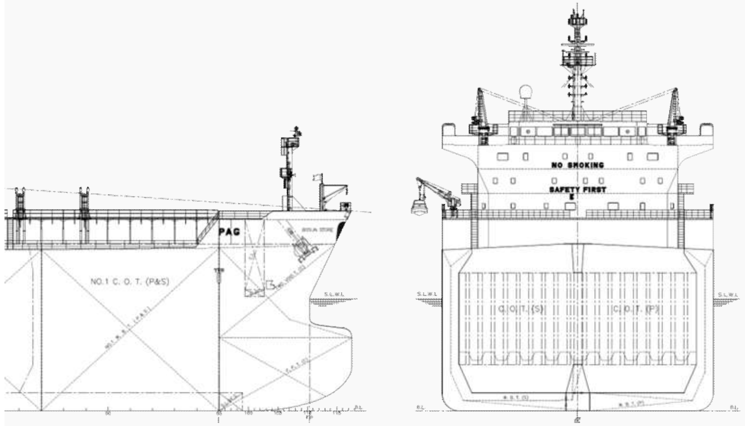
ENGLISH VERSION

Tankerska Next Generation

I – III 2019

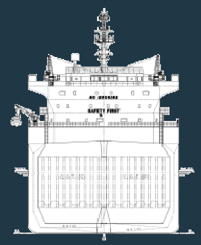


Contents

Total number of vessels: 6

ECO design MR Product tankers: 4

ICE class MR Product tankers: 2



MT Vukovar, built: 2015

ECO design MR product tanker

Lenght/width: 183/32 m

Cargo capacity: 49,990 dwt

MT Pag, built: 2015

ECO design MR product tanker

Lenght/width: 183/32 m

Cargo capacity: 49,990 dwt

MT Zoilo, built: 2015

ECO design MR product tanker

Lenght/width: 183/32 m

Cargo capacity: 49,990 dwt

MT Velebit, built: 2011

ICE class MR product tanker

Lenght/width: 195/32 m

Cargo capacity: 52,554 dwt

MT Dalmacija, built: 2015

ECO design MR product tanker

Lenght/width: 183/32 m

Cargo capacity: 49,990 dwt

MT Vinjerac, built: 2011

ICE class MR product tanker

Lenght/width: 195/32 m

Cargo capacity: 51,935 dwt

Comments from the CEO

Interim management report

At the end of 2018, the product tanker segment sees the long-awaited market situation hoped for by all Owners but does not hold up in the first quarter of 2019. However, the product tanker transport market, albeit still unstable, is showing more resemblance to the average daily rates for 1-year time charters during the 2016 market.

After nearly three years from delivery, in September 2018, Tankerska Next Generation and Trafigura had mutually agreed to prematurely conclude a time charter employment contract for the eco-designed MR product tanker Dalmacija. The vessel was redelivered with compensation for early re-delivery, with future business in mind; decisively taking the relationship to the next level.

This approach to raise the quality of this business relationship, proved to be beneficial and was felt directly in February when we provided 12-month employment for the product tanker "Dalmacija" with the same charterer. Contracted employment started in mid-March. Thus, the ECO tanker Dalmacija will be contracted with this same charterer with rate aligned with first quarter T/C rates for modern MR tonnage with the option of extending the contract under similar conditions up to a total of almost a year. The achieved conditions are fully in line with the company's strategic concept focusing on achieving a strong balance sheet and ensuring a stable cash flow.

Additionally, almost simultaneously, Tankerska Next Generation provided a one-year time charter employment for the conventional ice-class product tanker MT Velebit, also commencing in March. The tanker will be contracted with the charterer at a rate of about USD 14,500 per day with an extension option for an additional 8 months with a freight rate of about USD 15,500 per day.

By doing so, TNG minimizes the risk of its business operations by emphasizing our time charter position while balancing the remainder of the fleet on voyage charter.

The Ballast Convention of the International Maritime Organization came into force back in 2017 and we are left with little time for the final deadline for the installation of the ballast water treatment system (up to the time when it is necessary to renew the IOPP certificate), which for TNG d.d. means that the systems will be embedded on ships following a five-year compulsory repair cycle, which should start from the end of 2019, depending on the binding deadlines and future business conditions.

Since negotiations with the selected manufacturer are now in their final stage, the expected cost of system itself will be ranked at around USD 450,000 to 550,000 per vessel which does not include the costs of delivery and installation, bearing in mind that ECO tanker Dalmacija was delivered with an already installed ballast water treatment system.

In general, there appears to be recognition that the likes of the IMO 2020 and Ballast Water Management regulations will help rid the industry of poorly maintained tonnage and increase both the viability and the acceptance of the world fleet. This will also appeal to potential investors looking to back environmentally compliant and technologically savvy industries. It seems that the shipping industry must prioritize achieving the benefits of regulatory compliance and technological innovation over the coming years.

Results for the first three months of 2019:

Vessel revenues:	11.218 mil. USD
EBITDA:	3.487 mil. USD
EBIT:	1.536 mil. USD
Net profit:	361,000 USD
TCE Net:	13,769 USD/day
OPEX:	6,565 USD/day

John Karavanić, CEO

Market environment

Interim management report

The U.S. economy is set to show fresh signs of stabilizing and indeed even strengthening after its recent soft patch. After a run of data last week exceeded forecasts, the government revealed its first estimate of gross domestic product for the first quarter which amounts 3.2% for Q1 2019.

After managing to revive oil prices through production cutbacks, OPEC now risks squandering its victory again by letting crude surge too high.

In the first quarter, coordinated production curbs by the Organization of Petroleum Exporting Countries and its allies helped oil rally the most in almost a decade, restoring prices to over $70 a barrel.

Saudi Arabia, the group's most powerful member, has made clear that it's determined to keep supplies tight. That risks a repeat of 2018, when production cuts propelled oil to a four-year high, provoking a backlash from President Donald Trump.

OPEC and its partners launched a new round of output cuts at the beginning of the year when it looked like booming U.S. shale-oil production and fragile global demand growth would lead to a supply surplus. But as the group implements the curbs, and as supplies are squeezed further by crises in Venezuela and Iran, there's now a greater risk of a shortage.

If the group continues with its cutbacks, global oil inventories will contract by almost 1 million barrels a day in the third quarter, the steepest drop in nearly two years, data from the organization shows. However, the OPEC group won't make a decision whether to extend until it meets in late June.

The strain on markets could go even deeper. A conflict is flaring in Libya, output is plunging in Venezuela because of a spiraling economic crisis, and the U.S. has decided to tighten sanctions on Iran's oil exports.

The Trump administration said it won't renew waivers that let countries buy Iranian oil without facing U.S. sanctions, a move that roiled energy markets and risks upsetting major importers such as China and India.

Furthermore, very little progress has been made in the trade negotiations between the EU and US and President Trump is becoming increasingly impatient. For now, he appears to be using the threat of tariffs on imports of European cars and vehicle parts to create leverage in upcoming negotiations. Indeed, the direct and indirect damage of these tariffs to the European car industry and overall economy would be sizeable.

The China Boom Isn't Over Yet

Chinese data published this month suggests a rebound in economic activity following a weak end to 2018, amid fading headwinds. China's official GDP growth surprised to the upside in Q1, remaining at 6.4% yoy versus a consensus expectation of 6.3% yoy.

The Shanghai Composite Index – a broad basket of locally traded Chinese A-shares – soared 24% in the first three months of the year. Not only did that make China one of the best-performing markets to begin 2019, it also marked the best quarterly return for the index since the end of 2014.

Venezuela

A couple of months ago, some people were predicting imminent regime change in Venezuela, fully anticipating that Nicolás Maduro would be bundled on to a plane within weeks or even days and whisked into exile in Cuba or Russia. That hasn't happened, and looks unlikely to any time soon.

Mr Maduro has the continued backing of Russia, China and Cuba and — crucially — that of his own armed forces. Although some soldiers have defected, the vast majority have stuck with him, a fact US special representative to Venezuela Elliott Abrams recently acknowledged was "troubling".

Opposition leader Juan Guaidó still has a groundswell of support in his attempt to unseat Mr Maduro. But the protests aren't achieving much. The situation is one of deadlock. Neither Mr Maduro nor Mr Guaidó has been able to prevail.

1 Lloyd's list, March 2019
2 Vantage Shipbrokers PTE Ltd., March 2019
3 ABN AMRO, April 2019
4 Reuters, March 2019
5 Baltic exchange, BCTI, March 2019
6. Bloomberg, April 2019

Market environment

Interim management report

Shipping

Confidence in the shipping industry has risen in the last three months despite ongoing geopolitical uncertainty. The average confidence level rose to 6.2 out of maximum score of 10.0 this quarter compared to 6.0 in Q4 2018. Confidence was up in Europe, from 6.1 to 6.3, and in North America, from 5.2 to 5.6. In Asia, meanwhile, there was a drop in overall confidence levels to 5.8 from the 12-month high of 6.3 recorded in the previous quarter.

