

# Teekay Corporation

Fourth Quarter and Fiscal 2021 Earnings  
Presentation

February 24, 2022

## Forward Looking Statements

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This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All statements included in this presentation, other than statements of historical fact, are forward-looking statements. When used in this report, the words “expect,” “believe,” “anticipate,” “plan,” “intend,” “estimate,” “may,” “will” or similar words are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date hereof and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. Forward-looking statements contained in this release include, among others, statements regarding: management’s expectations regarding a potential tanker market recovery; Teekay Parent’s ability to utilize its operating franchise, capabilities and relative financial position to pursue future investment opportunities and create long-term shareholder value; the ability for Teekay Parent to grow its marine services business in Australia; management’s expectations regarding future demand for new transport solutions related to a lower carbon environment; the occurrence and anticipated timing of future cessation of production, charter termination and decommissioning of the *Sevan Hummingbird* FPSO unit; the occurrence and anticipated timing of the redelivery date of the *Petrojarl Foinaven* FPSO unit and its future green-recycling; the continuing impact of COVID-19 (including new variants thereof) on the near-term tanker market outlook; and the anticipated impact of increases in OPEC+ and non-OPEC+ production, declining global oil inventories, growing oil demand and positive tanker fleet supply fundamentals, increased scrapping and limited new tanker orders on a potential tanker market recovery.

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: the availability to Teekay of appropriate future growth opportunities and Teekay’s financial or other ability to pursue such opportunities; market or counterparty reaction to changes in exploration, production and storage of offshore oil and gas, either generally or in particular regions that would impact expected future growth; changes in the demand for oil and refined products; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of vessel newbuilding orders and deliveries and greater or less than anticipated rates of vessel scrapping; changes in global oil prices or tanker rates; OPEC+ and non-OPEC production and supply levels; the duration and extent of the COVID-19 pandemic and any resulting effects on the markets in which the Company operates; the impact of the pandemic on the Company’s ability to maintain safe and efficient operations; the impact and timing of coronavirus vaccination programs; issues with vessel operations; higher than expected costs and expenses, off-hire days or dry-docking requirements (both scheduled and unscheduled); changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations, including IMO 2030; the potential for early termination of long-term contracts of existing vessels or related to services; changes in borrowing costs or equity valuations; available cash to reduce financial leverage at Teekay Tankers; the impact of geopolitical tensions and changes in global economic conditions; and other factors discussed in Teekay’s filings from time to time with the SEC, including its Annual Report on Form 20-F for the fiscal year ended December 31, 2020. Teekay 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 Teekay’s expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

## Q4 and Fiscal 2021 Highlights

Fiscal 2021 results lower due to weak tanker market; however, Q4-21 results were stronger due to a modest improvement in spot tanker rates compared to Q3-21

Oil demand impacted by COVID-19, but tanker supply / demand fundamentals continue to trend in a positive direction

Closed Stonepeak acquisition of Teekay LNG; Teekay Parent is now largely debt free with a net cash position of over \$300M

### Quarterly Cash Flows and Earnings

- Total Adjusted EBITDA<sup>(1)</sup> of \$182M in Q4-21, compared to \$165M in Q3-21
- Consolidated Adjusted Net Income<sup>(1)</sup> of \$8M, or \$0.08 per share, in Q4-21, compared to \$95 thousand in Q3-21

### Annual Cash Flows and Earnings

- Total Adjusted EBITDA<sup>(1)</sup> of \$721M in 2021, compared to \$1,086M in 2020
- Consolidated Adjusted Net Income<sup>(1)</sup> of \$20M, or \$0.19 per share, in 2021, compared to \$83M, or \$0.82 per share, in 2020

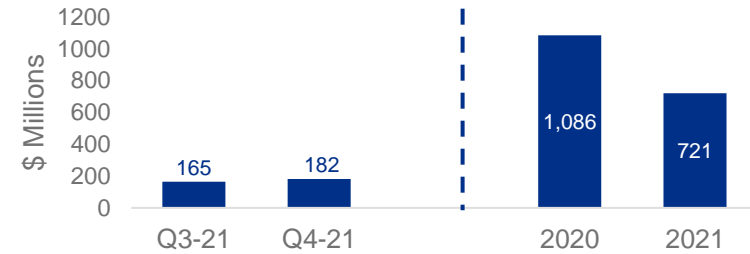
### Stonepeak Completed Acquisition of Teekay LNG on January 13, 2022

