

# TANKERSKA **NEXT GENERATION**

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD  
QUARTER AND THE FIRST NINE MONTHS OF 2021

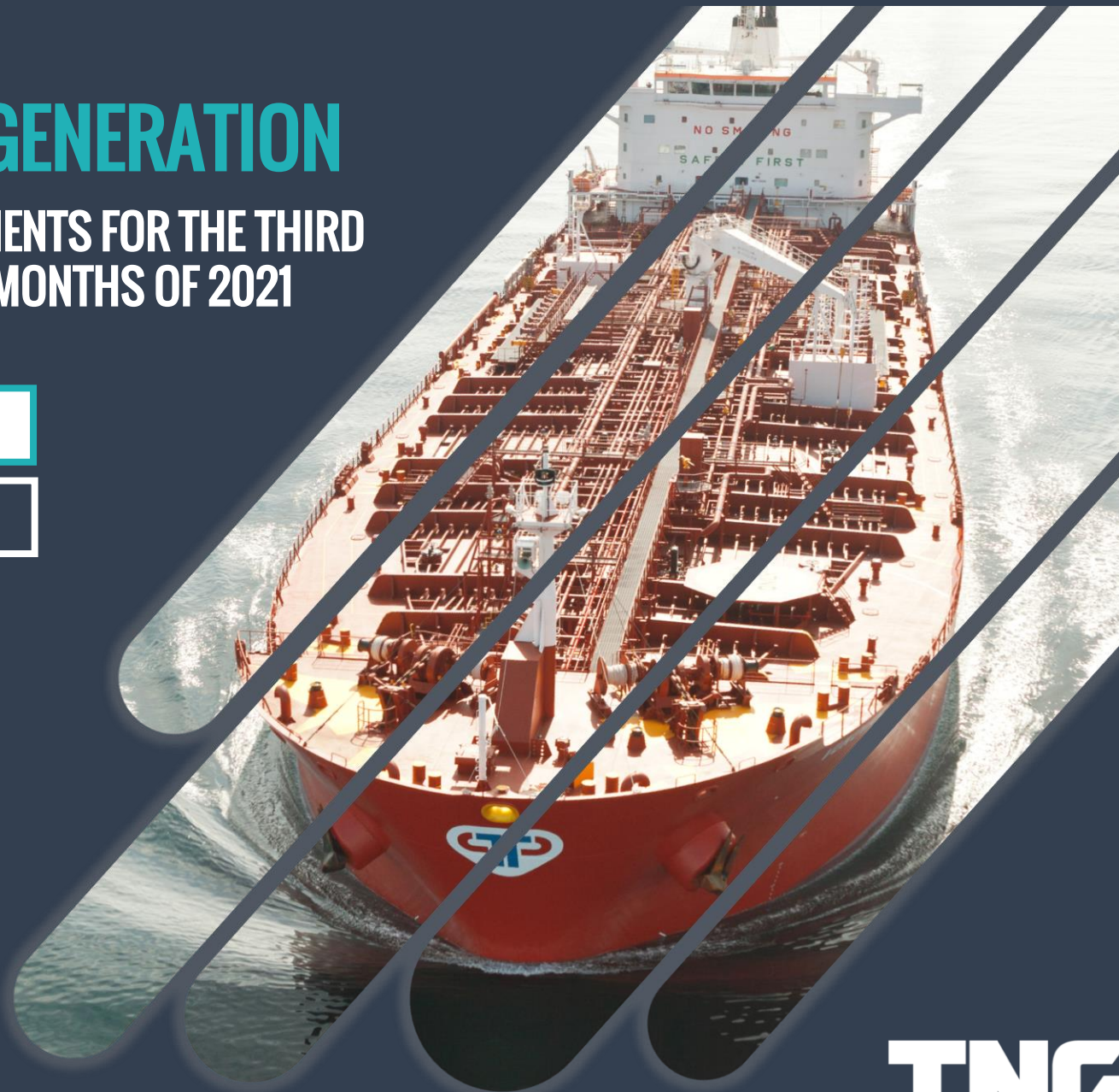
2021

Q1

Q2

Q3

Q4



**TNG**  
Tankerska **Next Generation**

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## Results Q1-Q3 2021

Vessel revenues  
USD 27.9m

EBITDA  
USD 6.1m

EBIT  
USD (0.0m)

Net income  
USD (3.1m)

TCE NET  
11,558 USD/day

OPEX  
6,744 USD/day

Thus far uncertainty, as a common denominator in the tanker industry in 2021, seems to be giving way to frustration with recent sporadic hints of good news left to share within the sector.

The third quarter of 2021 has brought us to just about where we were 90 days ago in terms of market conditions for the product tanker sector with very limited commercial opportunities on the spot market or the period market.

The anticipated tanker sector recovery seems to be well overdue and certainly dwarfed by containerships and dry cargo markets.

We all knew that there would be massive economic challenges emerging from the pandemic. Governments across the board were pressed and the goal was and still is to act quickly to get the economy moving again.

But as (some) countries begin to recover from a once in a century pandemic and economic crisis the businesses that make up our supply chains, which transport goods to other businesses and the consumer, have struggled.

Tanker earnings have now remained weak for a full three consecutive quarters. Rates are unprofitable on most routes for nearly all tanker types, with few vessels able to exceed operating costs in certain triangulations.

A long-awaited recovery forecasted for October has been put on hold. Anticipated extra seaborne cargoes were meant to meet winter gasoil requirements and fewer transport and COVID restrictions were expected to boost an uninspiring market.

On the bright side, low inventories of oil and its derivatives should also support restocking and likely reopen arbitrage opportunities both east and west. In addition to this Asian countries are forecasting the coldest weather in decades. For the first time in 17

years, the Korean Meteorological Administration has issued a 'cold wave alert' in October, as an Arctic air mass is resulting in freezing weather way ahead of schedule. The same is happening in China, where Beijing recently saw freezing temperatures 20 days earlier than what is the norm and for the first time since 1969. This scenario will obviously have a positive impact on energy demand in the following months, with spot prices of natural gas, coal and crude oil already reaching high levels. Both dry bulk and LNG carriers have already benefited, and we would expect more fuel oil demand for heating purposes to start impacting the tanker segments sooner or later.

Never-the-less, the MR2 space continues to struggle which raises added concerns as we are now entering into the supposedly more dynamic part of the year.

While risks linger and progress depends hugely on vaccination rates and potential new variants, not all is as bad as on first glance.

A pandemic is not a financial crisis in itself. Covid-19 has caused a horrible amount of death and illness and interrupted the daily rhythms of life. But it has not damaged credit markets or most household balance sheets in the US or in other OECD member states.

**Tankerska Next Generation's Q3 2021 financial results were mostly mirroring H1 in 2021 and were significantly impacted by:**

- **Constraining lack of solid time charter coverage at reasonable rates i.e. strong spot market exposure**
- **Depressed markets below OPEX returns resulting in poor utilization and extended unemployment periods**

Today, the unemployment rate in the US has fallen back below 5 percent. The value of homes — the largest asset for most families — has continued rising. The S&P 500 is more than 30 percent higher than it was before the pandemic. And the federal government, across both the Trump and Biden administrations, has pumped trillions of dollars into the economy, much of it through checks sent directly to their citizens. According to analyst research USD16 trillion of global stimulus has been passed on, of which perhaps two-thirds has been spent.

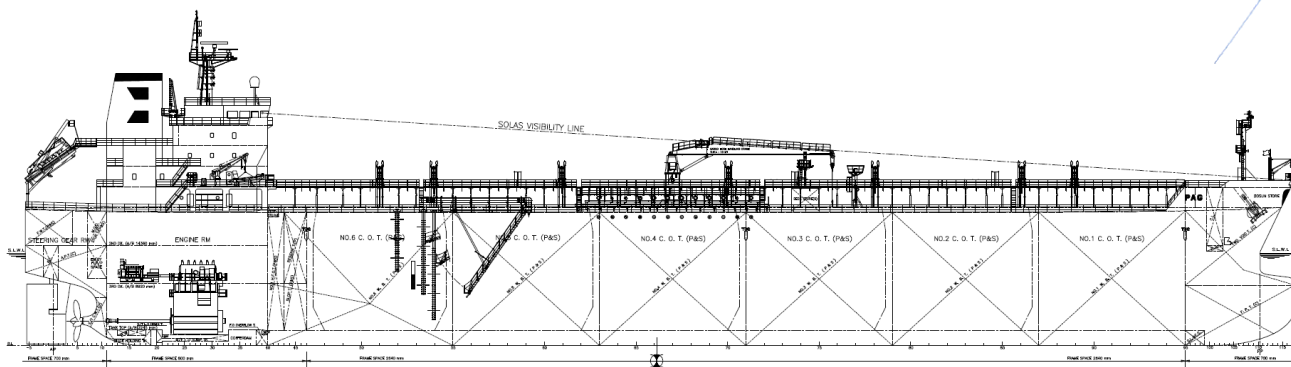
Not only do Americans have more money than they did in 2020 or 2019, but many also spent the past two years delaying some purchases. In recent months, they have started buying again, especially physical goods. Many services — like restaurant meals, movies and vacations — are still affected by Covid.