U.S. Secretary of State Mike Pompeo announced that the United States will not grant any exceptions for importers of Iranian oil in exchange for significant reductions in volume. The Trump administration's goal is to cut Iranian exports to zero, relying on burgeoning American oil exports to make up the difference on the global market. As a transition measure, the U.S. reached agreements with several nations that have historically imported large volumes of Iranian crude - like India, China and South Korea - to allow them to continue to purchase limited amounts in exchange for "significant reductions." The State Department referenced the rapidly rising volume of American oil exports in order to show that cutting off Iranian supplies would not adversely affect the global marketplace. Sanctions have already cut 1.5 million bpd of Iranian exports since last summer, and American exports have risen by as much as 900,000 bpd over the same period, according to data from the U.S. Energy Information Administration.

A refreshing initiative, for a change, is being presented by 4 European countries; Denmark, Germany, Spain and France have now joined Japan in proposing to the IMO that speed management could be used as an effective way of reducing shipping's carbon emissions to the internationally agreed target of 40% by 2030. A multinational political group has a possibility and a position to form an enforced speed management for ships within the next four years. European common position is growing following a recent hearing on carbon reduction in Brussels by the European Commission's directorate-general for mobility and transport. Sources informed that the meeting was held to discuss the European position ahead of the IMO's Marine Environment Protection Committee gathering, scheduled for May in London, where CO2 reduction measures will be debated. Speed reduction is widely recognized as the most immediate and effective way of cutting carbon emissions a French study paper informs.

The aim is for the industry to be proactive on the issue, to avoid having rules imposed on it by others.

"It's the simplest, easiest idea and there is no cost at all — just to reduce the speed on the seas like they do on the motorways," said a leading figure in the shipping industry.

"Well, maybe there is a little cost to the charterers, just a few hours or days, but all charterers will be onboard.

BDO / Marex, April 2019
TradeWinds, April 2019

Market environment

Interim management report

Product tankers

Meanwhile there has been improvement in the refined product tanker market but mainly linked to different fundamentals. MR rates are stronger in Q1 YOY, but below expectations.

There is a strong possibility that IMO's new bunker rules will create meaningful impact but just when it will materialize is unclear. Hubs for marine fuel distribution will need to undergo inventory change over several months in advance of 2020 and given the time needed to ship and build inventories, this could potentially mean a 6-month implementation period.

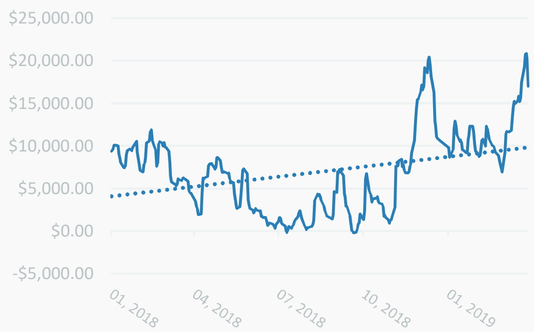
It is interesting to point out, despite largely carrying different cargo, over the past 30 years there has been a strong correlation in terms of freight between crude tanker and product tanker rates which does not seem to be the case, notably in Q1 of this year.

It's also worth noting that tanker ordering activity picked up somewhat in 19Q1, driven primarily by VLCC orders. But the overall tanker orderbook-to-fleet ratio still fell back to 10% by the end of March, its lowest level since 1997. The product tanker orderbook is especially low, representing less than 8% of the existing product tanker fleet size.

The industry expects tanker scrapping to be somewhat higher than it would be in the absence of the new regulations. This is because older, less fuel-efficient ships will be at a competitive disadvantage when fuel costs increase, and thus we expect more of these vessels to be scrapped as they reach 20 years of age. The net effect of these changes is to raise the tanker fleet utilization rate, especially from mid-2019 through 2020, and even beyond 2020 to a lesser extent. This should lead to a moderately stronger tanker market than we would otherwise see.

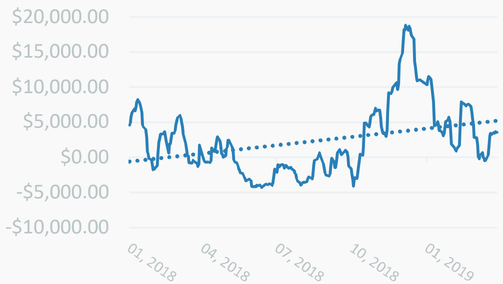
Stifel, April 2019
Marsoft, April 2019

Continent to US Atlantic coast TCE (CPP, UNL)



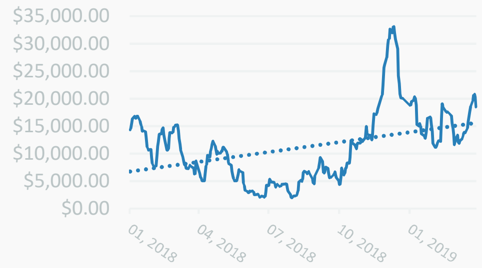
Full Route Description - TC2_37 37,000mt CPP/UNL. Continent to US Atlantic coast (Rotterdam to New York).

US Gulf to Continent TCE (CPP, UNL, diesel)



Full Route Description - TC14 38,000mt CPP/UNL/diesel. US Gulf to Continent (Houston to Amsterdam).

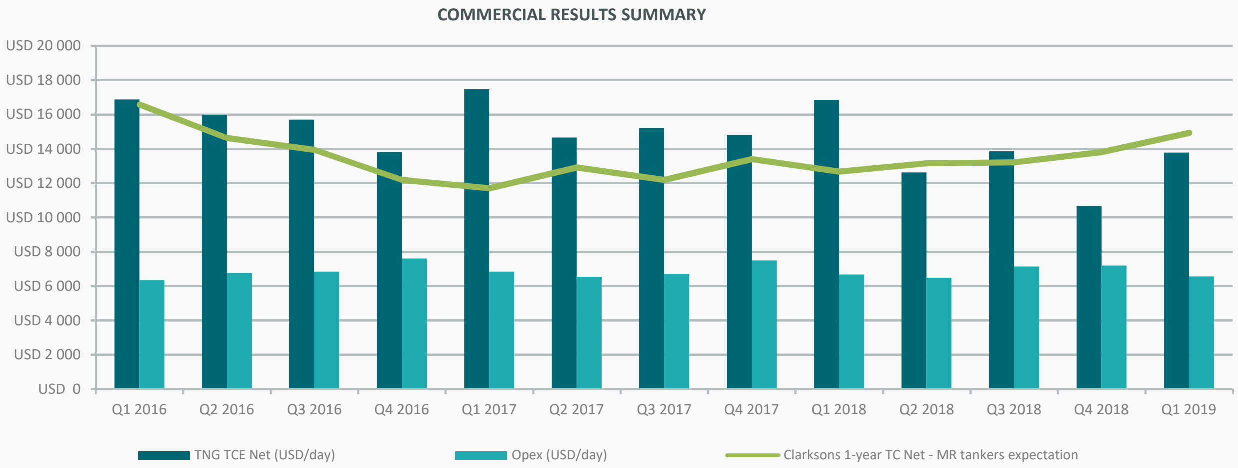
MR Atlantic triangulation (Uses: TC2 TCE & TC14 TCE)

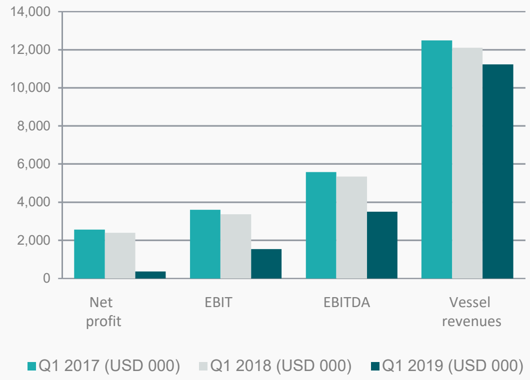


Full Route Description - MR Atlantic Basket Contributing routes: TC2 TCE & TC14 TCE

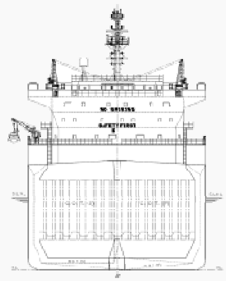
Results

Interim management report





SELECTED FINANCIALS	October - December 2017 (HRK 000)	January - March 2018 (HRK 000)	October - December 2018 (HRK 000)	January - March 2019 (HRK 000)	October - December 2017 (USD 000)	January - March 2018 (USD 000)	October - December 2018 (USD 000)	January - March 2019 (USD 000)
Vessel revenues	64,277	72,907	79,179	**73,142**	10,701	12,181	11,889	**11,218**
EBITDA	24,480	32,199	13,294	**22,660**	4,085	5,340	1,936	**3,487**
EBIT	12,536	20,229	(3,882)	**10,032**	2,100	3,355	(659)	**1,536**
Net profit	6,456	14,406	(10,466)	**2,386**	1,083	2,389	(1,646)	**361**



Results for the first quarter of 2019

Interim management report

Total revenues of the first quarter of 2019 amounted to HRK 73.35m (USD 11.25m), while EBITDA reached HRK 22.66m (USD 3.49m).

The net profit for the first quarter of 2019 amounts to HRK 2.39 million (USD 0.36m).
First quarter EBIT was HRK 10.03m (USD 1.54m) and is a result of market exposures at which freight rates stabilized at much higher level than Q4 2018.

