

Teekay Tankers

Fourth Quarter and Annual 2020 Earnings Presentation

February 25, 2021

Forward Looking Statement

This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current views with respect to certain future events and performance, including, among other things, statements regarding: the impact of the sale of vessels on the Company's balance sheet and liquidity position, and the timing of closings of such transactions; the Company's plans to finance, and the timing of closing, the re-purchase of sale-and-leaseback vessels; the impact on the Company's scale and capital resources, as well as the timing of the delivery of the tanker newbuilding subject to the Company's new long-term in-charter agreement; crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the oil and tanker markets and the volatility of such markets; the future outlook on the crude tanker spot and charter markets, as well as the global economy; forecasts of worldwide tanker fleet growth or contraction and newbuilding tanker deliveries and vessel scrapping; estimated fluctuations in global oil demand and supply levels, including anticipated future fluctuations in global oil inventories and the timing thereof; anticipated oil production or supply cuts and the effect and timing thereof; future tanker rates, including a potential recovery as the global economy and oil demand returns to normal conditions; future OPEC+ oil production increases and the resulting impact on tanker demand; expected changes in global refinery throughput; the impact of the COVID-19 outbreak and related developments on the Company's business and tanker and oil market fundamentals, including the timing and impact of coronavirus vaccination programs; the Company's liquidity and market position; the anticipated delevering of the Company's balance sheet and reduction in its cost of capital; and the Company's ability to deal with potential market volatility and create shareholder value.

The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in tanker rates; changes in the production of, or demand for, oil or refined products; changes in trading patterns significantly affecting overall vessel tonnage requirements; OPEC+ and non-OPEC production and supply levels; the duration and extent of the COVID-19 outbreak and any resulting effects on the markets in which the Company operates; the impact of the COVID-19 outbreak on the Company's ability to maintain safe and efficient operations; the impact and timing of coronavirus vaccination programs; the impact of geopolitical tensions and changes in global economic conditions; greater or less than anticipated levels of tanker newbuilding orders and deliveries and greater or less than anticipated rates of tanker scrapping; the potential for early termination of charter contracts on existing vessels in the Company's fleet; the inability of charterers to make future charter payments; the inability of the Company to renew or replace charter contracts; changes in global oil prices; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations and the impact of such changes, including IMO 2030; increased costs; and other factors discussed in Teekay Tankers' filings from time to time with the United States Securities and Exchange Commission, including its Annual Report on Form 20-F for the fiscal year ended December 31, 2019. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

Recent Highlights

Financial Results

Q4-20 adjusted net loss⁽¹⁾ of \$(40.7)M, or \$(1.21) per share, compared to adjusted net income of \$3.1M, or \$0.09 per share, in Q3-20

2020 adjusted net income⁽¹⁾ of \$153.1M, or \$4.54 per share, compared to \$64.3M, or \$1.91 per share, in 2019

Strong Balance Sheet

Reduced net debt⁽²⁾ by \$419M, or 45%, in 2020 to \$510 million and net debt to total cap of 32% as at December 31, 2020

Liquidity of \$373 million as at December 31, 2020

Reduced TNK's cost of capital by repurchasing 2 vessels on sale-leasebacks in October 2020 and declaring purchase options on 2 additional vessels on sale-leasebacks for \$56.7 million for redelivery in May 2021

Commercial Activity

Weak spot market offset by 20% of Q4-20 days on fixed-rate employment at \$35,700 per day⁽³⁾

Entered into an agreement to sell two unencumbered 2008-built Aframax tankers for \$32 million

Chartered in one eco-Aframax newbuilding on a 7-year firm period at \$18,700 per day for delivery in late-2022

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q4-20 earnings release for definitions and reconciliations to the comparable GAAP measures.

(2) Net debt is a non-GAAP financial measure and represents short-term, current and long-term debt and current and long-term obligations related to finance leases less cash and cash equivalents and restricted cash

(3) Further details of fleet employment are on slide 11



Weak Spot Tanker Rate Environment

Spot rates impacted by the following in Q4-20:

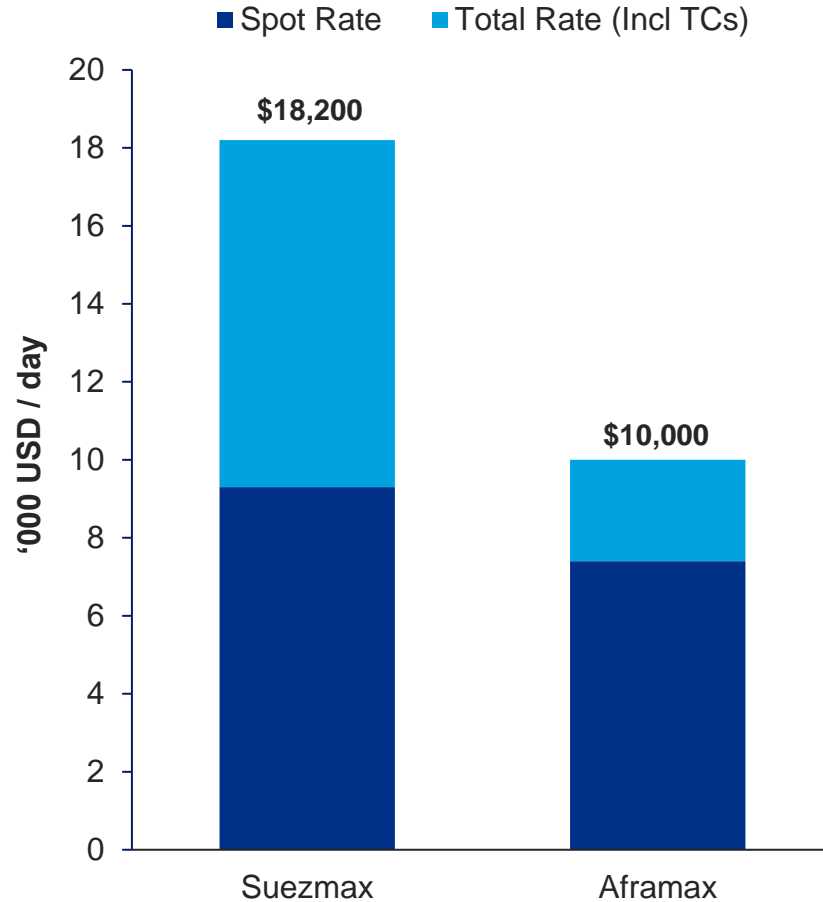
- 2nd wave of COVID-19 and slowdown in oil demand growth
- OPEC+ supply constraint
- Return of ships from floating storage

TNK's Q4-20 rates boosted by fixed-rate time charters

Near-term outlook remains uncertain due to:

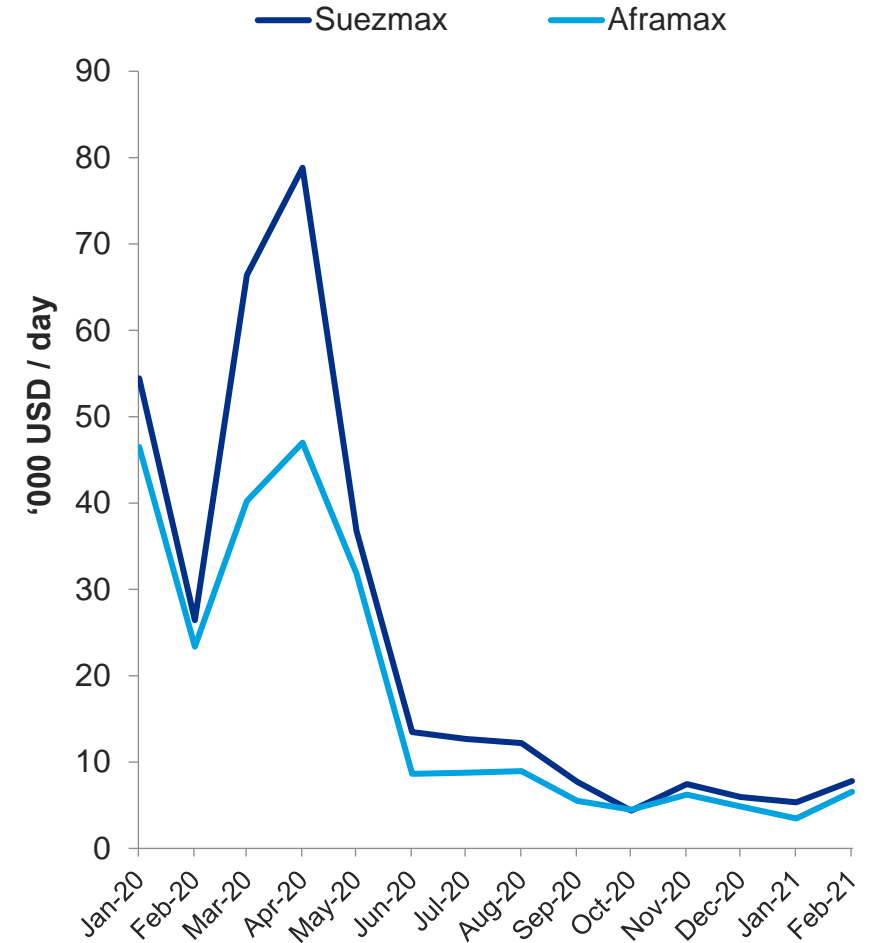
- Continued impact of COVID-19
- Saudi Arabia supply cuts of 1.0 mb/d in February / March
- Destocking of oil inventories and further unwinding of floating storage
- Higher bunker prices