On the other hand, the impact of the pandemic on seafarers' mental health has by no means been overcome; unplanned extended contracts, the crew-change crisis with its uncertainty, and worries over family members back home getting coronavirus contribute to seafarers' stress levels. This is a topic which seems to recently have been pushed aside partly due to seafarers' vaccination programs available at shipping hubs or through national health schemes, however it is still undoubtedly present.

The company's valuable crew and officers are supporting our final MR drydocking which is still underway in the Far East with our superintendents working remotely once again. As the drydock is still in progress we can only provide rough estimations of off hire days and without being too systematic, we can conclude we are facing unanticipated delays due to tropical storms affecting southern China creating bottlenecks and adding pressure to supply chains. Covid-19 outbreaks at Chinese ports along with shortages in containers and labour have only exacerbated delays.

The tanker industry has learned to live with risk through the years and progress will come although maybe unevenly, strongly depending on corona virus global treatment and exposure, a limited orderbook, the green transition and last but not least, the approach and management towards seafarer's well-being.

John Karavanić, CEO





# Market environment

## Global market environment

The International Energy Agency (IEA) in a recent report claims soaring natural gas prices have prompted a switch to oil that could boost demand by 500 kb/d compared with normal conditions, thus resulting in increased oil demand forecasts. IEA says global oil production is forecast to increase by 2.7 mb/d from September to December, which analysts argue should be a solid boost to oil trades and crude tankers which we fail to see at the moment. Global oil prices have jumped to a 3-year high, on the back of vaccinated populations emerging out of coronavirus lockdowns, supporting economic activity.

In Asia, the global economic recovery forced to face power shortages continues to drive demand for fuel. The power shortage has pushed the gasoil profit margin almost 60% higher in the past month, replacing gasoline as the key component of overall refinery profits.

In India, fuel demand rose by 5.2% YoY in September, as economic activity continued to rise. Consumption of diesel, which accounts for about 40% of India's refined fuel sales, increased by about 0.5% YoY to 5.51 million tonnes, however, down by 5.6% compared to 2019 levels. Gasoline, or petrol, sales increased by about 6% to 2.60 million tonnes, which was 9.5% higher than levels in 2019.

U.S. crude stocks rose while gasoline and distillate inventories fell. Crude inventories increased by 6.1 million barrels to 427 million barrels, compared with analysts' expectations for a 702,000-barrel rise. At the same time, U.S. gasoline stocks decreased by 2 million barrels to 223.1 million barrels, compared with expectations for an 83,000-barrel drop.

China's GDP grew by 9.8 percent year-on-year in the first three quarters, though economic growth in the third quarter slowed to a one-year low of 4.9 percent amid unexpected economic challenges including a power crunch and coronavirus resurgence but is still within the reasonable growth range.

The slowdown came against a backdrop of recent economic challenges, ranging from flooding in a number of cities, the resurgence of coronavirus outbursts to the widespread power crunch that is hindering production in many factories as well as the recent waves of commodity price hikes on a global scale.

In a recent publication, the International Energy Agency (IEA) warned against increasing inflation that could slow down the globe's recovery from the coronavirus pandemic. This could come as a result of a global energy crunch that is expected to increase oil demand by 500,000 b/d in the short-term.

"Record coal and gas prices as well as power failures are prompting the power sector and energy-intensive industries to turn to oil to keep the lights on and operations humming" the IEA said in its monthly oil report. "Higher energy prices are also adding to inflationary pressures that, along with power outages, could lead to lower industrial activity and a slowdown in the economic recovery."

For 2022, the IEA is projecting demand to fully recover to pre-pandemic levels while mentioning that the last quarter saw the biggest draw on inventories in eight years, with OECD countries' stocks being at their lowest levels in the past couple of years.

Oil prices hit multi-year highs recently supported by recovering demand and high natural gas and coal prices encouraging users to switch to fuel oil and diesel for power generation.

"Easing restrictions around the world are likely to help the recovery in fuel consumption," analysts at ANZ bank said in a note, adding that gas-to-oil switching for power generation alone could boost demand by as much as 450,000 barrels per day in the fourth quarter.

Prime Minister Fumio Kishida announced that Japan would urge oil producers to increase output and take steps to cushion the impact of surging energy costs on industry.

China's daily crude processing rate in September fell its lowest level since May 2020 as a feedstock shortage and environmental inspections crippled operations at refineries, while independent refiners faced tightening crude import quotas.

China has been suffering from its worst power crunch in years, with at least 17 regions across the country asking industrial plants to reduce production in order to lower power load, which cuts into demand for transportation fuels. Meanwhile, independent refiners have faced tightening import quotas for crude oil, and the country's environmental ministry has since late August carried out a fresh round of inspections in five provinces, including China's oil refining hub of Shandong.

While all major economies have been hit by supply chain problems and a labour shortage after the pandemic, Britain's tough new immigration rules have made it even harder to recover.

IEA (International Energy Agency), October 2021

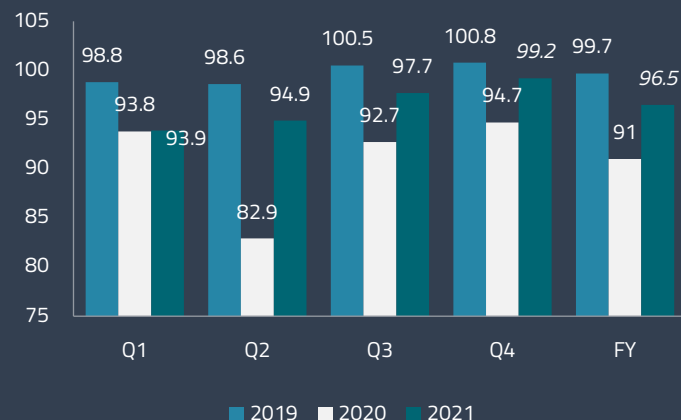
Clarksons, October 2021

Maersk Tanker Weekly, October 2021

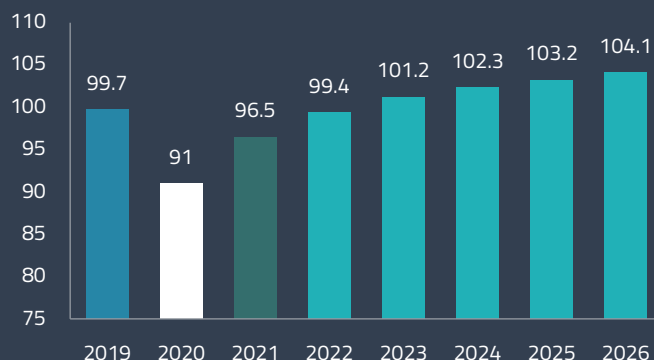
Global Times China, October 2021



**Global oil demand**  
(million barrels per day)



**Global oil demand (expected)**  
(million barrels per day)



## US Economy

The surge in goods purchases has been remarkable. Inflation-adjusted retail spending across the U.S. has risen 14 percent over the past two years, according to recent Commerce Department data. That's a larger increase than over the previous seven years combined.

Americans aren't the only ones buying more goods, either. In other countries, consumers also have pent-up demand, and governments have enacted large pandemic stimulus programs.

But the cash glut is the primary reason for increasing demand. "There is a sudden and massive surge of demand that far outweighs the market's capacity," Craig Fuller, the chief executive of FreightWaves, a publication that covers logistics, wrote recently.

There is no quick solution for these problems. Private companies and government officials are taking steps to expand the supply chain, like President Biden's recent announcement that the Port of Los Angeles will operate 24 hours a day. Moves like that will probably help modestly. But supply-chain delays and uncomfortably high inflation probably will last for at least several more months.

There are other reasons for the supply-chain problems and rising inflation. Covid precautions and pandemic disruptions at factories, warehouses and ports are also playing a role. The world is nowhere near being fully vaccinated against the

coronavirus, and that means factories in, say, Vietnam are still having trouble keeping up with demand as workers keep getting sick.

It's important to keep in mind that the cash glut is almost certainly a temporary phenomenon, created by the pandemic. It will probably end by next year. The big government stimulus programs have mostly ended already.

## Japan

Japan's oil demand is staging a strong recovery

Before China took over in the early 2000s, Japan was the key driver of ton-mile demand in Asia. For many years, it dominated the LNG, iron ore and crude trades in the region. Japan's GDP growth has slowed significantly in recent decades due to a maturing economy and an ageing population. The rise of China and India has overshadowed the Japanese. However, the importance of Japan for the global tanker market is not to be underestimated. It still generates 8% of global crude oil ton-mile demand and after hitting a rough patch during the pandemic, Japan's oil demand has staged a strong recovery in recent months. Since Japan's imports are largely done on Japanese controlled tonnage, the increased activity does not have immediate impact on the tanker spot market. However, if this rise in oil imports continues, it can be an important driver for overall tanker demand (and rates) in the coming months in the Asian market.

## Bunkers

The lower fuel prices in the early phases of the pandemic have been reversed. Owners will now have further costs with which to contend and numbers to best forget.

Fuel prices dropped at the beginning of the pandemic as global demand decelerated. Since the initial shock, however, the price of fuel has rebounded and now sits at levels not seen for several years, with IFO380 bunker fuel with max. sulfur content of 3,8% now back over USD 530 per tonne. For vessels without scrubbers that require VLSFO with max. sulfur content of 0,5% the cost has increased to about USD 630 per tonne.