In the first quarter of 2019, vessels revenues reached HRK 73.14 million (USD 11.22m), which is an increase expressed in Kuna from the same period last year.

This level of revenue is the result of a greater presence of the TNG fleet in the spot market, where the ship-owner achieves nominally higher revenue, but at the same time has increased voyage-related costs.

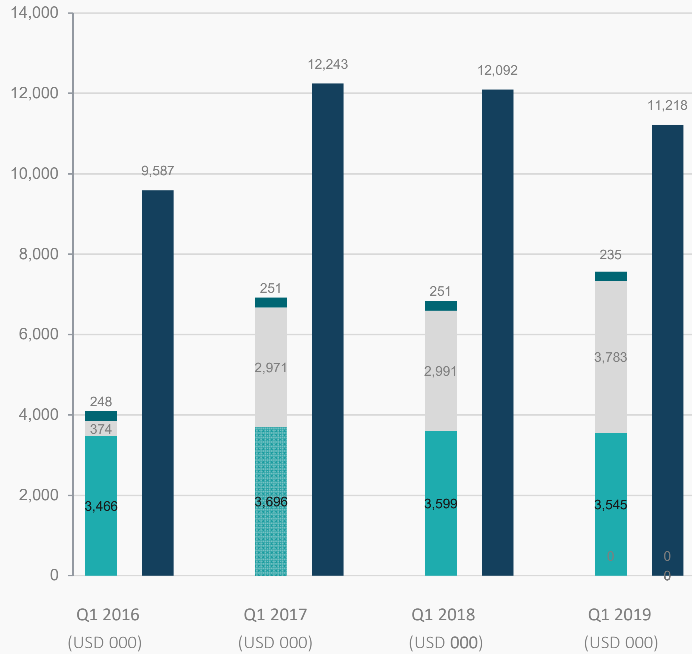
The average daily TCE of the fleet during the first quarter was recorded at USD 13,769, which is higher in comparision to the last quarter of 2018. for almost 30%.

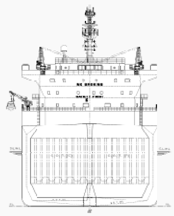
Operating expenditures of the fleet amounted to HRK 23.14m (USD 3.545m) in the first quarter of 2019 and have somewhat decreased from the last quarter of 2018 when they were USD 4m.

Commissions and voyage associated costs amounted to HRK 24.72 million (USD 3.78 million) in the first quarter of 2019, while in the first quarter of 2018 they added up to HRK 18.04 million (USD 3.0m). The increase in these expenses is due the higher exposure of the TNG fleet in the spot market.

Depreciation costs in the first quarter of 2019 amounted to HRK 12.63m (USD 1.95m). 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.

General and administrative expenses were recorded at HRK 1.53m (USD 0,235m) are down against the same period last year.





Operational data of the fleet

Interim management report

TNG's CURRENT FLEET

Currently TNG's fleet consists of six MR tankers in operation (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 300,000 dwt. On March 31st, 2019 the average age of the vessels in TNG's fleet is 5.0 years.

CURRENT CHARTERING STRATEGY

Dalmacija

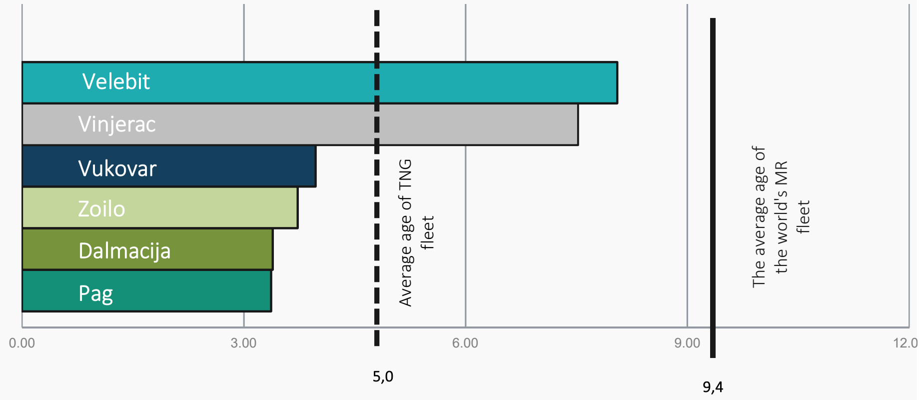
During the first quarter of 2019, a twelve-month contract was secured for the period at USD 16,000 per day with Trafigura Maritime Logistics TCP DTD ("Trafigura"). Upon expiration of the current contract in Q1 2020 , the charterer has an option to extend the contract for an additional (maximum) 385 days at a similar rate.

Vinjerac

The short-term shipping contract on time with Clearlake Shipping Pte Ltd ("Clearlake") expired at the beginning of Q2 2019 and continued employment of the ship on the spot market, assessing that this type of employment represents an optimal strategy for using the fleet's commercial potential.

Vessel	Capacity (dwt)	Employment	Hire rate (USD)
Velebit	52,554	SPOT market / Time charter since mid-March 2019	Voyage charter / 14,500 (until Q2 2020)
Vinjerac	51,935	Clearlake Time charter	14,500 (until Q2 2019)
Vukovar	49,990	SPOT market	Voyage charter
Zoilo	49,990	SPOT market	Voyage charter
Dalmacija	49,990	Trafigura Time charter	16,000 (until Q2 2020)
Pag	49,990	SPOT market	Voyage charter

Average age of MR fleet



Velebit

Tankerska Next Generation in mid-March secured the one year employment of the conventional ice class product tanker MT Velebit. The tanker will be under a shipping contract with Clearlake Shipping Pte Ltd ("Clearlake") charterer with a contracted rate of USD 14,500 per day, and upon expiry of the current contract, the charterer has the option to extend the contract for an additional 8 months with an approximate USD 1,000 premium.

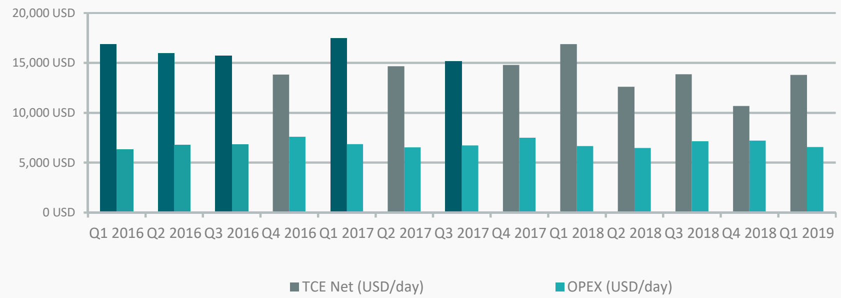
Vukovar, Zoilo and Pag

TNG vessels Vukovar, Zoilo and Pag are currently operating on the "spot" market, estimating that this type of employment is at present an optimum strategy for using the fleet's commercial potential.

Operational data of the fleet

Interim management report

OPERATIONAL DATA OF THE FLEET	I-III 2017	I-III 2018	I-III 2019
Time Charter Equivalent rates (USD/day)	17,455	16,854	13,769
Daily vessel operating expenses (USD/day)	6,844	6,665	6,565
Operating days (number)	540	540	540
Revenue days (number)	531	540	540
Fleet utilization (%)	98.4	100.0	100.0



Tankerska Next Generation takes on the conservative approach of fixing medium-term employment time charters for its fleet, which became apparent in the escalating market conditions in 2015 when key time charters were concluded. At the time, the concluded time charter contracts enabled TNG to achieve results above the market average. At present, the majority, or four out of six units, are employed on the spot market due to unfavourable conditions on the time charter market, which currently provide inadequate levels of cash flow. By positioning most of the fleet on the spot market, management has secured sufficient flexibility for future employment, relying on publicly available industry forecasts and analysis, which indicate a medium term freight rate recovery.

We believe that the first indications of fundamental market recovery for product tankers have become apparent in the final weeks of the 2018.

The average TCE net rate for Q1 2019 added up to USD 13,769. Compared to the last few quarters and an average 2018 TCE of USD 13,201.

The average daily vessel operating expenses (OPEX) in the first quarter of 2019 amounted to USD 6,565 per vessel, which is a moderate decrease in comparison to the same period last year.

The Ballast Water Convention of the International Maritime Organization entered into force on September 8, 2017. After September 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 will be installed on vessels following a five-year drydock cycle that should start from the end of 2019, depending on the binding deadlines and future business conditions.

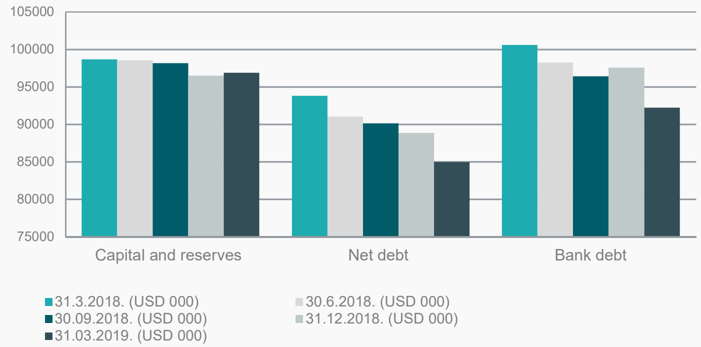
Ecological control is growing with record-breaking penalties issued for pollution. New ballast water management rules aimed at halting the spread of harmful aquatic organisms are welcome, but will also add significant costs and potentially bring new risks for shipping.