TNK Q4-20 Rates



Source: Teekay Tankers

Benchmark Mid-Size Tanker Spot Rates

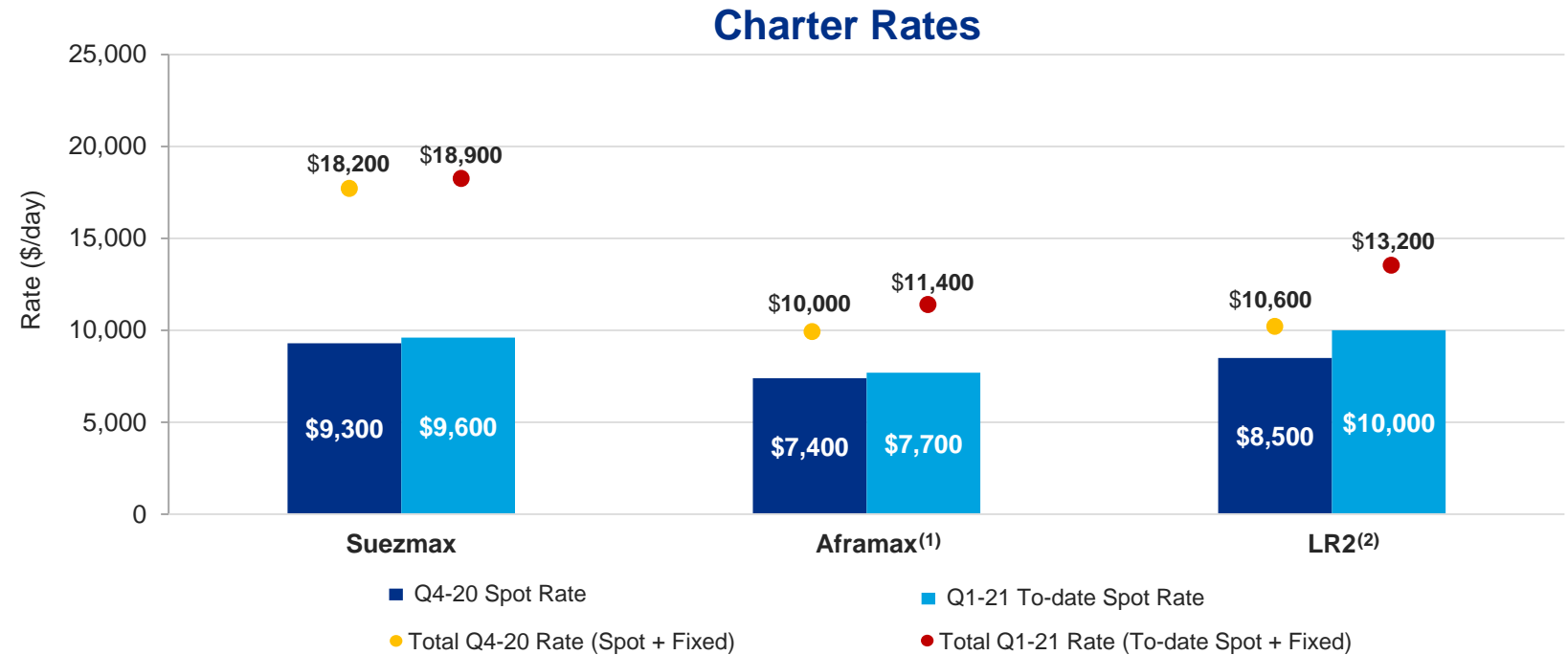


Source: Clarksons

Q1-21 To-Date Charter Rates

Combined spot and fixed rate time charters for Q1-21:

- 75% of Suezmax days fixed at an average rate of \$18,900 per day
- 73% of Aframax days fixed at an average rate of \$11,400 per day
- 69% of LR2 days fixed at an average rate of \$13,200 per day



	Suezmax	Aframax ⁽¹⁾	LR2 ⁽²⁾
Q1-21 spot ship days available	1,867	1,294	719
Q1-21 % spot ship days booked to-date	69%	67%	65%

(1) Earnings and percentage booked to-date include Aframax RSA, full service lightering (FSL) and non-pool voyage charters for all Aframax vessels.

(2) Earnings and percentage booked to-date include Aframax RSA, FSL and non-pool voyage charters for all LR2 vessels, whether trading in the clean or dirty spot market. LR2s are trading dirty in Q1-21 to-date.