Nevertheless, the price premium between low and high-sulphur fuel had remained steady at around USD 100-USD 130 per tonne since early 2021. This in turn also means that the relative advantage of having scrubbers and buying IFO380, versus not investing in scrubbers and buying VLSFO, have not changed materially throughout 2021.

## Prices of fuel in Singapore during 2021



Ship and bunker, October 2021  
Lloyds List, October 2021

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



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



IEA (International Energy Agency), October 2021  
EIA (US Energy Information Administration), October 2021  
Lloyds List, October 2021



## Tankers

Currently, the shipping markets are ever so closely following the rapidly emerging worldwide shortage of natural gas. This has sent gas prices to record highs and has forced many economies to look for alternative energy supplies. In a chain reaction, countries should be turning to oil and coal over the coming winter months in the northern hemisphere, which in turn should provide a demand boost to both the tanker and dry bulk markets, although the scale of the benefit is yet to be seen.

Tanker rates continued the slump further on in to the first two months of 21Q3, as oil supply and demand fundamentals deteriorated, leading to ample tonnage against subdued availability of cargoes. Eventually, though, after nine months of depressed rates, VLCC earnings broke out of the negative spiral shortly in September, which we would like to think of as the beginning of the recovery.

## Product tankers

Clean product tanker owners are also keeping fingers crossed for a late-year rate recovery as low global inventories of refined products like gasoline and heating oil boost demand for more sea transportation. By some measures, global refined products demand is recovering, according to data cited by DNB Markets at the marine forum. After hitting all-time highs in 2020, US petroleum inventories have fallen below their five-year averages and US refinery run rates have recovered to above 90% of capacity. However, US airline passenger traffic is still about 20% below 2019 levels, restraining demand for jet fuel, which comprises about 10% of clean waterborne shipments.

The MR2 space continues to struggle which raises added concerns as we are now entering into the stronger point of the year with limited volatility to speak of. The Atlantic Basin Triangulation (TC2/TC14) is showing returns on eco units in between USD 3,000 and 5,000/day. Most Charterers are limiting time charter exposure in this space until they see more activity in the market, while Owners prone to time chartering their vessels are more focused on shorter periods in hopes the market will show signs of life in the typically stronger winter months.

MR period charter rates stayed firm but uninspiring during Q3 of 2021, with 1-year period rates remaining at about USD 11,750. In the spot market, it was a yet another negative month (September) with the average TCE sliding to USD 4,660 per day.

Product trade was hit by tax duties imposed by China on the import of blending components like light cycle oil and mixed aromatics in the second half of this year, which not only hit Chinese imports of these products but also reduced gas oil and gasoline exports from China.

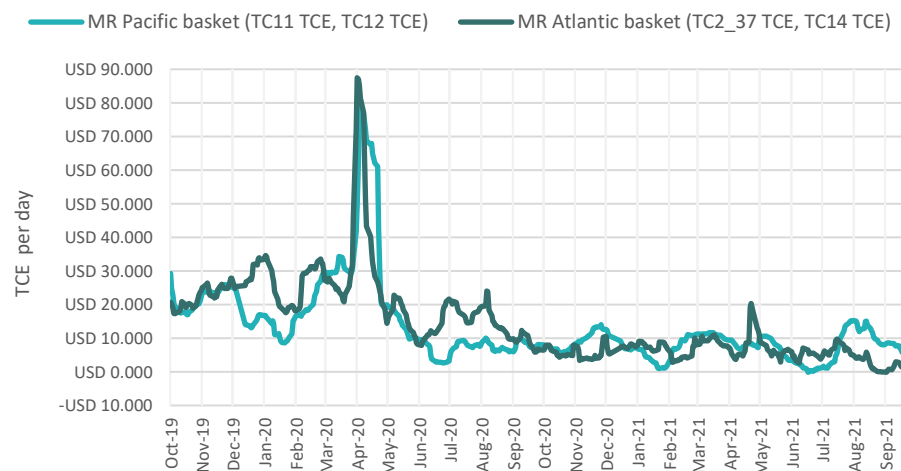
Oil refineries were impacted by Hurricane Ida and power outages are still recovering. At one point nearly a dozen refineries were offline and because of power outages; they had so-called stranded fuel. This coupled with weak oil demand and refinery runs in Asia kept product tanker rates in weak both east and west during the quarter.

Asian demand and refinery throughput are both expected to bounce back over the next quarter. Moreover, North American refinery throughput is also expected to recover in 21Q4, after dipping in 21Q3 because of shut-ins from Hurricane Ida. Overall, refinery throughput in North America and Asia (including China) is expected to increase by 0.7 mbd q-o-q in 21Q4 which should support product exports.

Subsequently, product trade is expected to receive a boost in 2022 as oil demand picks up over the year. Moreover, a stronger crude tanker market should prevent larger crude tankers from loading clean cargoes, on their maiden voyages.

Both spot and period charter rates are still standing at levels below their respective 5-year average figures. We expect though that the current imbalance will start showing some signs of life over the coming months, as demand is likely to ramp up gradually during the fourth quarter of the year.

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



## MR product tankers

### QUICK OVERVIEW

(MR 25-59.999 DWT)

#### Key fleet figures

as at 01st October 2021

**In Service:** **2,648** vessels  
total dwt capacity: 116,664,062 dwt  
year to date growth: 0.91%

**Over 20yrs:** **242** vessels  
total dwt capacity: 9,692,619 dwt  
as percentage of fleet: 9.14 %

**On order:** **182** vessels  
total dwt capacity: 8,229.619 dwt  
as percentage of fleet: 6.87 %

#### Remaining deliveries for 2021

as at 01st October 2021

**Scheduled:** **22** vessels  
total dwt capacity: 1,010,363 dwt  
as percentage of fleet: 0.83 %

#### Changes in 2021

as at 01st October 2021

**Deliveries:** **74** vessels  
total dwt capacity: 3,555,638 dwt  
as percentage of fleet: 2.82 %  
of which in Sep '21: 9 vessels  
of which in Q3 '21: 26 vessels

**New orders:** **77** vessels  
total dwt capacity: 3,669,622 dwt  
as percentage of fleet: 2.93 %  
of which in Sep '21: 4 vessels  
of which in Q3 '21: 22 vessels

**Scrapped:** **50** vessels  
total dwt capacity: 2,059,061 dwt  
as percentage of fleet: 1.91 %  
of which in Sep '21: 8 vessels  
of which in Q3 '21: 23 tankera

Allied, October 2021

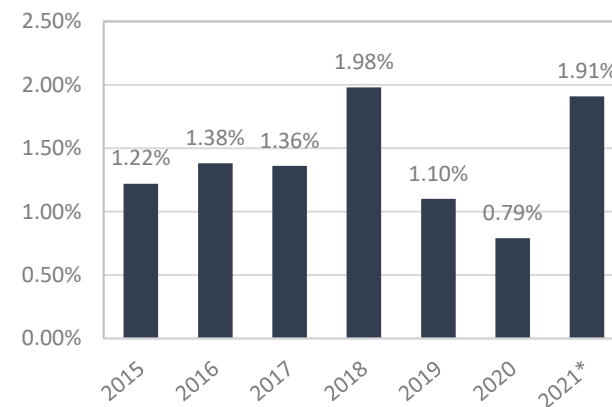
### MR product tanker fleet

The product tanker fleet grew by 0,91% in the first nine months of 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 the first nine months of 2021, a total of 50 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 30th September 2021, 74 deliveries were reported, while the number of remaining deliveries for 2021 is at 22 by the end of the year. The total orderbook stands at 182 tankers, out of which 22 tankers are expected to be delivered in 2022.

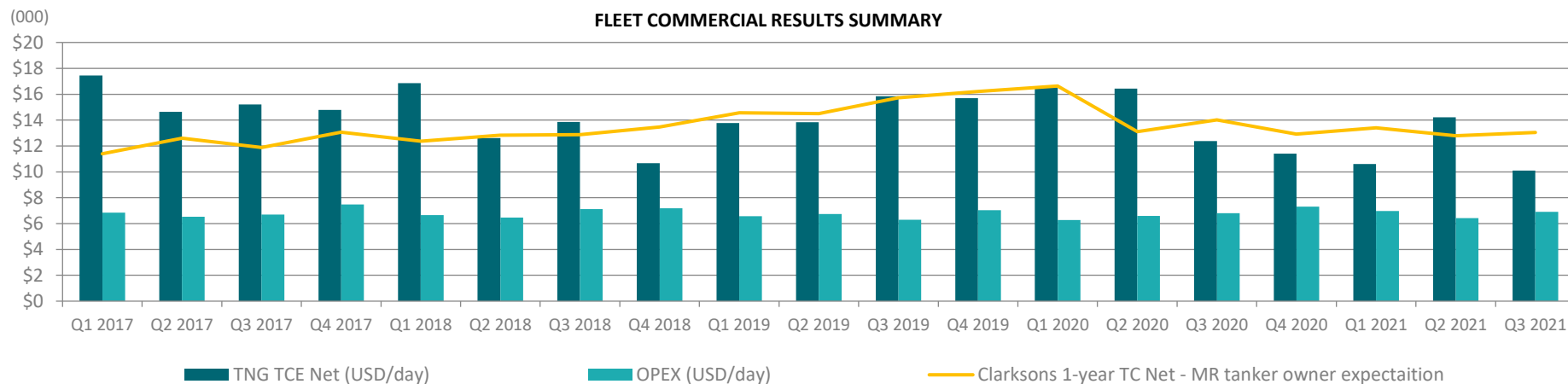
#### Scrapping as a percentage of the fleet (%)