The ballast water treatment system actively removes, kills or deactivates reproduction systems of organisms in ballast waters before returning them to the ecosystem. The expected cost of system itself will be ranked at around USD 450,000 to 550,000 per vessel which does not include the costs of delivery and installation, bearing in mind that ECO tanker Dalmacija was delivered with an already installed ballast water treatment system.

Financial position summary

Interim management report

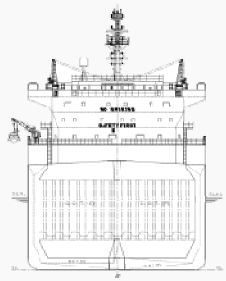
FINANCIAL POSITION SUMMARY	31st Dec 2017 (HRK 000)	31st Dec 2018 (HRK 000)	31st Mar 2019 (HRK 000)	31st Dec 2017 (USD 000)	31st Dec 2018 (USD 000)	31st Mar 2019 (USD 000)
Bank debt	670,467	631,106	**609,513**	106,938	97,556	**92,210**
Cash and cash equivalents	63,792	56,389	**47,947**	10,174	8,717	**7,254**
Net debt	606,675	574,717	**561,566**	96,764	88,839	**84,956**
Capital and reserves	603,418	624,228	**640,212**	96,243	96,493	**96,853**
Gearing ratio Net debt / (Capital and reserves + Net debt	50%	48%	**47%**	50%	48%	**47%**



Tankerska Next Generation concluded the first quarter of 2019 with 1 percentage points less gearing or 47% in comparison to the end of 2018. This decreasing 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.

Securing sufficient levels of financing (both debt and equity financing), provides stable foundations for delivering the company strategy and increasing distributable cash flow, while lowering the risk of the business by focusing on medium to long term time charter periods.

With a goal to maximize the commercial benefits to the fleet, the vessels, whose time charter contracts expired during the year, have been transferred to the spot market. This model of employment at the current market conditions offers management enough flexibility to timely react to the positive changes in hire rates, while it simultaneously requires a higher liquidity, due to the fact that the ship owner covers the voyage related expenses in advance of being compe-nsated, while on time charter the Owner receives the hire upfront.



INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

Interim management report

KEY COMMENTS:

Daily TCE net rates per operating vessel in first three months of 2019 were USD 13,769 per day on average.

Voyage related costs and commission equalled to 27.3% of total vessel revenues, including bunkers and port expenses related to spot voyages.

Vessel operating costs in first quarter of 2019 amount to USD 3.545m which includes the ship management services fee awarded to Tankerska Plovidba in the amount of USD 468 per vessel per day.

The quoted foreign exchange gains (losses) are a result of exchanging dollar assets on the reporting date into the Croatian Kuna.

The financial statements expressed in HRK have been converted from USD amounts by applying the middle foreign exchange rate published by the Croatian National Bank and valid on the date of reporting:

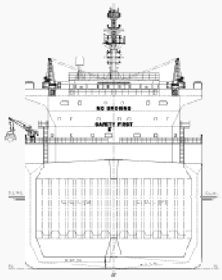
(31st December 2018 - 1 USD = 6,469192 HRK)
(31st March 2019 - 1 USD = 6,610040 HRK)

INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR Q1 2019 unaudited	October – December 2017 (HRK 000)	January – March 2018 (HRK 000)	October – December 2018 (HRK 000)	January – March 2019 (HRK 000)	October – December 2017 (USD 000)	January – March 2018 (USD 000)	October – December 2018 (USD 000)	January – March 2019 (USD 000)
Revenues	64,227	72,907	79,179	73,142	10,701	12,092	11,889	11,218
Other revenues	1,729	539	1,576	206	281	89	243	32
Sales revenues	**66,006**	**73,446**	**80,755**	**73,348**	**10,982**	**12,181**	**12,132**	**11,250**
Commission and voyage related costs	(15,161)	(18,037)	(39,584)	(24,720)	(2,534)	(2,991)	(6,005)	(3,783)
Vessel operating expenses	(24,975)	(21,700)	(26,410)	(23,138)	(4,131)	(3,599)	(3,971)	(3,545)
General and administrative	(1,390)	(1,510)	(1,467)	(1,534)	(232)	(251)	(220)	(235)
Other expenses	-	-	-	(1,296)	-	-	-	(200)
Total operating expenses	**(41,526)**	**(41,247)**	**(67,461)**	**(50,688)**	**(6,897)**	**(6,841)**	**(10,196)**	**(7,763)**
EBITDA	**24,480**	**32,199**	**13,294**	**22,660**	**4,085**	**5,340**	**1,936**	**3,487**
Depreciation and amortization	(11,944)	(11,970)	(13,237)	(12,628)	(1,985)	(1,985)	(1,985)	(1,951)
Impairment	-	-	(3,939)	-	-	-	(609)	-
Operating profit (EBIT)	**12,536**	**20,229**	**(3,882)**	**10,032**	**2,100**	**3,355**	**(659)**	**1,536**
Net interest expenses	(6,073)	(5,933)	(6,650)	(7,649)	(1,011)	(984)	(998)	(1,176)
Net foreign exchange gains (losses)	(7)	110	66	3	(6)	18	11	1
Net income	**6,456**	**14,406**	**(10,466)**	**2,386**	**1,083**	**2,389**	**(1,646)**	**361**
Other comprehensive income	(7,611)	(23,043)	6,263	13,598	(1,369)	(3,821)	946	(1)
Total comprehensive income	**(1,155)**	**(8,637)**	**(4,203)**	**15,984**	**(286)**	**(1,432)**	**(700)**	**360**
Weighted average number of shares outstanding, basic & diluted (thou,)	8,720	8,720	8,720	8,720	8,720	8720	8,720	8,720
Net income (loss) per share, basic & diluted	0.74	1.65	1.20	0.27	0.12	0.27	0.19	0.04

BALANCE SHEET

Interim management report

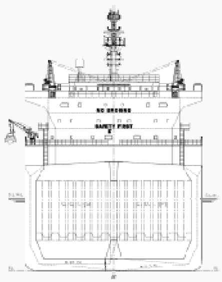
BALANCE SHEET At the date of 31 March 2019 unaudited	31st Dec 2017 (HRK 000)	31st Dec 2018 (HRK 000)	31st Mar 2019 (HRK 000)	31st Dec 2017 (USD 000)	31st Dec 2018 (USD 000)	31st Mar 2019 (USD 000)
Non-Current Assets	**1,203,337**	**1,186,408**	**1,199,337**	**191,928**	**183,394**	**181,442**
Vessels	1,203,318	1,186,292	1,199,221	191,925	183,376	181,424
Other Non-Current Assets	19	116	116	3	18	18
Current Assets	**92,597**	**100,517**	**98,392**	**14,769**	**15,538**	**14,885**
Inventory	8,370	13,779	10,346	1,335	2,130	1,565
Accounts receivable	17,574	25,806	35,916	2,803	3,989	5,433
Cash and cash equivalents	63,792	56,389	47,947	10,175	8,717	7,254
Other current assets	2,861	4,543	4,183	456	702	633
Total Assets	**1,295,934**	**1,286,925**	**1,297,729**	**206,697**	**198,932**	**196,327**
Shareholders Equity	**603,418**	**624,228**	**640,212**	**96,243**	**96,493**	**96,853**
Share capital	436,667	436,667	436,667	69,647	67,500	67,500
Reserves	99,026	120,390	133,988	15,794	18,610	18,609
Retained earnings	67,725	67,171	69,557	10,802	10,383	10,744
Non-Current Liabilities	**611,647**	**557,476**	**556,393**	**97,556**	**86,174**	**84,174**
Bank debt	611,647	557,476	556,393	97,556	86,174	84,174
Current Liabilities	**80,869**	**105,221**	**101,124**	**12,898**	**16,265**	**15,300**
Bank debt	58,820	73,630	53,120	9,382	11,382	8,036
Accounts payable	9,338	10,588	11,856	1,489	1,637	1,795
Other current liabilities	12,711	21,003	36,148	2,027	3,246	5,469
Total liabilities and shareholders equity	**1,295,934**	**1,286,925**	**1,297,729**	**206,697**	**198,932**	**196,327**