Catalysts for a Tanker Market Recovery

Improved supply and demand conditions from 2H-2021, though timing is uncertain

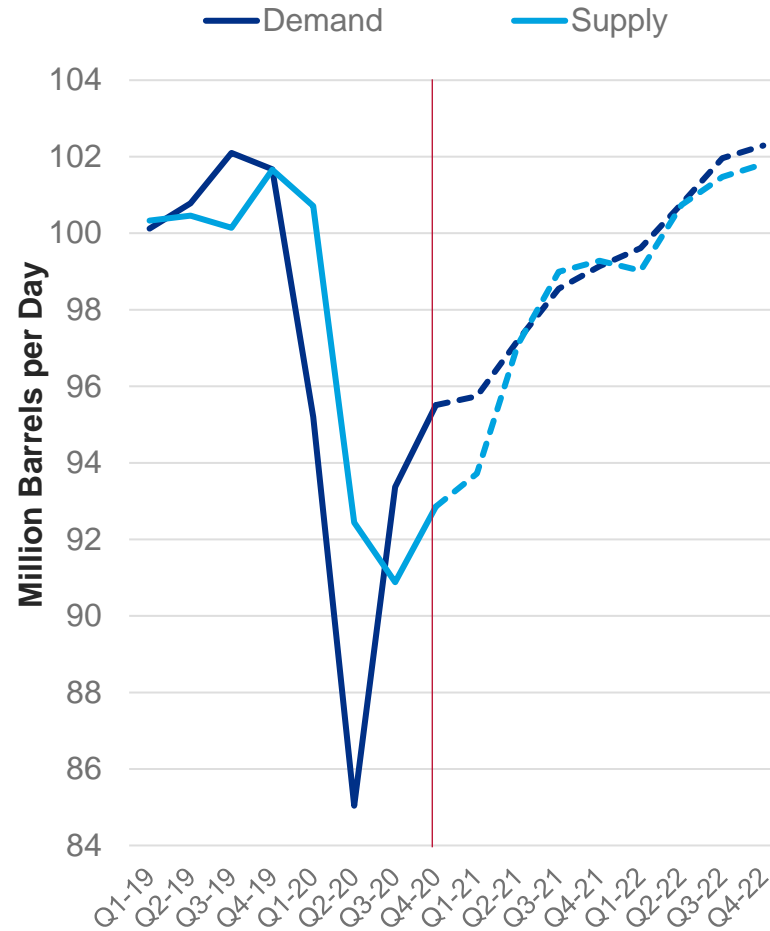
Tanker Demand:

- Oil demand expected to increase substantially in 2H-2021 with the global roll-out of COVID-19 vaccinations
- Rising oil prices and backwardated structure indicate a tightening balance
- Extra OPEC+ supply needed to meet rising demand

Fleet Supply:

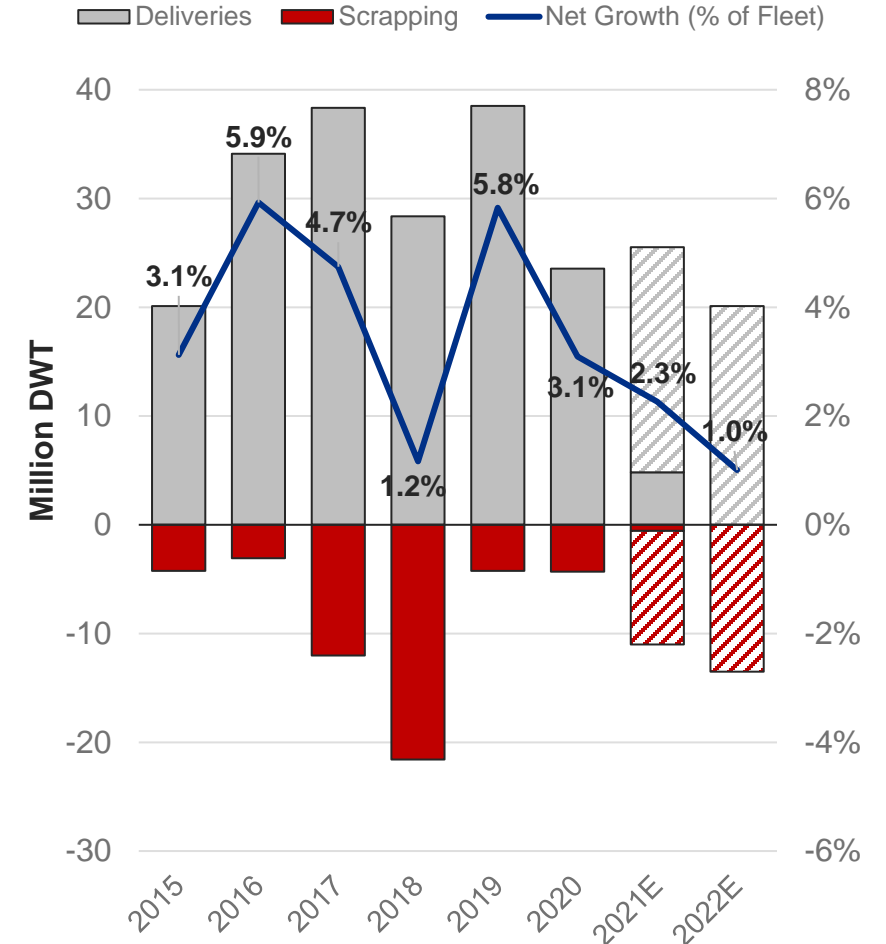
- Orderbook remains small at 8.1% of the existing fleet size
- Low freight rates, higher scrap prices, and increasing regulatory pressure to spur an increase in scrapping
- Low net fleet growth in 2021 / 22