- Teekay Parent received total cash proceeds of \$641M for all its interests in Teekay LNG

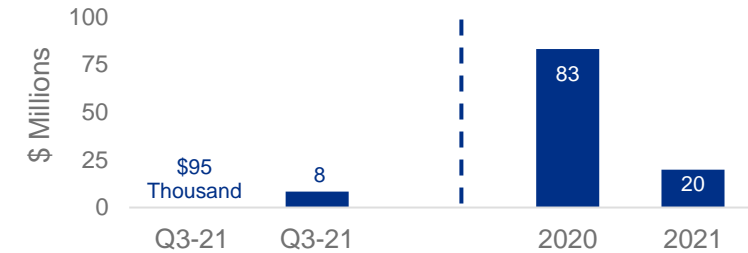
### Teekay Parent in Net Cash Position of over \$300M

- On January 14, 2022, repaid all 9.25% secured bonds at 102.313% of par for total cash of \$249M
- On February 10, 2022, acquired \$85M of 5% convertible bonds through public tender for 102% of par for total cash of \$87M (\$27M remains outstanding)

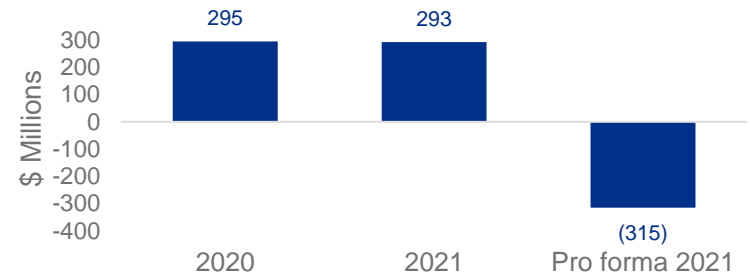
Teekay Group Total Adjusted EBITDA<sup>(1)</sup>



Consolidated Adjusted Net Income<sup>(1)</sup>



Teekay Parent Net Debt (Cash)<sup>(2)</sup>



(1) These are non-GAAP financial measures. Please see Teekay Corporation's Q4-21 and FY-21 earnings releases for definitions and reconciliations to the comparable GAAP measures. Teekay Group Total Adjusted EBITDA and Consolidated Adjusted Net Income includes Teekay LNG Partners L.P.

(2) Teekay Parent's current and long-term debt less cash and cash equivalents and restricted cash. Pro forma 2021 net cash position takes into account the \$641M of cash proceeds from the sale of Teekay Parent's interests in Teekay LNG, \$5M of Teekay Tankers Class A share purchases in the open market in 2022, premiums paid and accrued interest on the 9.25% Secured Bond and 5% Convertible Bonds and various other transaction costs.



## Positioning Teekay for the Future

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Achieved major steps towards positive transformation of Teekay's business portfolio and balance sheet

### Marine Services Business

- In September 2021, entered into a strategic long-term contract to provide marine services to the Australian Government Department of Defense
- Providing services for 9 Australian Government vessels, with potential for further growth

### Winding Down FPSO Business

- Banff FPSO decommissioning now completed and recycling of unit largely complete
- Planning for decommissioning of remaining units:
  - Hummingbird – completes contract in May 2022
  - Foinaven – completes contract in August 2022

### Completed Sale of TGP and Transition in Progress

- Completed sale of all interests in TGP and Teekay Parent received total cash proceeds of \$641M
- Transitioned TGP employees to TGP/Seapeak and remaining restructuring / transition activities to be completed throughout 2022