CASH FLOW STATEMENT

Interim management report

CASH FLOW STATEMENT FOR THE Q1 2019 unaudited	January – December 2017 (HRK 000)	January – December 2018 (HRK 000)	January – March 2019 (HRK 000)	January – December 2017 (USD 000)	January – December 2018 (USD 000)	January – March 2019 (USD 000)
Profit before tax	32,132	6,284	2,386	5,125	971	361
Depreciation and Amortisation	49,727	51,377	12,630	7,931	7,942	1,951
Changes in working capital	(6,217)	(5,624)	9,038	(992)	(869)	1,367
Other	(4,107)	6,826	2,430	(655)	1,055	203
Cash flow from operating activities	**71,535**	**58,863**	**26,484**	**11,409**	**9,099**	**3,882**
Cash inflows from investing activities	-	-	-	-	-	-
Cash outflows from investing activities	(3,983)	(346)	-	(635)	(53)	-
Cash flow from investing activities	**(3,983)**	**(346)**	**-**	**(635)**	**(53)**	**-**
Cash inflows from financing activities	25,079	-	-	4,000	-	-
Cash outflows from financing activities	(72,754)	(65,920)	(34,926)	(11,604)	(10,190)	(5,345)
Cash flow from financing activities	**(47,675)**	**(65,920)**	**(34,926)**	**(7,604)**	**(10,190)**	**(5,345)**
Net changes in cash	19,877	(7,403)	(8,442)	3,170	(1,144)	(1,463)
Cash and cash equivalents (beg, of period)	43,915	63,792	56,389	7,004	9,861	8,717
Cash and cash equivalents (end of period)	**63,792**	**56,389**	**47,947**	**10,174**	**8,717**	**7,254**



STATEMENT OF CHANGES IN EQUITY

Interim management report

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 2018	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*
Balance at 1 October 2018	436,667	77,637	127,063	(12,936)	628,431
Net profit for the period		(10,466)			(10,466)
Change in capital					-
Change in other reserves					-
Changes in other comprehensive income				6,263	6,263
Balance at 31 December 2018	436,667	67,171	127,063	(6,673)	624,228
For the period from 1 Jan to 31 Mar 2019	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*	*HRK 000*
Balance at 1 January 2019	436,667	67,171	127,063	(6,673)	624,228
Net profit for the period	-	2,386	-	-	2,386
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	13,598	13,598
Balance at 31 March 2019	436,667	69,557	127,063	6,925	640,212

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 2018	*USD 000*	*USD 000*	*USD 000*	*USD 000*	*USD 000*
Balance at 1 October 2018	67,500	12,028	19,641	(1,018)	98,151
Net profit for the period		(1,645)			(1,645)
Change in capital					
Change in other reserves					
Changes in other comprehensive income				(13)	(13)
Balance at 31 December 2018	67,500	10,383	19,641	(1,031)	96,493
For the period from 1 Jan to 31 Mar 2019	*USD 000*	*USD 000*	*USD 000*	*USD 000*	*USD 000*
Balance at 1 January 2019	67,500	10,383	19,641	(1,031)	96,493
Net profit for the period	-	361	-	-	361
Change in capital	-	-	-	-	-
Change in other reserves	-	-	-	-	-
Changes in other comprehensive income	-	-	-	(1)	(1)
Balance at 31 March 2019	67,500	10,744	19,641	(1,032)	96,853

NET ASSET VALUE CALCULATION

Interim management report

NET ASSET VALUE CALCULATION estimate	At the date 31 Mar 2018 (000 USD)	At the date 30 Jun 2018 (000 USD)	At the date 30 Sep 2018 (000 USD)	At the date 31 Dec 2018 (000 USD)	At the date 31 Mar 2019 (000 USD)
Total fleet value	**177,200**	**170,460**	**162,860**	**166,250**	**175,700**
Investments	-	-	-	-	-
Current assets	5,246	3,801	5,774	6,821	7,631
Other non-current assets	56	56	55	18	18
Total value of other assets	**5,302**	**3,857**	**5,829**	**6,839**	**7,649**
Cash and cash equivalents	6,798	7,229	6,272	8,717	7,254
Bank debt	(93,556)	(98,247)	(96,401)	(97,556)	(92,210)
Net debt	**(86,758)**	**(91,018)**	**(90,129)**	**(88,839)**	**(84,956)**
Other non-current liabilities	-	-	-	-	-
Current liabilities	(2,804)	(2,261)	(3,521)	(4,884)	(7,264)
Total value of other liabilities	**(2,804)**	**(2,261)**	**(3,521)**	**(4,884)**	**(7,264)**
NET ASSET VALUE	**92,940**	**81,038**	**75,039**	**79,366**	**91,129**
Weighted average number of shares outstanding, basic & diluted	8,720,145	8,720,145	8,720,145	8,720,145	8,720,145
Net asset value per share (USD)	10.66	9.29	8.61	9.10	10.45

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. As TNG currently employs the majority of its fleet on the spot basis, the future expected commercial fleet potential is based on industry specialists and brokers that give out medium-term market sentiment and freight rate expectations.

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 last years. 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 S&P value of vessels. Value of the fleet at the end of quarter is USD 175.7m, what with all other unchanged parameters gives a NPV per share of USD 10.45.

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 sectoral analysis.

TANKERSKA NEXT GENERATION

Interim management report

ANNOUNCEMENTS IN 2019

30.04.2019 Management and Supervisory Board meetings held
25.02.2019 Announcement of Management and Supervisory Board sessions
14.04.2019 Time charter employment secured for MT Velebit
06.03.2019 Time charter employment secured for ECO tanker
26.02.2019 Management and Supervisory Board meetings held
20.02.2019 Announcement of Management and Supervisory Board sessions

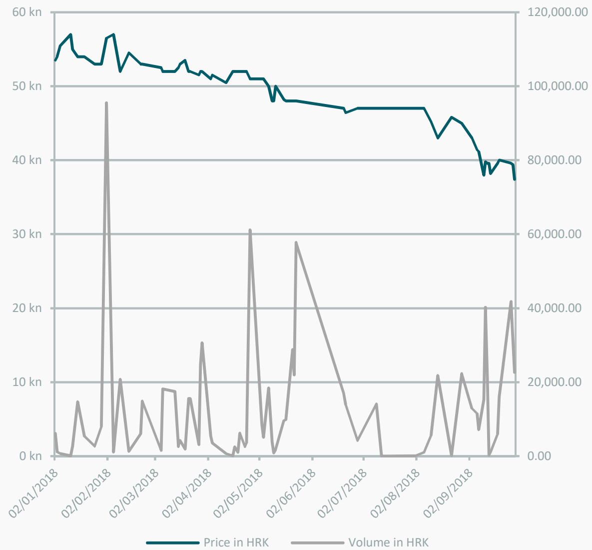
SHAREHOLDER STRUCTURE

Shareholder	No. of shares 31 Mar 2019	Share (in %)
Tankerska Plovidba Plc.	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	367,521	4.21%
Other institutional and private investors	1,511,794	17.31%
Total	8,733,345	100.00%

MANAGEMENT AND SUPERVISORY BOARD

During first three months of 2019 there was no changes in the Management board or the Supervisory board. The sole member of the Management board is Mr. John Karavanić. Supervisory board consists of Mr. Ivica Pijaca, president, Mr. Mario Pavić, deputy president, and members Mr. Joško Miliša, Mr. Nikola Mišetić and Mr. Nikola Koščica.

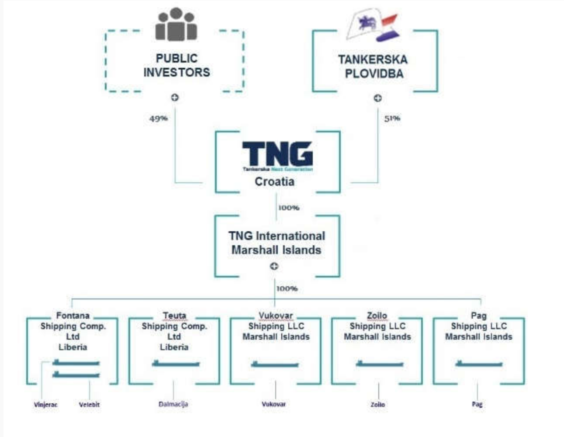
TPNG-R-A STOCK



Company shares with the ticker TPNG-R-A are listed on the Zagreb Stock Exchange. During first quarter of 2019 there were no corporate activities of acquiring treasury shares of the Company. As at 31 March, 2019 the Company had 13,200 treasury shares.

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

OVERVIEW OF RELATED PARTY TRANSACTIONS:



Risk management

Interim management report

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

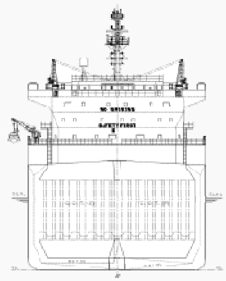
Credit risk is the risk of failure by one party to meet commitments to the financial instruments, what could cause the financial loss to the other party. Maximum exposure to credit risk is expressed in the highest value of each of the financial asset in statement of financial position. Basic financial 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.



