
<b>Capital</b>	Capital Principal Repayment Interest		
<b>Operating</b>	Crewing Repairs and Maintenance Lubricants Insurance Spares and stores Registration, communication and sundries <i>Management fee*</i> - <i>technical management</i> - <i>crew management</i> - <i>insurance arrangements</i> - <i>accounting services</i>		
<b>Commissions</b>	Address Brokerage		
<b>Commercial fee*</b>	<i>Chartering and commercial management services</i>		
<b>Voyage (minor)</b>	Draft surveys Tank cleaning Postage Other minor miscellaneous expenses		
<b>Voyage (major)</b>	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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