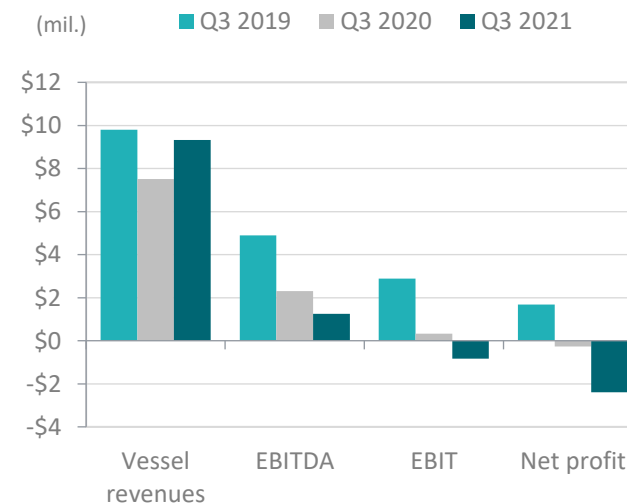
\*Data till end Sep '21



# Results for the period



SELECTED FINANCIALS	HRK 000				USD 000			
	Q1 2021	Q2 2021	Q3 2021	Q1-Q3 2021	Q1 2021	Q2 2021	Q3 2021	Q1-Q3 2021
Vessel revenues	50,020	65,824	59,257	175,101	8,018	10,518	9,324	27,860
EBITDA	8,165	22,238	7,936	38,339	1,348	3,544	1,251	6,143
EBIT	(4,600)	9,435	(5,277)	(442)	(674)	1,489	(827)	(12)
Net profit	(9,463)	4,436	(15,185)	(20,212)	(1,446)	695	(2,384)	(3,135)



# Results for the first nine months of 2021

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

Revenues for the first nine months of 2021 amounted to HRK 175.4 million (USD 27.9m), which represents a decrease from the level achieved in the same period of 2020 when the vessel revenues amounted to HRK 189.7m (USD 28.0m).

Commissions and voyage associated costs amounted to HRK 61.2m (USD 9.7m) in the first nine months of 2021, while in the same period of 2020 they added up to HRK 25.3m (USD 3.8m) which was significantly lower. This ascend in expenses can be attributed to higher exposure to the spot market during the first nine months of 2021 compared to the same period last year 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 the first nine months of 2021 amounted to HRK 69.4m (USD 11.0m), while general and administrative expenses were recorded at HRK 4.6m (USD 0.7m), both of these categories of expenses were held at the similar level as in the same period of 2020.

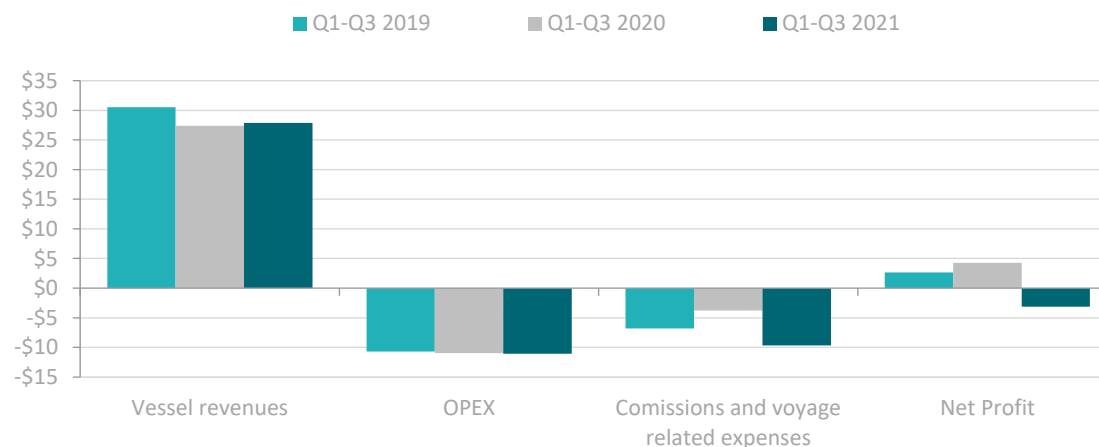
Profit before interest, taxes, depreciation and amortization (EBITDA) in the first nine months of 2021 amounts to HRK 38.3m (USD 6.1m) and was significantly reduced compared to the same period last year when it amounted to HRK 86.0m (USD 12.5m).

Depreciation costs in the first nine months of 2021 amounted to HRK 38.8m (USD 6.2m). All the vessels in operation are depreciated over an estimated useful life span of 25 years on a linear basis to their residual value, which represents their scrap value on the international market.

Net interest expenses amounted to HRK 13.1 mil. (USD 2.1m), while net foreign exchange losses were recorded at HRK 6.6m (USD 1.0m).

During the first nine months of 2021 the Company recorded a net loss which amounted to HRK 20.2m (USD 3.1m).

The average daily TCE of the fleet during the first nine months of 2021 was recorded at USD 11.558.



# Results for the third quarter of 2021

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

In the third quarter of 2021, the revenues reached HRK 59,3 million (USD 9.3m), which is an increase compared to revenues generated in the same period of 2020 when they amounted HRK 52.5m (USD 8.1m).

Commissions and voyage associated costs amounted to HRK 24.6m (USD 3.9m) in the third quarter of 2021, while in the same period of 2020 they added up to HRK 11.6m (USD 1.8m) which is significantly less. This ascend in expenses can be attributed to higher exposure to the spot market during the third quarter of 2021 compared to the same period last year, when most of the fleet was 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 expenses of the fleet in the third quarter of 2021 amounted to HRK 24.1m (USD 3,8m), while administrative expenses amounted to HRK 1.4m (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 third quarter of 2021 amounts to HRK 7.9m (USD 1.3m) and was significantly reduced compared to the same period last year when it amounted to HRK 15.1m (USD 2.3m).

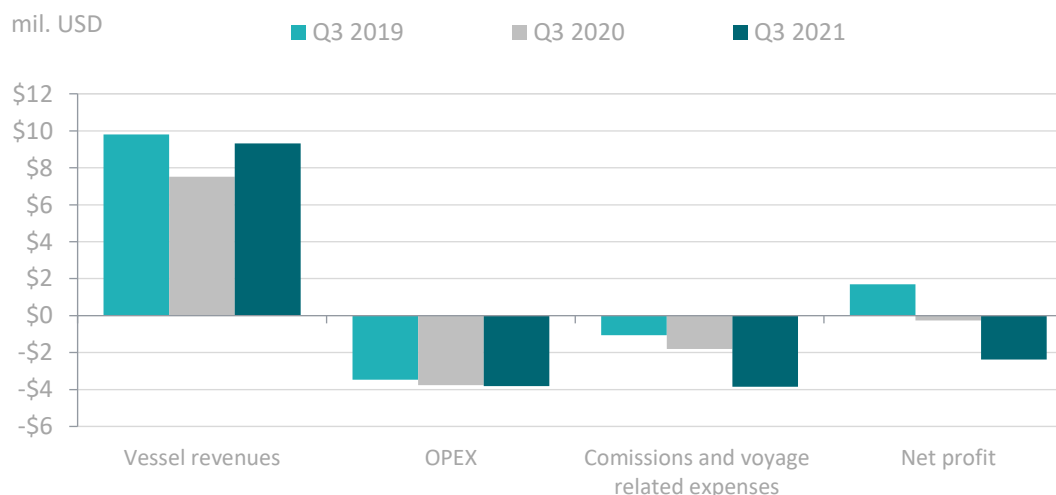
Depreciation costs in the third quarter of 2021 amounted to HRK 13.2m (USD 2.1m) and are in accordance to the depreciation plan.

Net interest expenses in the third quarter amounted to HRK 3.3 mil. (USD 0.5m), while net foreign exchange loss were recorded at HRK 6.7m (USD 1.0m).

Net foreign exchange losses mainly relate to unrealized exchange differences on US dollar credit liabilities of Tankerska Next Generation d.d. and have no impact on the cash flows in US dollars of Tankerska Next Generation d.d. and its subsidiaries abroad.

During the third quarter of 2021 the Company recorded a net loss which amounted to HRK 15.2m (USD 2.4m).

The average daily TCE of the fleet during the third quarter of 2021 was recorded at USD 10.088 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 September 30, 2021, the average age of the vessels in TNG's fleet was 7.45 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, apart from MT Vinjerac which is expected to finish its drydock and installation of BWTS equipment during the fourth quarter of 2021 as the last vessel from the fleet.