Global Oil Demand / Supply



Source: EIA

Tanker Fleet Growth



Source: Clarksons / Internal Estimates

Year in Review: Established Resilient Financial Foundation

Operated well during COVID-19 pandemic

Transformed balance sheet

Strong earnings and cash flows

Locked-in time charters at high rates during market peaks

Key Accomplishments in 2020



Record Free Cash Flows⁽¹⁾

- \$277M generated, highest in TNK history



Reduced Net Debt⁽²⁾

- Reduced by \$419M to \$510M
- Net Debt to Cap reduced from 48% to 32%



Increased Liquidity

- Increased by \$223M to \$373M



Secured Refinancings and Reduced Cost of Capital

- Completed \$600M of refinancings – no debt maturities until 2023
- Reduced cost of capital through unwinding of sale lease-backs



Completed Asset Sales

- Sold approximately \$86M in vessels and the non-US STS business



Secured Lucrative Time Charters

- 10 vessels fixed for 6 months or more at an average rate of \$38,000 per day
- 18% of 1H-2021 ship days fixed at \$34,200 per day

(1) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivative instruments, loss on sales of vessels, equity loss from the equity-accounted joint venture, and any write-offs and certain other non-cash non-recurring items, less unrealized gains from derivative instruments, gain on sales of vessels, equity income from the equity-accounted joint venture and certain other non-cash items. Please refer to the Teekay Tankers Earnings Releases for reconciliation to most directly comparable GAAP financial measure.

(2) Net debt is a non-GAAP financial measure and represents short-term, current and long-term debt and current and long-term obligations related to finance leases less cash and cash equivalents and restricted cash.