Risk management

Interim management report

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 S

"OHSAS"18001 Safety Advisory Services

ISM Code - International safety management code

Company strategy

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

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

Chartering strategy

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

Insurance

The operation of any ocean-going vessel represents a potential risk of major losses and liabilities, death or injury of persons, as well as property damage caused by adverse weather conditions, mechanical failures, human error, war, terrorism, piracy and other circumstances or events. The transportation of oil is subject to the risk of pollution and to business interruptions due to political unrest, hostilities, labour strikes and boycotts. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

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

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

INTERIM FINANCIAL STATEMENTS

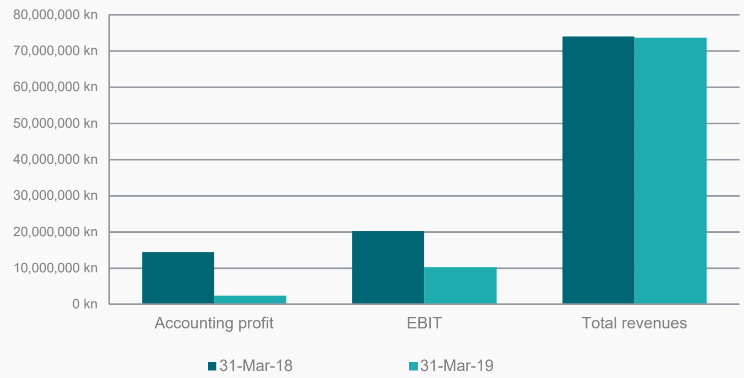
FOR THE FIRST THREE MONTHS OF 2019
(UNAUDITED)

Table of contents

Report of the management board on the company's operations

FOR THE PERIOD FROM
1st JANUARY UNTIL 31st MARCH 2019

DESCRIPTION	Period 1st Jan - 31st Mar 2018	Period 1st Jan – 31st Mar 2019
Total revenues	73,981,478	73,636,385
Operating revenues / Total revenues	99%	99%
Other revenues / Total revenues	1%	1%
International market / Total revenues	99%	100%
Domestic market / Total revenues	0%	0%
Material costs / Operating expenses	47%	52%
Employee costs / Operating expenses	22%	20%
Financial expenses / Total Expenses	11%	11%
Gross margin	19.76%	3.26%
Accounting profit	14,405,659	2,385,622
Operating profit (EBIT)	20,229,389	10,207,791



During the reporting period the Company reported HRK 73.3 million of operating revenues, attributed predominantly to revenue generated from sales.

In the same period, the Company reported HRK 63.1 million of operating costs. The majority of operating expenses are the material costs HRK 32.5 million, depreciation in the amount of HRK 12.6 million (including HRK 419 thousand of dry dock expenses), employee costs in the amount HRK 12.4 million and other expenses in the amount of HRK 5.6 million.

In the period ended 31st March 2019, financial income amounted to HRK 285 thousand, while financial expenses amounted to HRK 8.1 million. In the reporting period, the Company achieved cumulative profit in the amount of HRK 2.4m.

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. During 2019 there was no activity of redemption of own shares. On March 31, 2019, the Company had 13,200 own shares.

On March 31st, 2019, the Company has the following companies abroad:

Tanker Next Generation International Ltd., Majuro, Marshal Islands;
Fontana Shipping Company Limited, Monrovia, Liberia;
Teuta Shipping Company Ltd., Monrovia, Liberia;
Vukovar Shipping, LLC, Majuro, Marshal Islands;
Zoilo Shipping, LLC, Majuro, Marshal Islands;
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:	01/01/2019	to	31/03/2019
Year:	2019		
Quarter:	1.		

Quarterly financial statements

gistration number (MB):	04266838	Issuer's home Member State code:	HR
Entity's registration number (MBS):	110046753		
Personal identification number (OIB):	30312968003	LEI:	
Institution code:			
Name of the issuer:	Tankerska Next Generation d.d.		
Postcode and town:	23000		Zadar
eet and house number:	Božidara Petranovića 4		
E-mail address:	tng@tng.hr		
Web address:	www.tng.hr		
Number of employees (end of the reporting	142		
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:	John Karavanić (only name and surname of the contact person)		
Telephone:	023202132		
E-mail address:	tng@tng.hr		
Audit firm:	(name of the audit firm)		
Certified auditor:	(name and surname)		

BALANCE SHEET

balance as at 31.03.2019

in HRK

Submitter:

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.186.407.950	1.199.336.551
I INTANGIBLE ASSETS (ADP 004 to 009)	003	0	0
1 Research and development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005		
3 Goodwill	006		
4 Advances for the purchase of intangible assets	007		
5 Intangible assets in preparation	008		
6 Other intangible assets	009		
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.186.301.689	1.199.227.977
1 Land	011		
2 Buildings	012		
3 Plant and equipment	013	1.186.301.689	1.199.227.977
4 Tools, working inventory and transportation assets	014		
5 Biological assets	015		
6 Advances for the purchase of tangible assets	016		
7 Tangible assets in preparation	017		
8 Other tangible assets	018		
9 Investment property	019		
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	106.261	108.574
1 Investments in holdings (shares) of undertakings within the	021		
2 Investments in other securities of undertakings within the	022		
3 Loans, deposits, etc. to undertakings within the group	023		
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024		
5 Investment in other securities of companies linked by virtue of participating interests	025		
6 Loans, deposits etc. to companies linked by virtue of participating interests	026		
7 Investments in securities	027		
8 Loans, deposits, etc. given	028	106.261	108.574
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V DEFERRED TAX ASSETS	036		
C) CURRENT ASSETS (ADP 038+046+053+063)	037	95.973.771	94.370.051
I INVENTORIES (ADP 039 to 045)	038	13.778.961	10.345.892
1 Raw materials and consumables	039	13.778.961	10.345.892
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042		
5 Advances for inventories	043		
6 Fixed assets held for sale	044		
7 Biological assets	045		
II RECEIVABLES (ADP 047 to 052)	046	25.805.521	36.077.059
1 Receivables from undertakings within the group	047	11.555	11.807
2 Receivables from companies linked by virtue of participating interests	048		
3 Customer receivables	049	24.175.791	35.915.500
4 Receivables from employees and members of the undertaking	050		69.220
5 Receivables from government and other institutions	051	29.355	26.758
6 Other receivables	052	1.588.820	53.774
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	6.469.192	6.610.040
1 Investments in holdings (shares) of undertakings within the	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057		
5 Investment in other securities of companies linked by virtue of participating interests	058		
6 Loans, deposits etc. to companies linked by virtue of participating interests	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	6.469.192	6.610.040
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	49.920.097	41.337.060
D) PREPAID EXPENSES AND ACCRUED INCOME	064	4.542.884	4.022.789
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.286.924.605	1.297.729.391
OFF-BALANCE SHEET ITEMS	066		

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	624.227.623	640.211.888
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	51.963.626	65.562.269
1 Legal reserves	071	3.637.013	3.637.013
2 Reserves for treasury shares	072	996.600	996.600
3 Treasury shares and holdings (deductible item)	073	-996.600	-996.600
4 Statutory reserves	074		
5 Other reserves	075	48.326.613	61.925.256
IV REVALUATION RESERVES	076		
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective	080		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	60.886.273	67.170.771
1 Retained profit	082	60.886.273	67.170.771
2 Loss brought forward	083		
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	6.284.498	2.385.622
1 Profit for the business year	085	6.284.498	2.385.622
2 Loss for the business year	086		
VIII MINORITY (NON-CONTROLLING) INTEREST	087		
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089		
2 Provisions for tax liabilities	090		
3 Provisions for ongoing legal cases	091		
4 Provisions for renewal of natural resources	092		
5 Provisions for warranty obligations	093		
6 Other provisions	094		
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	557.475.725	556.393.071
1 Liabilities to undertakings within the group	096		
2 Liabilities for loans, deposits, etc. of undertakings within the group	097		
3 Liabilities to companies linked by virtue of participating	098		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099		
5 Liabilities for loans, deposits etc.	100		
6 Liabilities to banks and other financial institutions	101	557.475.725	556.393.071
7 Liabilities for advance payments	102		
8 Liabilities to suppliers	103		
9 Liabilities for securities	104		
10 Other long-term liabilities	105		
11 Deferred tax liability	106		
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	99.844.775	83.168.283
1 Liabilities to undertakings within the group	108	5.928.044	8.124.369
2 Liabilities for loans, deposits, etc. of undertakings within the group	109		
3 Liabilities to companies linked by virtue of participating	110		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111		
5 Liabilities for loans, deposits etc.	112		
6 Liabilities to banks and other financial institutions	113	73.630.070	53.119.844
7 Liabilities for advance payments	114	5.328.229	
8 Liabilities to suppliers	115	10.587.864	11.855.540
9 Liabilities for securities	116		
10 Liabilities to employees	117	4.193.405	4.510.879
11 Taxes, contributions and similar liabilities	118	32.267	38.811
12 Liabilities arising from the share in the result	119	53.773	53.774
13 Liabilities arising from fixed assets held for sale	120		
14 Other short-term liabilities	121	91.123	5.465.066
E) ACCRUALS AND DEFERRED INCOME	122	5.376.482	17.956.149
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.286.924.605	1.297.729.391
G) OFF-BALANCE SHEET ITEMS	124		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 31.03.2019