## 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 will be 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.

Vessel	Year built	Type	Employment	Hire rate (USD/day)
Velebit	2011	ICE class MR product	Trafigura, SPOT market	11.600 (until Aug 2021), after SPOT
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 2020)
Dalmacija	2015	Eco MR product	SPOT market	SPOT (from Jul 2020)
Pag	2015	Eco MR product	SPOT market	SPOT (from Jul 2020)

### 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

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THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

OPERATIONAL DATA OF THE FLEET	Q3 2020.	Q1-Q3 2020.	FY 2020.	Q1 2021.	Q2 2021.	Q3 2021.	Q1-Q3 2021.
Time Charter Equivalent rates (USD/day)	12,371	15,221	14,250	10,600	14,219	10,088	11,558
Daily vessel operating expenses (USD/day)	6,813	6,658	6,823	6,967	6,426	6,909	6,744
Operating days	552	1,644	2,196	540	546	552	1,638
Revenue days	461	1,550	2,079	514	516	542	1,572
Fleet utilization (%)	83.5%	94.3%	94.7%	95.2%	94.5%	98.2%	96.0%

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 third quarter of 2021 tankers were employed on time charter contracts for 208 days out of 542 revenue days, which equates to 38,4% of revenue days.

The average TCE net daily rate for Q3/2021 equates to USD 10.088, while the average daily vessel operating expenses (OPEX) in the same period

amounted to USD 6.909 per vessel.

During Q3, a total of 10 off hire days were recorded, with majority of days accounted to m/t Vinjerac which was heading for regular five-year drydock towards the end of September.

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

drydock cycle that started in mid 2020.

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

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 is currently underway for m/t Vinjerac whose regular five-year drydock is expected to be completed

during the first part of Q4 2021.

Based on the dockings done so far, we can conclude that the actual costs are in line with the plan. In other words, the average cost of delivery and installation of BWTS and the cost of docking amounted about USD 1.8 million per vessel, keeping in mind that the Eco tanker m/t Dalmacija was delivered from the shipyard as a newbuilding with an already implemented ballast water treatment system, therefore its cost of drydocking amounted to USD 0.77 million.



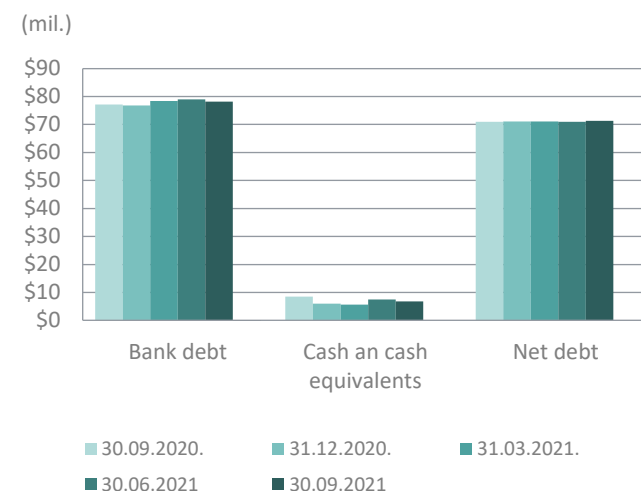
# Financial position summary

Tankerska Next Generation concluded the first nine months of 2021 with the gearing ratio of 44%. The debt trend is in accordance with the loan repayment plans of TNG and regular decrease in indebtedness, while a further decrease in the company's debt is expected in the future.

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 third 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 4.5 million was in use out of the total of USD 6 million of a parent company's revolving loans received.



FINANCIAL POSITION SUMMARY	HRK 000					USD 000				
	30 Sep 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	30 Sep 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021
Bank debt	497,769	471,431	505,524	496,986	502,060	77,137	76,792	78,392	79,007	78,123
Cash and cash equivalents	38,868	34,804	47,900	51,244	43,451	6,023	5,669	7,428	8,146	6,761
Net debt	458,901	436,627	457,624	445,742	458,609	71,114	71,123	70,964	70,861	71,362
Capital and reserves	672,562	578,496	598,268	588,055	592,009	104,225	94,233	92,773	93,485	92,120
Gearing ratio Net debt / (Capital and reserves + Net debt)	41%	43%	43%	43%	44%	41%	43%	43%	43%	44%

# Income statement and statement of other comprehensive income

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

INCOME STATEMENT FOR PERIOD FROM JANUARY 1st to SEPTEMBER 30th, 2021 Unaudited	HRK 000				USD 000			
	Q3 2020	Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q3 2020	Q3 2021	Q1-Q3 2020	Q1-Q3 2021
Vessel revenues	48,583	59,257	185,712	175,101	7,513	9,324	27,395	27,860
Other revenues	3,964	4	3,964	341	619	-	619	54
<b>Sales revenues</b>	<b>52,547</b>	<b>59,261</b>	<b>189,676</b>	<b>175,442</b>	<b>8,132</b>	<b>9,324</b>	<b>28,014</b>	<b>27,914</b>
Commission and voyage related costs	(11,555)	(24,649)	(25,304)	(61,180)	(1,809)	(3,858)	(3,800)	(9,686)
Vessel operating expenses	(24,330)	(24,124)	(73,219)	(69,361)	(3,761)	(3,814)	(10,946)	(11,046)
General and administrative	(1,596)	(1,406)	(4,753)	(4,636)	(245)	(221)	(708)	(736)
Other expenses	-	(1,146)	(345)	(1,926)	-	(180)	(52)	(303)
<b>Total operating expenses</b>	<b>(37,481)</b>	<b>(51,325)</b>	<b>(103,621)</b>	<b>(137,103)</b>	<b>(5,815)</b>	<b>(8,073)</b>	<b>(15,506)</b>	<b>(21,771)</b>
<b>EBITDA</b>	<b>15,066</b>	<b>7,936</b>	<b>86,055</b>	<b>38,339</b>	<b>2,317</b>	<b>1,251</b>	<b>12,508</b>	<b>6,143</b>
Depreciation and amortization	(12,676)	(13,213)	(39,508)	(38,781)	(1,986)	(2,078)	(5,925)	(6,155)
Impairment	-	-	-	-	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>2,390</b>	<b>(5,277)</b>	<b>46,547</b>	<b>(442)</b>	<b>331</b>	<b>(827)</b>	<b>6,583</b>	<b>(12)</b>
Net interest expenses	(4,044)	(3,253)	(15,756)	(13,133)	(605)	(519)	(2,329)	(2,084)
Net foreign exchange gains (losses)	25	(6,655)	34	(6,637)	5	(1,038)	6	(1,039)
<b>Net income</b>	<b>(1,629)</b>	<b>(15,185)</b>	<b>30,825</b>	<b>(20,212)</b>	<b>(269)</b>	<b>(2,384)</b>	<b>4,260</b>	<b>(3,135)</b>
Other comprehensive income	(26,661)	19,139	(22,942)	33,788	7	1,019	10	1,032
<b>Total comprehensive income</b>	<b>(28,290)</b>	<b>3,954</b>	<b>7,883</b>	<b>13,576</b>	<b>(262)</b>	<b>(1,365)</b>	<b>4,270</b>	<b>(2,103)</b>
Weighted average number of shares outstanding, basic & diluted (thou,)	8,710	8,705	8,710	8,706	8,710	8,705	8,710	8,706
Net income (loss) per share, basic & diluted	(0.19)	(1.74)	3.54	(2.32)	(0.03)	(0.27)	0.49	(0.36)

# Balance sheet

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

BALANCE SHEET AT THE DATE OF SEPTEMBER 30th, 2021 unaudited	HRK 000			
	31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021
<b>Non-current Assets</b>	<b>1,002,442</b>	<b>1,047,893</b>	<b>1,020,324</b>	<b>1,030,568</b>
Vessels	992,995	1,042,210	1,009,856	1,025,181
Tangible assets in preparation	8,951	5,209	10,020	4,965
Other non-current assets	496	474	448	422
<b>Current Assets</b>	<b>81,888</b>	<b>81,118</b>	<b>99,337</b>	<b>86,007</b>
Inventory	9,022	12,692	10,148	13,492
Accounts receivable	33,838	14,609	30,968	23,032
Cash and cash equivalents	34,804	47,900	51,244	43,451
Other current assets	4,224	5,917	6,977	6,032
<b>Total Assets</b>	<b>1,084,330</b>	<b>1,129,011</b>	<b>1,119,661</b>	<b>1,116,575</b>
<b>Shareholders Equity</b>	<b>578,496</b>	<b>598,268</b>	588,055	592,009
Share capital	436,667	436,667	436,667	436,667
Reserves	85,065	114,330	99,713	118,852
Retained earnings	56,764	47,271	51,675	36,490
<b>Non-Current Liabilities</b>	<b>395,803</b>	<b>459,392</b>	<b>466,986</b>	<b>486,735</b>
Interest-bearing loans	395,803	459,392	466,986	486,735
<b>Current Liabilities</b>	<b>110,031</b>	<b>71,351</b>	<b>64,620</b>	<b>37,831</b>
Interest-bearing loans	75,628	46,132	30,000	15,325
Accounts payable	18,688	10,616	18,456	13,078
Other current liabilities	15,715	14,603	16,164	9,428
<b>Total liabilities and shareholders equity</b>	<b>1,084,330</b>	<b>1,129,011</b>	<b>1,119,661</b>	<b>1,116,575</b>