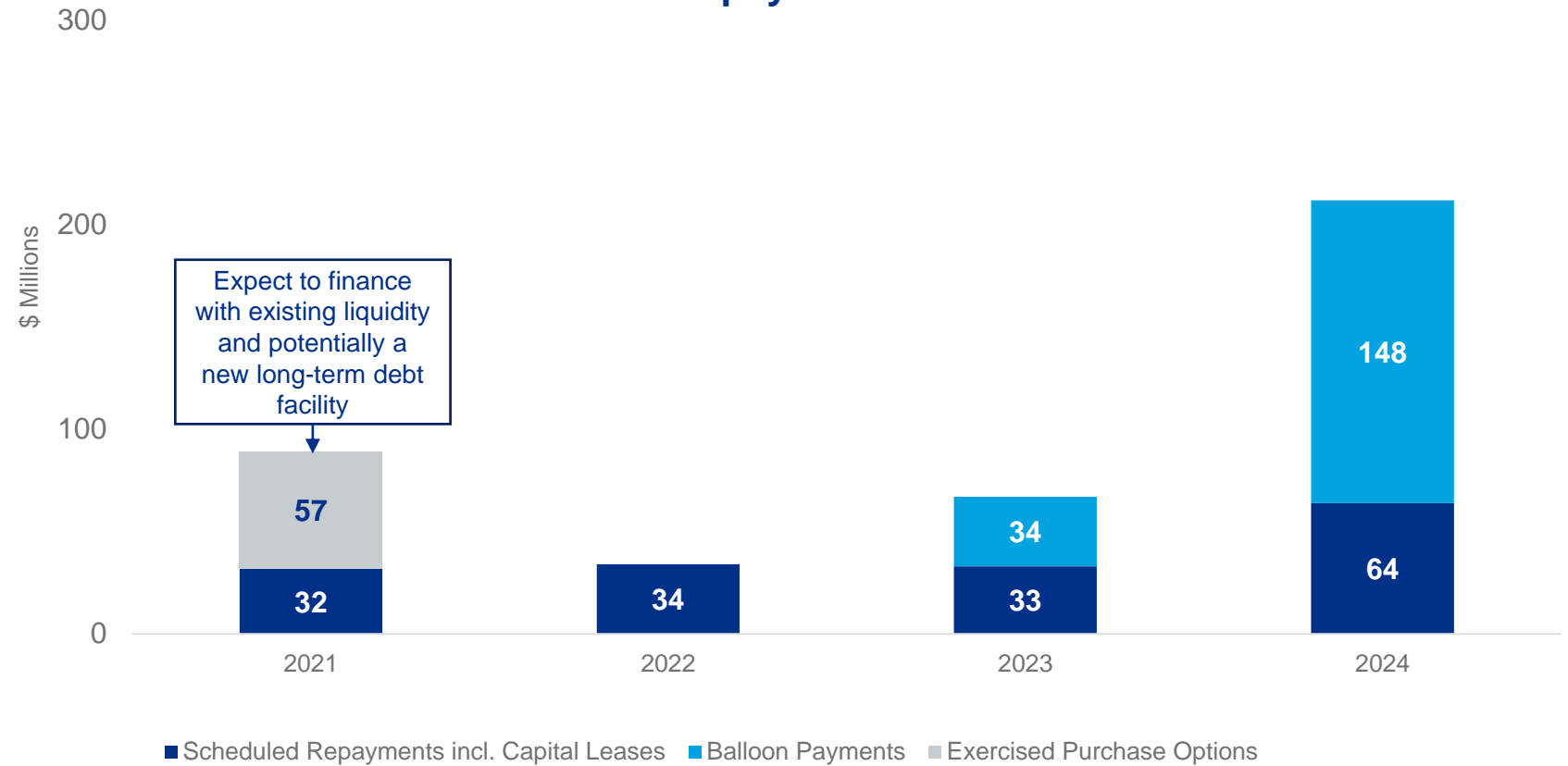
Appendix

Debt Repayment Profile

No Debt Maturities Until 2023

Liquidity of \$373M as of December 31, 2020

Debt Repayment Profile^(1,2)

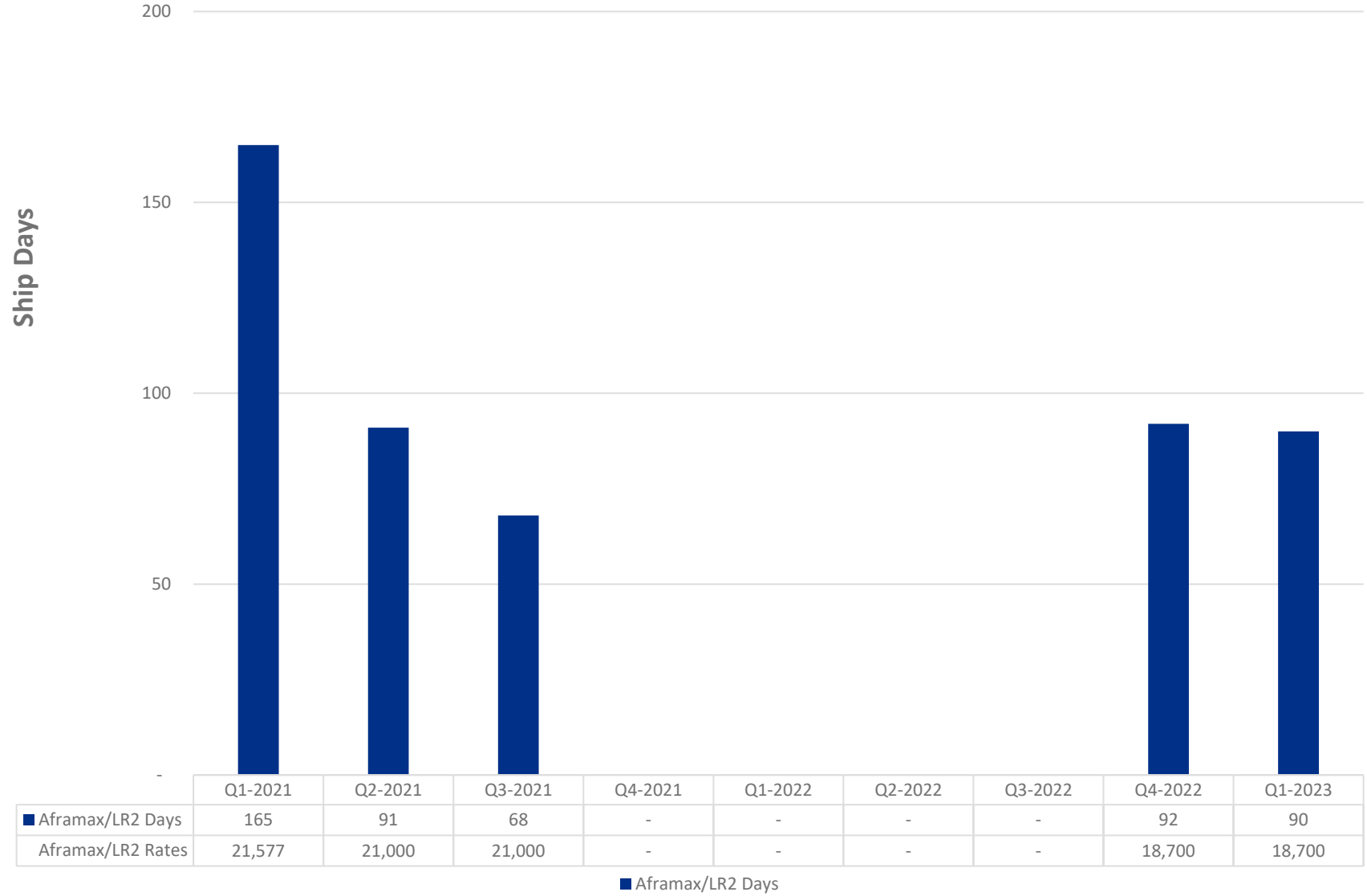


(1) Excludes working capital loan facility which is expected to be continually extended for periods of six months unless and until the lender gives notice that no further extensions shall occur