in HRK

Submitter: ______________________________

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	73.448.428	73.448.428	73.351.505	73.351.505
1 Income from sales with undertakings within the group	126				
2 Income from sales (outside group)	127	72.907.536	72.907.536	73.142.127	73.142.127
3 Income from the use of own products, goods and services	128				
4 Other operating income with undertakings within the group	129				
5 Other operating income (outside the group)	130	540.892	540.892	209.378	209.378
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	53.219.039	53.219.039	63.143.713	63.143.713
1 Changes in inventories of work in progress and finished goods	132				
2 Material costs (ADP 134 to 136)	133	25.230.405	25.230.405	32.533.765	32.533.765
a) Costs of raw materials and consumables	134	13.738.397	13.738.397	17.016.172	17.016.172
b) Costs of goods sold	135				
c) Other external costs	136	11.492.008	11.492.008	15.517.593	15.517.593
3 Staff costs (ADP 138 to 140)	137	11.774.388	11.774.388	12.363.931	12.363.931
a) Net salaries and wages	138	11.607.870	11.607.870	12.253.824	12.253.824
b) Tax and contributions from salary costs	139	114.729	114.729	79.675	79.675
c) Contributions on salaries	140	51.789	51.789	30.432	30.432
4 Depreciation	141	11.971.607	11.971.607	12.630.023	12.630.023
5 Other costs	142	3.552.650	3.552.650	4.319.435	4.319.435
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144				
b) current assets other than financial assets	145				
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for renewal of natural resources	150				
e) Provisions for warranty obligations	151				
f) Other provisions	152				
8 Other operating expenses	153	689.989	689.989	1.296.559	1.296.559
III FINANCIAL INCOME (ADP 155 to 164)	154	533.050	533.050	284.879	284.879
1 Income from investments in holdings (shares) of undertakings within the group	155				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156				
3 Income from other long-term financial investment and loans granted to undertakings within the group	157				
4 Other interest income from operations with undertakings within the group	158				
5 Exchange rate differences and other financial income from operations with undertakings within the group	159				
6 Income from other long-term financial investments and loans	160				
7 Other interest income	161	411.949	411.949	281.564	281.564
8 Exchange rate differences and other financial income	162	121.101	121.101	3.315	3.315
9 Unrealised gains (income) from financial assets	163				
10 Other financial income	164				
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	6.356.780	6.356.780	8.107.049	8.107.049
1 Interest expenses and similar expenses with undertakings within the group	166				
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	10.398	10.398		
3 Interest expenses and similar expenses	168	3.967.673	3.967.673	8.107.049	8.107.049
4 Exchange rate differences and other expenses	169	2.378.709	2.378.709		
5 Unrealised losses (expenses) from financial assets	170				
6 Value adjustments of financial assets (net)	171				
7 Other financial expenses	172				
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	173				
VI SHARE IN PROFIT FROM JOINT VENTURES	174				
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175				
VIII SHARE IN LOSS OF JOINT VENTURES	176				
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	73.981.478	73.981.478	73.636.384	73.636.384
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	59.575.819	59.575.819	71.250.762	71.250.762
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	14.405.659	14.405.659	2.385.622	2.385.622
1 Pre-tax profit (ADP 177-178)	180	14.405.659	14.405.659	2.385.622	2.385.622
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182				
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	14.405.659	14.405.659	2.385.622	2.385.622
1 Profit for the period (ADP 179-182)	184	14.405.659	14.405.659	2.385.622	2.385.622
2 Loss for the period (ADP 182-179)	185	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
XV INCOME TAX OF DISCONTINUED OPERATIONS	189				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193	14.405.659	14.405.659	2.385.622	2.385.622
2 Pre-tax loss (ADP 192)	194				
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197	14.405.659	14.405.659	2.385.622	2.385.622
2 Loss for the period (ADP 195-192)	198				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
STATEMENT OF OTHER COMPRPHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	14.405.659	14.405.659	2.385.622	2.385.622
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-23.043.013	-23.043.013	13.598.643	13.598.643
1 Exchange rate differences from translation of foreign operations	204	-23.043.013	-23.043.013	13.598.643	13.598.643
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206				
4 Profit or loss arising from effective cash flow hedging	207				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209				
7 Actuarial gains/losses on the defined benefit obligation	210				
8 Other changes in equity unrelated to owners	211				
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212				
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-23.043.013	-23.043.013	13.598.643	13.598.643
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-8.637.354	-8.637.354	15.984.265	15.984.265
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216				
2 Attributable to minority (non-controlling) interest	217				

STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2019 to 31.03.2019

in HRK

Submitter: ____________________

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	14.405.659	2.385.622
2 Adjustments (ADP 003 to 010):	002	17.463.479	20.886.008
a) Depreciation	003	11.971.607	12.630.023
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006	-411.950	-281.564
e) Interest expenses	007	6.356.780	8.107.049
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-463.356	430.500
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	10.398	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	31.869.138	23.271.630
3 Changes in the working capital (ADP 013 to 016)	012	-7.639.246	9.037.859
a) Increase or decrease in short-term liabilities	013	-5.124.099	16.209.853
b) Increase or decrease in short-term receivables	014	-825.032	-10.605.063
c) Increase or decrease in inventories	015	-1.690.115	3.433.069
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	24.229.892	32.309.489
4 Interest paid	018	-6.127.375	-6.800.788
5 Income tax paid	019		
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	18.102.517	25.508.701
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021		
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023	29.175	24.134
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026		
III Total cash receipts from investment activities (ADP 021 to 026)	027	29.175	24.134
1 Cash payments for the purchase of fixed tangible and intangible assets	028		
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030		
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-322.595	
IV Total cash payments from investment activities (ADP 028 to 032)	033	-322.595	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-293.420	24.134
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037		
4 Other cash receipts from financing activities	038		
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-38.259.992	-34.925.712
2 Cash payments for dividends	041		
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043		
5 Other cash payments from financing activities	044		
VI Total cash payments from financing activities (ADP 040 to 044)	045	-38.259.992	-34.925.712
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-38.259.992	-34.925.712
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-2.350.938	950.688
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-22.801.833	-8.442.189
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	63.791.743	56.389.289
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	40.989.910	47.947.100

STATEMENT OF CASH FLOWS - direct method

for the period __.__.____ to __.__.____

in HRK

Submitter: ____________________

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001		
2 Cash receipts from royalties, fees, commissions and other	002		
3 Cash receipts from insurance premiums	003		
4 Cash receipts from tax refund	004		
5 Cash payments to suppliers	005		
6 Cash payments to employees	006		
7 Cash payments for insurance premiums	007		
8 Other cash receipts and payments	008		
I Cash from operations (ADP 001 to 008)	009	0	0
9 Interest paid	010		
10 Income tax paid	011		
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013		
2 Cash receipts from sales of financial instruments	014		
3 Interest received	015		
4 Dividends received	016		
5 Cash receipts from the repayment of loans and deposits	017		
6 Other cash receipts from investment activities	018		
II Total cash receipts from investment activities (ADP 013 to 018)	019	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	020		
2 Cash payments for the acquisition of financial instruments	021		
3 Cash payments for loans and deposits	022		
4 Acquisition of a subsidiary, net of cash acquired	023		
5 Other cash payments from investment activities	024		
III Total cash payments from investment activities (ADP 020 to 024)	025	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	027		
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	028		
3 Cash receipts from credit principals, loans and other borrowings	029		
4 Other cash receipts from financing activities	030		
IV Total cash receipts from financing activities (ADP 027 to 030)	031	0	0
1 Cash payments for the repayment of credit principals, loans andother borrowings and debt financial instruments	032		
2 Cash payments for dividends	033		
3 Cash payments for finance lease	034		
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	035		
5 Other cash payments from financing activities	036		
V Total cash payments from financing activities (ADP 032 to 036)	037	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 +037)	038	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	039		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 012+026+038+039)	040	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041		
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 040+041)	042	0	0

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2019 to ########

in HRK

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 available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	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 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	436.667.250	68.425.976	2.030.391	996.600	996.600		28.570.224					67.724.981		603.418.822		603.418.822
2 Changes in accounting policies	02														0		0
3 Correction of errors	03														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	2.030.391	996.600	996.600	0	28.570.224	0	0	0	0	67.724.981	0	603.418.822	0	603.418.822
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	14.405.659	14.405.659		14.405.659
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-23.043.013	0	0	0	0	0	0	-23.043.013		-23.043.013
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0		0	0	0			0		0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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
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
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	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
13 Other changes in equity unrelated to owners	13														0		0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0								0		0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15														0		0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16														0		0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17														0		0
18 Redemption of treasury shares/holdings	18														0		0
19 Payment of share in profit/dividend	19														0		0
20 Other distribution to owners	20														0		0
21 Transfer to reserves according to the annual schedule	21														0		0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22														0		0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	436.667.250	68.425.976	2.030.391	996.600	996.600	0	5.527.211	0	0	0	0	67.724.981	14.405.659	594.781.468	0	594.781.468
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)	24	0	0	0	0	0	0	-23.043.013	0	0	0	0	0	0	-23.043.013	0	-23.043.013
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-23.043.013	0	0	0	0	0	14.405.659	-8.637.354	0	-8.637.354
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Current period																	
1 Balance on the first day of the current business year	27	436.667.250	68.425.976	3.637.013	996.600	996.600		48.326.613					67.170.771		624.227.623		624.227.623
2 Changes in accounting policies	28														0		0
3 Correction of errors	29														0		0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	436.667.250	68.425.976	3.637.013	996.600	996.600	0	48.326.613	0	0	0	0	67.170.771	0	624.227.623	0	624.227.623
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	2.385.622	2.385.622		2.385.622
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	13.598.643	0	0	0	0	0	0	13.598.643		13.598.643
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0		0	0	0			0		0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0		0	0			0		0
9 Profit or loss arising from effective cash flow hedge	35	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	36	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	37	0	0	0	0	0	0								0		0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0								0		0
13 Other changes in equity unrelated to owners	39														0		0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0								0		0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41														0		0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42														0		0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43														0		0
18 Redemption of treasury shares/holdings	44														0		0
19 Payment of share in profit/dividend	45														0		0
20 Other distribution to owners	46														0		0
21 Transfer to reserves according to the annual schedule	47														0		0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48														0		0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	436.667.250	68.425.976	3.637.013	996.600	996.600	0	61.925.256	0	0	0	0	67.170.771	2.385.622	640.211.888	0	640.211.888
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 32 to 40)	50	0	0	0	0	0	0	13.598.643	0	0	0	0	0	0	13.598.643	0	13.598.643
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	13.598.643	0	0	0	0	0	2.385.622	15.984.265	0	15.984.265
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notes to the financial statements