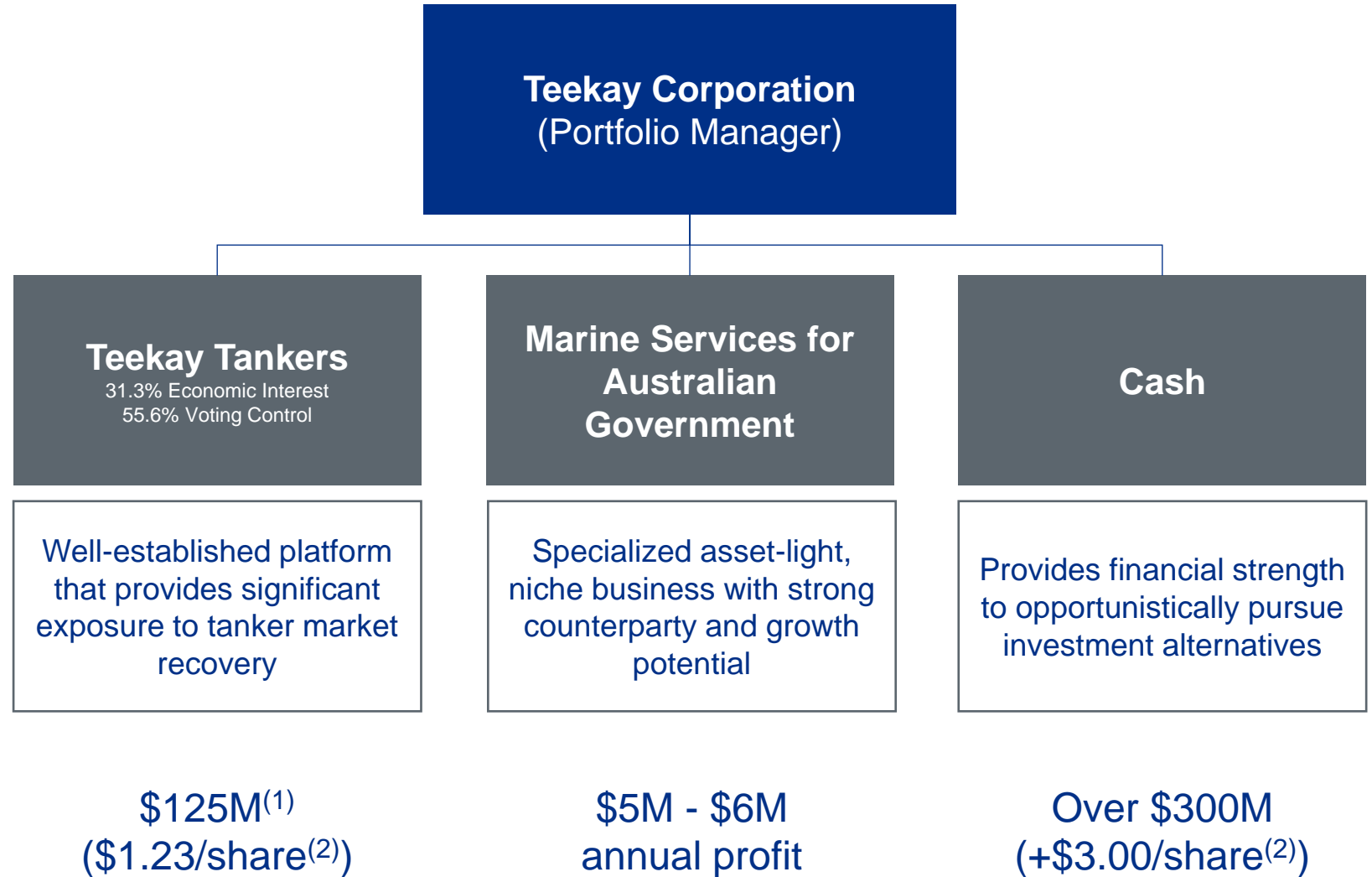
### Largely Eliminated Debt

- Expeditiously eliminated \$330M of mostly high-cost debt in January and February 2022
- Teekay Parent now in net cash position of over \$300M

## Teekay's Asset Portfolio

Recently made an additional \$10M investment in Teekay Tankers common shares at an average price of \$11.03 per share, increasing our economic ownership from 28.6% to 31.3%.

The combination of our financial strength together with our strong operating franchise and capabilities, enables us to invest counter-cyclically in the broader shipping space, leverage our operating platform, and explore new business opportunities as part of the world's energy transition



(1) Teekay Parent owns 5.94M and 4.63M Class A and B common shares. Value based on Teekay Tankers closing share price of \$11.81 per share on February 23, 2022.  
 (2) Based 101.57 million common shares of Teekay Corporation outstanding.