(2) Repayment profile based on current drawn amounts



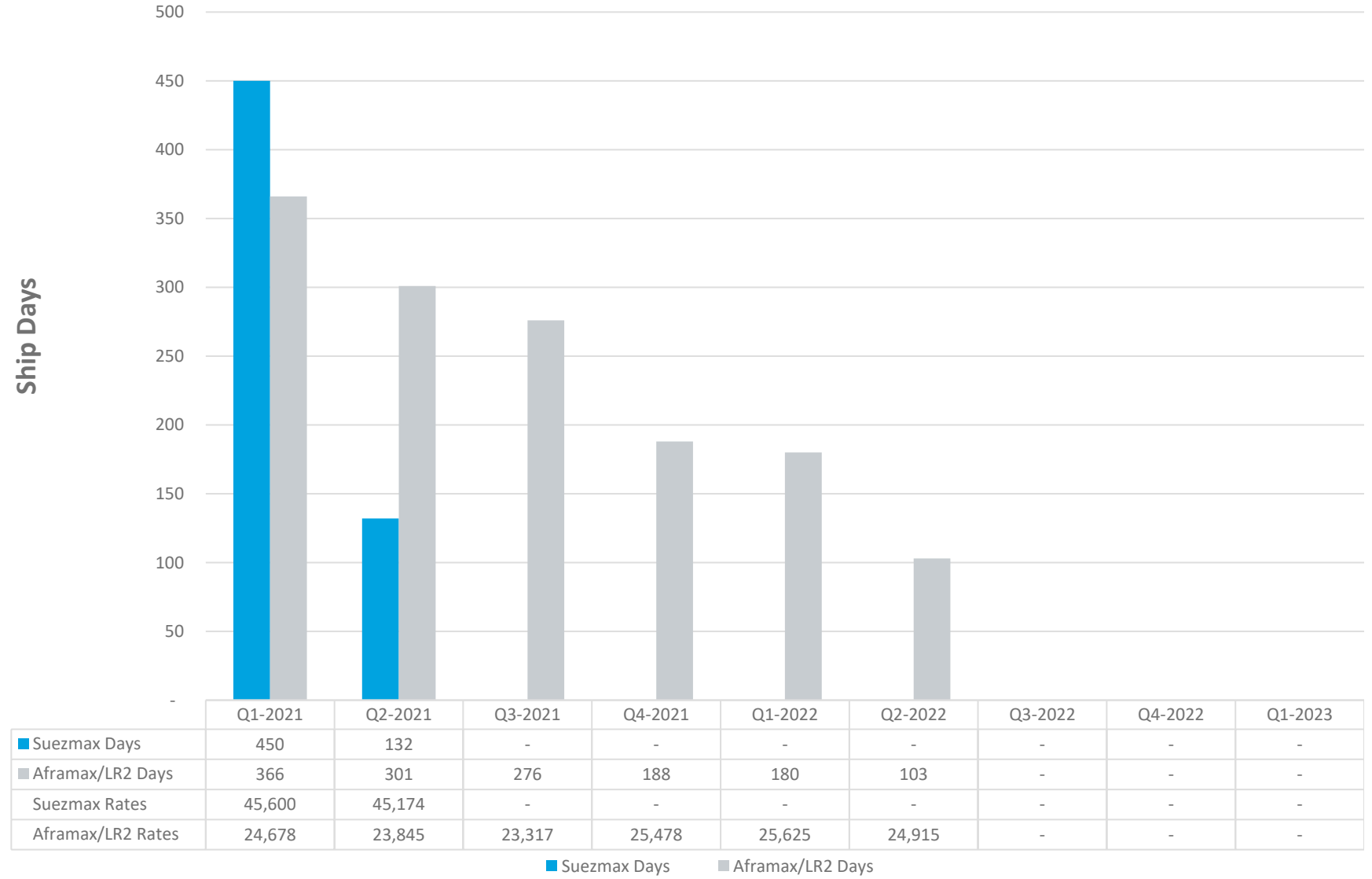
Fleet Employment – In-Charters⁽¹⁾



(1) Based on existing charters excluding extension options



Fleet Employment – Out-Chartering⁽¹⁾



(1) Based on existing charters excluding extension options and expected drydock/ off-hire days noted on slide 15