USD 000			
31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021
<b>163,290</b>	<b>162,496</b>	<b>162,203</b>	<b>160,361</b>
161,751	161,615	160,539	159,522
1,458	808	1,593	773
81	73	71	66
<b>13,339</b>	<b>12,579</b>	<b>15,792</b>	<b>13,383</b>
1,470	1,969	1,613	2,099
5,512	2,265	4,923	3,584
5,669	7,428	8,146	6,761
688	917	1,110	939
<b>176,629</b>	<b>175,075</b>	<b>177,995</b>	<b>173,744</b>
<b>94,233</b>	<b>92,773</b>	<b>93,485</b>	<b>92,120</b>
67,500	67,500	67,500	67,500
19,024	19,015	19,037	20,056
7,709	6,258	6,948	4,564
<b>64,473</b>	<b>71,238</b>	<b>74,238</b>	<b>75,738</b>
64,473	71,238	74,238	75,738
<b>17,923</b>	<b>11,064</b>	<b>10,272</b>	<b>5,886</b>
12,319	7,154	4,769	2,385
3,044	1,646	2,934	2,034
2,560	2,264	2,569	1,467
<b>176,629</b>	<b>175,075</b>	<b>177,995</b>	<b>173,744</b>

# Cash flow statement

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

CASH FLOW STATEMENT FOR Q1-Q3 2021 unaudited	HRK 000				USD 000			
	FY 2020	Q1 2021	H1 2021	Q1-Q3 2021	FY 2020	Q1 2021	H1 2021	Q1-Q3 2021
Profit before tax	(31,684)	(9,463)	(5,027)	(20,212)	(5,907)	(1,446)	(751)	(3,135)
Amortisation	52,792	12,765	25,568	38,781	8,027	2,022	4,077	6,155
Changes in working capital	(20,075)	5,016	(1,583)	(4,179)	(3,220)	897	(397)	(723)
Other	50,043	3,252	1,858	10,364	9,146	32	46	1,118
<b>Cash flow from operating activities</b>	<b>51,076</b>	<b>11,570</b>	<b>20,816</b>	<b>24,754</b>	<b>8,046</b>	<b>1,505</b>	<b>2,975</b>	<b>3,415</b>
Cash inflows from investing activities	-	-	-	-	-	-	-	-
Cash outflows from investing activities	(33,115)	(8,386)	(18,081)	(24,086)	(5,092)	(1,341)	(2,702)	(3,653)
<b>Cash flow from investing activities</b>	<b>(33,115)</b>	<b>(8,386)</b>	<b>(18,081)</b>	<b>(24,086)</b>	<b>(5,092)</b>	<b>(1,341)</b>	<b>(2,702)</b>	<b>(3,653)</b>
Cash inflows from financing activities	12,319	493,659	512,381	521,919	2,000	78,392	81,392	82,892
Cash outflows from financing activities	(63,189)	(483,747)	(498,677)	(513,940)	(9,468)	(76,797)	(79,187)	(81,561)
<b>Cash flow from financing activities</b>	<b>(50,870)</b>	<b>9,912</b>	<b>13,704</b>	<b>7,978</b>	<b>(7,468)</b>	<b>1,595</b>	<b>2,205</b>	<b>1,330</b>
Net changes in cash	(32,908)	13,096	16,440	8,647	(4,513)	1,759	2,477	1,093
Cash and cash equivalents (beg. of period)	67,712	34,804	34,804	34,804	10,182	5,669	5,669	5,669
<b>Cash and cash equivalents (end of period)</b>	<b>34,804</b>	<b>47,900</b>	<b>51,244</b>	<b>43,451</b>	<b>5,669</b>	<b>7,428</b>	<b>8,146</b>	<b>6,761</b>



# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
For the period from 1 Oct to 31 Dec 2020	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
<b>Balance at 1 October 2020</b>	<b>436,667</b>	<b>119,300</b>	<b>128,554</b>	<b>(11,949)</b>	<b>672,562</b>
Net profit for the period	-	(62,509)	-	-	(62,509)
Change in capital	-	-	-	-	-
Change in other reserves	-	(27)	-	-	(27)
Changes in other comprehensive income	-	-	-	(31,531)	(31,531)
<b>Balance at 31 December 2020</b>	<b>436,667</b>	<b>56,764</b>	<b>128,544</b>	<b>(43,479)</b>	<b>578,496</b>
For the period from 1 Jan to 31 Mar 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
<b>Balance at 1 Jan 2021</b>	<b>436,667</b>	<b>56,764</b>	<b>128,544</b>	<b>(43,479)</b>	<b>578,496</b>
Net profit for the period	-	(9,463)	-	-	(9,463)
Change in capital	-	-	-	-	-
Change in other reserves	-	(32)	-	-	(32)
Changes in other comprehensive income	-	-	-	29,627	29,627
<b>Balance at 31 March 2021</b>	<b>436,667</b>	<b>56,764</b>	<b>128,544</b>	<b>(14,212)</b>	<b>598,268</b>
For the period from 1 Apr to 30 Jun 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
<b>Balance at 1 Apr 2021</b>	<b>436,667</b>	<b>56,764</b>	<b>128,544</b>	<b>(14,212)</b>	<b>598,268</b>
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 Jun 2021</b>	<b>436,667</b>	<b>51,675</b>	<b>128,544</b>	<b>(28,831)</b>	<b>588,055</b>
For the period from 1 Jul to 30 Sep 2021	HRK 000	HRK 000	HRK 000	HRK 000	HRK 000
<b>Balance at 1 Jul 2021</b>	<b>436,667</b>	<b>51,675</b>	<b>128,544</b>	<b>(28,831)</b>	<b>588,055</b>
Net profit for the period	-	(15,185)	-	-	(15,185)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	19,139	19,139
<b>Balance at 30 Sep 2021</b>	<b>436,667</b>	<b>36,490</b>	<b>128,554</b>	<b>(9,692)</b>	<b>592,009</b>

STATEMENT OF CHANGES IN EQUITY unaudited	Share capital	Retained Earnings	Other reserves and comprehensive income	Foreign exchange translation reserves	Total
For the period from 1 Oct to 31 Dec 2020	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balance at 1 October 2020</b>	<b>67,500</b>	<b>17,880</b>	<b>19,867</b>	<b>(1,022)</b>	<b>104,225</b>
Net profit for the period	-	(10,167)	-	-	(10,167)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	(4)	-	179	175
<b>Balance at 31 December 2020</b>	<b>67,500</b>	<b>7,709</b>	<b>19,867</b>	<b>(843)</b>	<b>94,233</b>
For the period from 1 Jan to 31 Mar 2021	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balance at 1 Jan 2021</b>	<b>67,500</b>	<b>7,709</b>	<b>19,867</b>	<b>(843)</b>	<b>94,233</b>
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>
For the period from 1 Apr to 30 Jun 2021	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balance at 1 Apr 2021</b>	<b>67,500</b>	<b>6,258</b>	<b>19,867</b>	<b>(852)</b>	<b>92,773</b>
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 Jun 2021</b>	<b>67,500</b>	<b>6,948</b>	<b>19,867</b>	<b>(830)</b>	<b>93,485</b>
For the period from 1 Jul to 30 Sep 2021	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balance at 1 Jul 2021</b>	<b>67,500</b>	<b>6,948</b>	<b>19,867</b>	<b>(830)</b>	<b>93,485</b>
Net profit for the period	-	(2,384)	-	-	(2,384)
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	1,019	1,019
<b>Balance at 30 Sep 2021</b>	<b>67,500</b>	<b>4,564</b>	<b>19,867</b>	<b>189</b>	<b>92,120</b>

# NET ASSET VALUE CALCULATION

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

NET ASSET VALUE CALCULATION ESTIMATE	At the date 30 Sep 2020 (000 USD)	At the date 31 Dec 2020 (000 USD)	At the date 31 Mar 2021 (000 USD)	At the date 30 Jun 2021 (000 USD)	At the date 30 Sep 2021 (000 USD)
<b>Total fleet value</b>	<b>147,650</b>	<b>146,800</b>	<b>139,350</b>	<b>140,160</b>	<b>141,430</b>
Investments	-	-	-	-	-
Current assets	7,287	7,670	5,151	7,464	6,622
Other non-current assets	39	81	73	71	66
<b>Total value of other assets</b>	<b>7,326</b>	<b>7,751</b>	<b>5,224</b>	<b>7,717</b>	<b>6,688</b>
Cash and cash equivalents	6,023	5,669	7,428	8,146	6,761
Interest-bearing loans	(77,137)	(76,792)	(78,392)	(79,007)	(78,123)
<b>Net debt</b>	<b>(71,114)</b>	<b>(71,123)</b>	<b>(70,964)</b>	<b>(70,861)</b>	<b>(71,362)</b>
Other non-current liabilities	-	-	-	-	-
Current liabilities	(5,523)	(5,604)	(3,910)	(5,503)	(3,501)
<b>Total value of other liabilities</b>	<b>(5,523)</b>	<b>(5,604)</b>	<b>(3,910)</b>	<b>(5,503)</b>	<b>(3,501)</b>
<b>NET ASSET VALUE</b>	<b>78,339</b>	<b>77,824</b>	<b>69,700</b>	<b>71,513</b>	<b>73,255</b>
Weighted average number of shares outstanding, basic & diluted	8,710,299	8,709,407	8,706,421	8,705,817	8,705,549
Net asset value per share (USD)	8.99	8.94	8.01	8.21	8.41

## KEY COMMENTS:

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

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

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

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

Corrections on the freight rate market are also reflected in the current estimates of the sale and purchase value of vessels. Value of the fleet at September 30<sup>th</sup>, 2021 is estimated to USD 141.4 million, which with all other unchanged parameters gives a NAV per share of USD 8.41.