Interim management report

1. General information

Tankerska Next Generation Inc. is 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 1st January 2019 till the date of the issue of these reports:
Ivica Pijaca, chairman
Mario Pavić, vice chairman
Nikola Koščica, member
Joško Miliša, member
Nikola Mišetić, member

As of 31st March, 2019 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 31 March, 2019 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. and 26/15.) 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:
Tankerska Next Generation International Ltd., Majuro, Marshall Islands;
Fontana Shipping Company Ltd., Monrovia, Liberia;
Teuta Shipping Company Ltd., Monrovia, Liberia;
Vukovar Shipping, LLC, Majuro, Marshall Islands;
Zoilo Shipping, LLC, Majuro, Marshall Islands;
Pag Shipping, LLC, Majuro Marshall Islands.

The Financial statements for the period ending 31st March 2019 do not include all information important for comprehension of the current period in the course of the year and should be read together with the Company's Financial Statements as at 31st December, 2018.

Financial statements have been prepared based on the same accounting policies, presentations and calculation methods as the ones used during preparation of the financial statements for the period ending 31st December 2018.

Notes to the financial statements

Interim management report

3. Earnings per Share

See table on the right

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

4. Transactions with the Related Parties

See table on the right

5. Subsequent events after Balance Sheet date

There were no subsequent events after Balance Sheet date which would significantly affect the financial statements on 31st March 2019.

EARNINGS PER SHARE	Period 1st Jan - 31st Mar 2018	Period 1st Jan - 31st Mar 2019
Net (loss) / profit to shareholders	HRK 14,405,659	HRK 2,385,622
Weighted average number of shares	8,720,145	8,720,145
Basic (loss) / earnings per share	HRK 1.65	HRK 0.27

RELATED PARTY TRANSACTIONS	Period 1st Jan - 31st Mar 2018	Period 1st Jan - 31st Mar 2019
Sales to related parties	HRK 0	HRK 0
Purchase from related parties	HRK 4,064,702	HRK 4,147,364
Receivables from related parties	HRK 109	HRK 11,807
Liabilities towards related parties	HRK 792,615	HRK 8,124,369
Given loans to related parties	HRK 0	HRK 0
Received loans from related parties	HRK 0	HRK 0

Notes to the financial statements

Interim management report

III. STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The financial statements for the period starting 1st January 2019 and ending 31st March 2019 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 1st January 2019, and ending on 31st March 2019, 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, 30th April 2019

John Karavanić, CEO

Important industry terms and concepts

Important industry terms and concepts

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

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

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

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

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

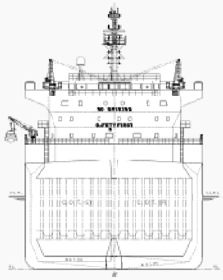
The Group's vessels may be out of service, that is, off-hire, for several reasons: scheduled drydocking, special surveys, vessel upgrade or maintenance or inspection, which are referred to as scheduled off-hire; and unscheduled repairs, maintenance, operational deficiencies, equipment breakdown, accidents/incidents,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

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

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

(Net) 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.



Important industry terms and concepts

Interim management report

TCE earnings is a measure of performance of a vessel or a fleet, achieved on a given voyage or voyages and it is expressed in US dollars per day. The Group's definition of TCE earnings may not be the same as that used by other companies in the shipping or other industries.

(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.

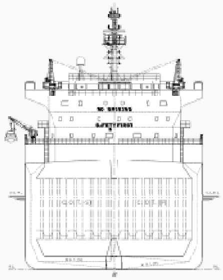
Daily vessel operating expenses. Daily vessel operating expenses is a metric used to evaluate the Group's ability to efficiently operate vessels incurring operating expenses and to limit these expenses.

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.



Chartering contract terms

Interim management report

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).

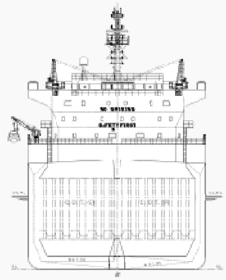
Time charter rates are usually fixed during the term of the charter. Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time, but can yield lower profit margins than vessels operating under voyage charters in the spot market during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

Interim management report

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)
Hiire 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 primarly to scheduled and unscheduled repairs and drydockings

Important financial and operating terms and concepts

Interim management report

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.

Important financial and operating terms and concepts

Interim management report

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

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

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

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

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

Tonnage tax. The tonnage tax regime is introduced into the Croatian maritime legislation by new amendments to the Maritime Act and is applicable from January 1, 2014. According to the relevant provisions of the Maritime Act (“Maritime Act”), qualifying companies may choose to have their shipping activities taxed on the basis of the net tonnage of their fleet instead of on the basis of their actual profits. Companies, having opted for the tonnage tax, must remain subject to this regime for the following 10 years. The qualifying company has to be a shipping company liable under the Croatian corporate tax on any profits it generates. Furthermore, it must operate the vessels which satisfy all applicable requirements, and most importantly, the qualifying company must be carrying out the strategic and commercial management activities of vessels in Croatia.

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

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

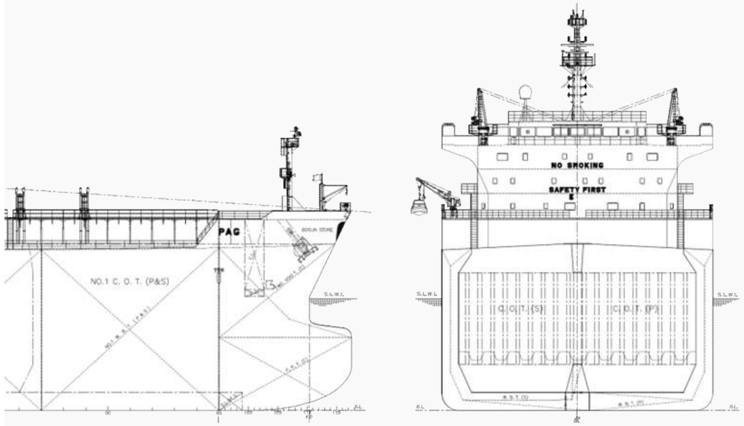
Important financial and operating terms and concepts

Interim management report

The table below illustrates the payment responsibilities of the ship owner and charterer under a time and voyage charter.

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

Ship-owner payments Charterer payments * fees paid to the Fleet Manager, under the Management Agreements



Cautionary note regarding forward-looking statements

Interim management report

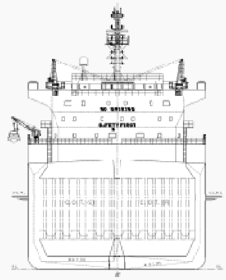
Certain statements in this document are not historical facts and are forward-looking statements. They appear in a number of places throughout this document. From time to time, the Group may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking 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.

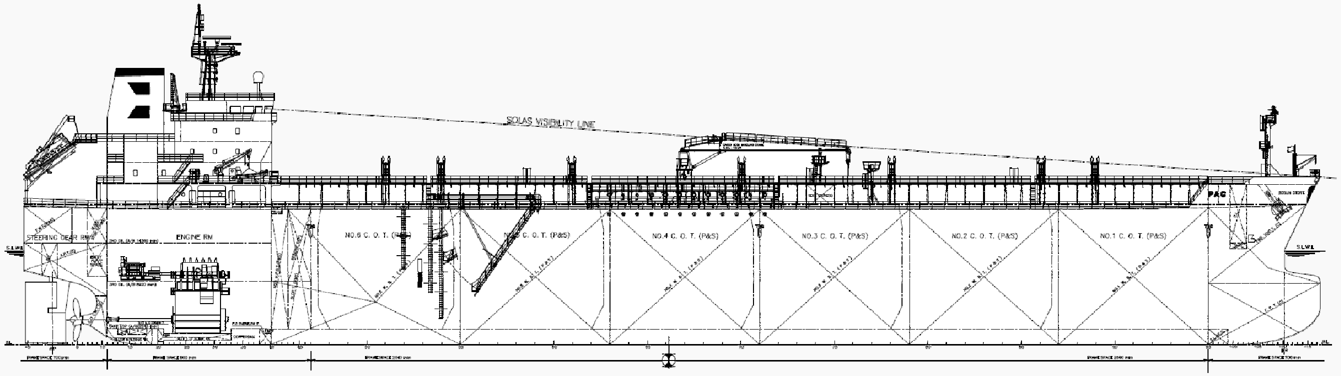
When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Group operates. Such forward-looking statements speak only as of the date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



Contact

Interim management report



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