Q1-21 Outlook

Income Statement Item	Q1-21 Outlook ⁽¹⁾ (expected changes from Q4-20)
Revenues	<p>Increase of approximately 20 net revenue days, primarily due to fewer dry dockings in Q1-21 compared to Q4-20, partially offset by the redelivery of three in-chartered vessels in Q4-20 and early Q1-21 as well as fewer calendar days in Q1-21.</p> <p>Refer to Slide 5 for Q1-21 booked to-date spot and fixed-rate tanker rates.</p>
Vessel operating expenses	<p>Increase of approximately \$4 million, primarily due to the timing of repair and maintenance activities as well as certain crewing-related costs.</p>
Time-charter hire expenses	<p>Decrease of approximately \$4 million, primarily due to the redelivery of three in-chartered vessels during Q4-20 and early Q1-21.</p>
Depreciation and amortization	<p>Decrease of approximately \$1 million, primarily due to the write-down of vessels and the classification of two vessels as held for sale, both recorded in Q4-20.</p>
General and administrative expenses	<p>Increase of approximately \$1 million, primarily due to the timing of expenditures.</p>
Other expense	<p>Decrease of approximately \$10 million, primarily due to a non-recurring freight tax accrual adjustment in Q4-20.</p>

(1) Changes described are after adjusting Q4-20 for items included in Appendix A of Teekay Tankers' Q4-20 Earnings Release and realized gains and losses on derivatives (see slide 14 of this earnings presentation for the Consolidated Adjusted Line Items for Q4-20).

Adjusted Net (Loss) Income⁽¹⁾

(In thousands of U.S. dollars)

Q4-20 vs Q3-20

Statement Item	Q4-2020 (unaudited)	Q3-2020 (unaudited)	Variance	Comments
Revenues	126,992	170,056	(43,064)	Decrease primarily due to lower overall spot TCE rates in Q4-20, as well as more scheduled dry dockings and off-hire days in Q4-20.
Voyage expenses	(58,649)	(57,777)	(872)	
Vessel operating expenses	(41,030)	(46,336)	5,306	Decrease primarily due to certain Q3-20 crewing-related costs which were higher as a result of the COVID-19 global pandemic and the timing of planned maintenance activities.
Time-charter hire expenses	(8,096)	(9,070)	974	Decrease primarily due to the impairment of four in-chartered vessels during Q2-20 and Q3-20.
Depreciation and amortization	(28,042)	(29,992)	1,950	Decrease primarily due to the write-down of five vessels as well as the timing of vessel dry docks and the resulting accelerated amortization of previous dry dock balances, both recorded in Q3-20.
General and administrative expenses	(10,049)	(9,887)	(162)	
(Loss) income from operations	(18,874)	16,994	(35,868)	
Interest expense	(10,414)	(12,102)	1,688	Decrease primarily due to non-capitalized loan costs related to the term loan refinancing completed in Q3-20 and the repurchase of two vessels from their lessor in Q4-20.
Interest income	39	337	(298)	
Equity (loss) income	(74)	46	(120)	
Income tax expense	(11,471)	(2,187)	(9,284)	Increase primarily due to a non-recurring freight tax accrual adjustment in Q4-20.
Other income	128	44	84	
Adjusted net (loss) income	(40,666)	3,132	(43,798)	

(1) Refer to slide 14 for the Q4-20 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP). For the Q3-20 reconciliation, refer to the Q3-20 earnings presentation.

Consolidated Adjusted Statement of Loss

(In thousands of U.S. dollars)

Q4-20

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/Loss on Derivatives	As Adjusted
Revenues	127,802	-	(810)	126,992
Voyage expenses	(58,649)	-	-	(58,649)
Vessel operating expenses	(41,030)	-	-	(41,030)
Time-charter hire expenses	(8,096)	-	-	(8,096)
Depreciation and amortization	(28,042)	-	-	(28,042)
General and administrative expenses	(10,049)	-	-	(10,049)
Write-down of assets	(24,282)	24,282	-	-
Loss from operations	(42,346)	24,282	(810)	(18,874)
Interest expense	(10,345)	-	(69)	(10,414)
Interest income	39	-	-	39
Realized and unrealized loss on derivative instruments	(390)	(489)	879	-
Equity loss	(74)	-	-	(74)
Income tax expense	(19,030)	7,559	-	(11,471)
Other (expense) income	(1,140)	1,268	-	128
Net loss	(73,286)	32,620	-	(40,666)

(1) Please refer to Appendix A in Teekay Tankers Q4-20 Earnings Release for a description of Appendix A items.



Drydock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	March 31, 2021 (E)		June 30, 2021 (E)		September 30, 2021 (E)		December 31, 2021 (E)		Total 2021	
	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days
Spot Tanker	-	-	6	206	6	204	-	-	12	410
Fixed-Rate Tanker	-	-	1	38	-	-	-	-	1	38
Other - Unplanned Offhire	-	126	-	66	-	66	-	65	-	323
	-	126	7	310	6	270	-	65	13	771

(1) Includes vessels scheduled for drydocking and an estimate of unscheduled off-hire.

(2) In the case that a vessel drydock & off-hire straddles between quarters, the drydock & off-hire has been allocated to the quarter in which majority of drydock days occur.

(3) Only owned vessels are accounted for in this schedule and vessel count only reflects the vessels with drydock related off-hire.