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

## ANNOUNCEMENTS IN H1 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  
27 Apr 2021 Management and Supervisory Board meeting held  
27 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

## SHAREHOLDER STRUCTURE

Shareholder on 30 September 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 September 30<sup>th</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.

## 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 will last 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 5,000,000.00.

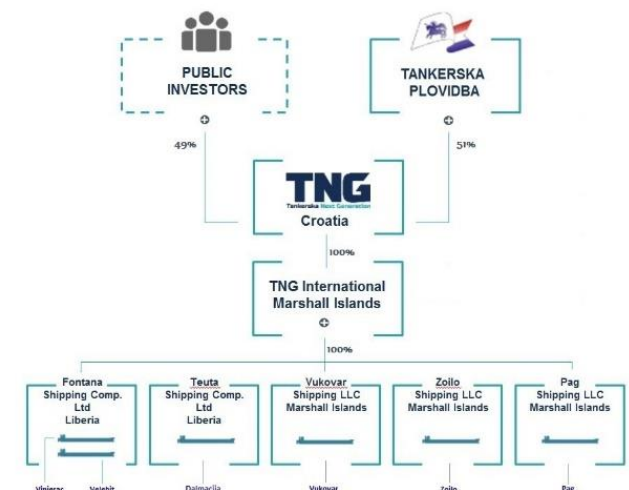


Since the beginning of the year until September 30<sup>th</sup>, the Company had repurchased a total of 1,399 treasury shares on the Zagreb Stock Exchange, representing 0.016% of the Company's share capital. The Company paid the equivalent of HRK 63,553 for the acquisition of abovementioned treasury shares.

As of September 30<sup>th</sup>, 2021, the Company had 28,319 treasury shares representing 0.3243% of the Company's share capital.

Despite the unusual circumstances, due to the COVID-19 pandemic, which had a negative impact on the domestic capital market, we would like to point out the fact that the Company met the set short-term goals which included increasing demand and liquidity of the Company's shares and creating added value for its shareholders.

## OVERVIEW OF RELATED PARTY TRANSACTIONS:



# Share Buy-Back programme

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

## SBB achievements

24 February 2020 –  
30 September 2021

Number of repurchased shares

**15,119** (0.173% capital)

Repurchased amount

**643.4k** HRK

Achieved turnover TPNG at ZSE  
in the period

**32.062m** HRK

Percentage of repurchased treasury  
shares in total turnover

**2.0 %**

Market capitalization  
30 Sep 2021

**356.9m** HRK



TPNG at ZSE	HRK					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Q1-Q3 2021
Volume (million)	14.7	4.1	1.5	5.9	17.17	16.90
Last price	75.00	54.00	38.80	47.20	43.00	41.00
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	38.80
Average price	72.78	70.88	43.61	39.98	48.59	42.69



# Risk management

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

## Foreign exchange risk

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

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

## Interest rate risk

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

rates.

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

## Credit risk

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

## Liquidity risk

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

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

## Price risk

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

## Operational risk

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

## Daily rates

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

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

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

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

## Company strategy

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

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

## Chartering strategy

Charterer's financial condition and reliability is an important factor in counterparty risk. TNG generally minimizes such risks by providing services to major energy corporations, large trading houses (including commodities traders), major crude and derivatives producers and other reputable entities with extenuating tradition in 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 30<sup>TH</sup> SEPTEMBER 2021

(UNAUDITED)

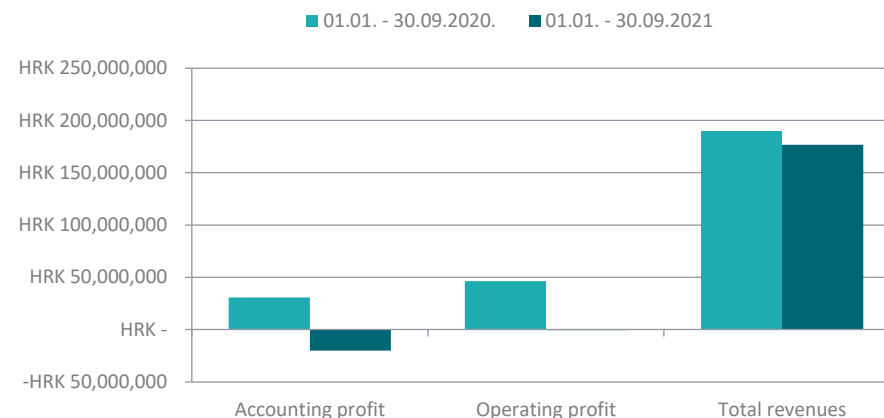
- I. Report of the Management Board on the Company's operations for the period from 1<sup>st</sup> January until 30<sup>th</sup> September, 2021
- II. Unaudited condensed quarterly financial statements:
  - Balance Sheet per as at 30<sup>th</sup> September, 2021
  - Profit and Loss Account for the period from 1<sup>st</sup> January until 30<sup>th</sup> September, 2021
  - Cash Flow Statement for the period from 1<sup>st</sup> January until 30<sup>th</sup> September, 2021
  - Statement of Changes in Equity for the period from 1<sup>st</sup> January until 30<sup>th</sup> September, 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  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

for the period from 1<sup>st</sup> January until 30<sup>th</sup> September, 2021

DESCRIPTION	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2020	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2021
Total revenues	HRK 189,837,594	HRK 176,641,491
Operating revenues / Total revenues	98%	99%
Other revenues / Total revenues	2%	1%
International market / Total revenues	100%	100%
Domestic market / Total revenues	0%	0%
Material costs / Operating expenses	37%	49%
Employee costs / Operating expenses	26%	20%
Financial expenses / Total Expenses	10%	11%
Net margin	16.25%	(11.51%)
Accounting profit	HRK 30,825,232	(HRK 20,212,473)
Operating profit (EBIT)	HRK 46,440,067	(HRK 442,398)



During the reporting period the Company reported HRK 175.6 million of operating revenues, attributed predominantly to revenue generated from sales.

In the same period, the Company reported HRK 176.0 million of operating costs. The majority of operating expenses are the material costs HRK 85.7 million, followed by depreciation in the amount of HRK 38.9 million (including HRK 4.1 million of dry dock expenses depreciation), employee costs in the amount HRK 35.9 million and other expenses in the amount of HRK 15.5 million.

In the period ended 30th September 2021, financial income amounted to HRK 1.0 million, while financial expenses amounted to HRK 20.8 million.

In the reporting period, the Company achieved cumulative loss in the amount of HRK 20.2 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 September 30, 2021, the Company held 28,319 treasury shares, representing 0.3243% of the total number of shares. Reserves for treasury shares are formed from retained Company's earnings.

On September 30, 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:	01/01/2021	to 30/06/2021
Year:	2021	
Quarter:	2.	
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 30.09.2021			
in HRK			
Submitter: Tankerska Next Generation d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<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	1,030,568,567
<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	1,030,568,567
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	993,490,420	1,025,603,650
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	4,964,917
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	80,352,178
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	9,022,302	13,492,237
1 Raw materials and consumables	039	9,022,302	13,492,237
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	23,409,247
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	23,031,928
4 Receivables from employees and members of the undertaking	050	26,792	27,781
5 Receivables from government and other institutions	051	67,116	40,814
6 Other receivables	052	264,855	308,724
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	6,139,039	20,134,466
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	20,134,466
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	28,664,895	23,316,228
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	3,865,421	5,654,632
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	1,084,337,206	1,116,575,377
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0

# Balance sheet

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021



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>592,008,969</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	-9,691,917
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	-9,691,917
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	-20,212,473
1 Profit for the business year	087	0	0
2 Loss for the business year	088	31,682,843	20,212,473
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>486,734,537</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	28,919,597
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	457,814,940
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>34,632,867</b>
1 Liabilities to undertakings within the group	110	11,232,172	5,351,922
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	15,324,690
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	7,459,721	7,728,832
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4,329,249	3,815,581
11 Taxes, contributions and similar liabilities	120	55,620	53,383
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	2,304,685
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>11,205,225</b>	<b>3,199,004</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>1,084,337,206</b>	<b>1,116,575,377</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

# Statement of profit or loss

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021



STATEMENT OF PROFIT OR LOSS for the period 01.01.2021 to 30.09.2021					
Submitter: Tankerska Next Generation d.d.					in HRK
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>189,685,940</b>	<b>52,550,760</b>	<b>175,601,842</b>	<b>59,276,870</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	185,712,218	48,583,427	175,100,685	59,256,887
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	3,973,722	3,967,333	501,157	19,983
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>143,245,873</b>	<b>50,171,766</b>	<b>176,044,240</b>	<b>63,566,038</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	53,206,963	22,507,816	85,665,817	33,186,565
a) Costs of raw materials and consumables	010	23,273,062	10,360,621	44,425,188	17,930,768
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	29,933,901	12,147,195	41,240,629	15,255,797
3 Staff costs (ADP 014 to 016)	013	37,456,295	11,551,890	35,959,051	12,667,375
a) Net salaries and wages	014	36,951,693	11,329,795	35,497,713	12,508,879
b) Tax and contributions from salary costs	015	356,557	157,565	310,938	103,785
c) Contributions on salaries	016	148,045	64,530	150,400	54,711
4 Depreciation	017	39,512,841	12,677,973	38,857,590	13,238,309
5 Other costs	018	12,694,848	3,434,087	14,729,253	4,421,012
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	374,926	0	832,529	52,777
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>151,654</b>	<b>96,121</b>	<b>1,039,649</b>	<b>1,035,480</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	1,032,668	1,032,668
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	78,423	32,238	6,981	2,812
8 Exchange rate differences and other financial income	038	73,231	63,883	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>15,766,489</b>	<b>4,104,126</b>	<b>20,809,724</b>	<b>11,932,140</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	172,081	154,502
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	39,193	39,193	0	0
3 Interest expenses and similar expenses	044	15,727,296	4,064,933	12,967,895	4,090,271
4 Exchange rate differences and other expenses	045	0	0	7,669,748	7,687,367
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>189,837,594</b>	<b>52,646,881</b>	<b>176,641,491</b>	<b>60,312,350</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>159,012,362</b>	<b>54,275,892</b>	<b>196,853,964</b>	<b>75,498,178</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>30,825,232</b>	<b>-1,629,011</b>	<b>-20,212,473</b>	<b>-15,185,828</b>
1 Pre-tax profit (ADP 053-054)	056	30,825,232	0	0	0
2 Pre-tax loss (ADP 054-053)	057	0	-1,629,011	-20,212,473	-15,185,828
<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>30,825,232</b>	<b>-1,629,011</b>	<b>-20,212,473</b>	<b>-15,185,828</b>
1 Profit for the period (ADP 055-059)	060	30,825,232	0	0	0
2 Loss for the period (ADP 059-065)	061	0	-1,629,011	-20,212,473	-15,185,828
<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  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021



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>	30,825,232	-1,629,011	-20,212,473	-15,185,828
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	-22,941,931	-26,660,443	33,787,796	19,139,308
<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>	-22,941,931	-26,660,443	33,787,796	19,139,308
1 Exchange rate differences from translation of foreign operations	088	-22,941,931	-26,660,443	33,787,796	19,139,308
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>	-22,941,931	-26,660,443	33,787,796	19,139,308
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	7,883,301	-28,289,454	13,575,323	3,953,480
<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



STATEMENT OF CASH FLOWS - indirect method			
for the period 01.01.2021. to 30.09.2021.			
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	30,825,232	-20,212,473
2 Adjustments (ADP 003 to 010):	002	51,804,215	59,343,056
a) Depreciation	003	39,512,841	38,857,590
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-78,423	-6,981
e) Interest expenses	007	15,727,297	12,967,895
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-3,352,385	8,557,220
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-5,115	-1,032,668
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	82,629,447	39,130,583
3 Changes in the working capital (ADP 013 to 016)	012	-23,254,463	-4,178,905
a) Increase or decrease in short-term liabilities	013	-356,961	-6,934,777
b) Increase or decrease in short-term receivables	014	-19,804,082	7,225,807
c) Increase or decrease in inventories	015	-3,093,420	-4,469,935
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	59,374,984	34,951,678
4 Interest paid	018	-17,149,447	-12,467,413
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	42,225,537	22,484,265
<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	92,740	7,828
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	92,740	7,828
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-22,555,414	-24,086,263
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-22,555,414	-24,086,263
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-22,462,674	-24,078,435
<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	0	521,918,603
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	521,918,603
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-47,542,547	-513,876,589
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	-554,668	-63,553
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-48,097,215	-513,940,142
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-48,097,215	7,978,461
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-509,190	2,262,469
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-28,843,542	8,646,760
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	67,711,609	34,803,934
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	38,868,067	43,450,694

# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

## STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2021 to 30/09/2021

Item	ADP code	Attributable to owners of the parent																	in HRK	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 + 8 to 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	436,667,250	68,425,976	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	30,825,232	30,825,232	0	30,825,232	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	-22,941,931	0	0	-22,941,931	0	-22,941,931	
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	554,668	554,668	0	0	0	0	0	0	0	0	-554,668	0	-554,668	0	-554,668	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	436,667,250	68,425,976	3,951,238	1,551,268	1,551,268	0	55,000,000	0	0	0	0	0	-11,949,114	89,642,120	30,825,232	672,562,702	0	672,562,702	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	-22,941,931	0	0	-22,941,931	0	-22,941,931	
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	-22,941,931	0	30,825,232	7,883,301	0	7,883,301	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	554,668	554,668	0	0	0	0	0	0	0	0	-554,668	0	-554,668	0	-554,668	

# Statement of changes in equity

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 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)	
Current period																				
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	-20,212,473	-20,212,473	0	-20,212,473	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	33,787,796	0	0	33,787,796	0	33,787,796	
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 Carry forward per annual plans	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	-9,691,917	56,701,883	-20,212,473	592,008,969	0	592,008,969	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	33,787,796	0	0	33,787,796	0	33,787,796	
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	33,787,796	0	-20,212,473	13,575,323	0	13,575,323	
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 September 30<sup>th</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 September 30<sup>th</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 September 30<sup>th</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. Equity and reserves

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

As of 30 September 2021, the Company holds a total of 28,319 treasury shares, representing 0.3243% of the Company's share capital (30 September 2020: 26,323 treasury shares, representing 0.3014% of share capital).

### 4. Earnings per Share

EARNINGS PER SHARE	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2020	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2021
Net (loss) / profit to shareholders	HRK 30,825,232	(HRK 20,212,473)
Weighted average number of shares	8,710,299	8,705,549
Basic (loss) / earnings per share	HRK 3,54	(HRK 2,32)

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

### 5. Transactions with the Related Parties

RELATED PARTY TRANSACTIONS	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2020	Period 1 <sup>st</sup> Jan – 30 <sup>th</sup> Sep 2021
Sales to related parties	HRK 0	HRK 0
Purchase from related parties	HRK 13,073,858	HRK 12,637,727
Receivables from related parties	HRK 0	HRK 0
Liabilities towards related parties	HRK 7,565,381	HRK 5,351,922
Given loans to related parties	HRK 0	HRK 0
Received loans from related parties	HRK 0	HRK 28,919,596

### 6. Subsequent events after Balance Sheet date

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

The consequences of COVID-19 continue to affect the Company's operations and, more importantly, the demand for petroleum products. Although vaccination programs against COVID-19 have boosted hopes of improving oil demand levels later in 2021, there is still great uncertainty in the outlook, with concerns about new variants of COVID-19 and the continuing high number of cases in some regions.

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 September 30th, 2021.

# Statement of responsibility for the financial statements

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021



The financial statements for the period starting January 1<sup>st</sup>, 2021 and ending September 30<sup>th</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 September 30<sup>th</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, October 28<sup>th</sup>, 2021

A handwritten signature in blue ink, appearing to read 'J. Karavanić', written over a light blue diagonal line that extends from the bottom left towards the top right.

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.

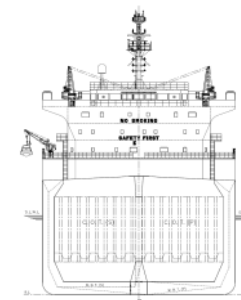
**Daily vessel operating expenses.** Daily vessel operating expenses is a metric used to evaluate the Group's ability to efficiently operate vessels incurring operating expenses and to limit these expenses.

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.

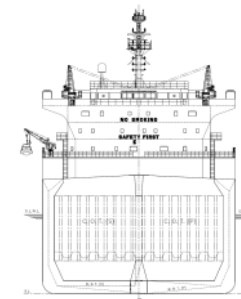
**Voyage charter.** Voyage charter involves the carriage of a specific amount and type of cargo from a specific loading port(s) to a specific unloading port(s) and most of these charters are of a single voyage nature. The owner of the vessel receives one payment derived by multiplying the tonnes of cargo 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

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

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

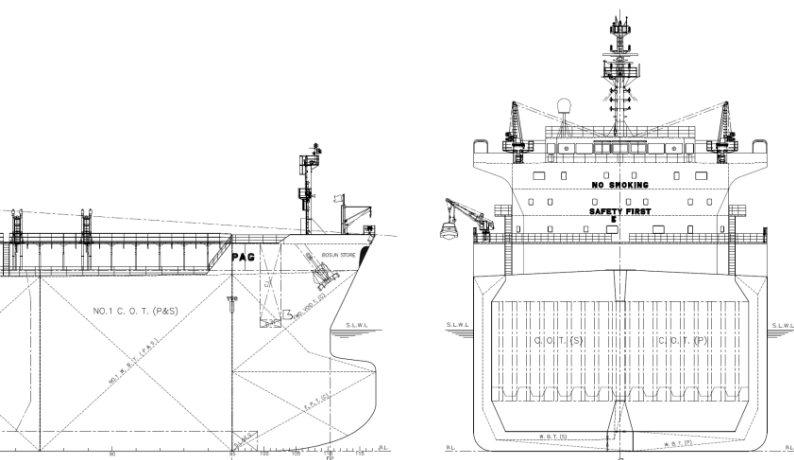
shipping activities taxed on the basis of the net tonnage of their fleet instead of on the basis of their actual profits. Companies, having opted for the tonnage tax, must remain subject to this regime for the following 10 years. The qualifying company has to be a shipping company liable under the Croatian 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  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 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 Management fee* - technical management - crew management - insurance arrangements - accounting services		
<b>Commissions</b>	Address Brokerage		
<b>Commercial fee*</b>	Chartering and commercial management services		
<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

UNAUDITED FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER AND THE FIRST NINE MONTHS OF 2021

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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