# Appendix

# Consolidated Adjusted Net Income Reconciliation<sup>(1)</sup>

## Q4-21 vs. Q3-21

| (Thousands of U.S. Dollars except per share amounts)                          | Q4-2021<br>(unaudited) | Q3-2021<br>(unaudited) | Variance      | Comments  |
|---|------------------------|------------------------|---------------|---|
| Revenues  | 196,042                | 147,963                | 48,079        |   |
| Voyage expenses   | (95,967)               | (78,335)               | (17,632)      |   |
| Net revenues  | 100,075                | 69,628                 | 30,447        | Teekay Parent - \$4m increase primarily relates to the startup of a new contract during Q3-21 with the Australian Government Department of Defence to provide marine services for five Australian Government vessels for a firm period of six years. Teekay Tankers - \$27m increase primarily due to higher overall spot TCE rates in Q4-21 and higher net results from full service lightering. |
| Vessel operating expenses   | (71,686)               | (66,697)               | (4,989)       | Teekay Parent - \$4m increase primarily as a result of the above-mentioned startup of a new contract with the Australia Government Department of Defence, as well as timing of project-related operating activities. Teekay Tankers - \$1m increase primarily due to timing of repair and maintenance activities.   |
| Time-charter hire expenses  | (5,160)                | (2,870)                | (2,290)       | Increase primarily due to one chartered-in vessel that was delivered in Q4-21 and one chartered-in vessel that was delivered in Q3-21.  |
| Depreciation and amortization   | (26,667)               | (25,837)               | (830)         |   |
| General and administrative expenses   | (16,979)               | (19,134)               | 2,155         | Decrease primarily due to lower corporate expenses and the timing of expenditures.  |
| <b>Loss from vessel operations</b>  | <b>(20,417)</b>        | <b>(44,909)</b>        | <b>24,492</b> |   |
| Interest expense - net  | (14,938)               | (17,167)               | 2,229         | Decrease primarily due to lower interest payments related to eight sale-leaseback vessels that were repurchased during Q2-21 and Q3-21, and subsequently refinanced under new lower-cost sale-leaseback transactions in Q3-21 and Q4-21.  |
| Equity loss   | (462)                  | (873)                  | 411           |   |
| Income tax recovery   | 1,148                  | 816                    | 332           |   |
| Other - net   | (122)                  | (85)                   | (37)          |   |
| Income from discontinued operations   | 63,815                 | 63,677                 | 138           |   |
| <b>Adjusted net income</b>  | <b>29,024</b>          | <b>1,459</b>           | <b>27,565</b> |   |
| Adjusted net income attributable to non-controlling interests                 | (20,673)               | (1,364)                | (19,309)      | Increase primarily due to decrease in Teekay Tankers' net loss in Q4-21.  |
| <b>Adjusted net income attributable to shareholders of Teekay Corporation</b> | <b>8,351</b>           | <b>95</b>              | <b>8,256</b>  |   |
| <b>Adjusted basic earnings per share</b>                                      | <b>0.08</b>            | <b>0.00</b>            | <b>0.08</b>   |   |

(1) Amounts are after adjusting Q4-21 and Q3-21 for items included in Appendix A to our Fourth Quarter and Annual 2021 Results Earnings Release and realized gains and losses on derivatives (see slide 9 to this presentation for the Consolidated Adjusted Statement of Net Income Reconciliation for Q4-21 and Q3-21)



## Q1-2022 Outlook – Teekay Consolidated

| Income Statement Item   | Q4-21 in millions adjusted basis | Q1-22 Adjusted Net Income Outlook<br>(expected changes from Q4-21) <sup>(1)</sup>   |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
|---|----------------------------------|---|---|------------------------|---------|--------------------|--|----------------------------|------------------------------|----------------------------|-----------------|------------------------|------------------------|----------------------|---|-----------------------------|---|---|------------------|----------------------|---|---|
| Net Revenues  | 100                              | <p><u>Teekay Tankers</u></p> <ul style="list-style-type: none"> <li>Decrease of approximately 225 net revenue days, comprised of a reduction of 295 spot days and an increase of 70 fixed days, primarily due to the sale of two tankers in Q4-21 and Q1-22, and more dry-docking days in Q1-22 compared to Q4-21, partially offset by one in-chartered tanker that was delivered in Q4-21</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Vessel type - Days (% booked) at Day Rate in \$</th> <th>Aframax<sup>(2)</sup></th> <th>Suezmax</th> <th>LR2<sup>(3)</sup></th> </tr> </thead> <tbody> <tr> <td>Spot: Q1 To-Date (booked days quarter-to-date)</td> <td>674 days (64%) at \$13,500</td> <td>1,511 days (70%) at \$10,300</td> <td>507 days (59%) at \$11,200</td> </tr> <tr> <td>Spot: Q4 Actual</td> <td>1,129 days at \$14,200</td> <td>2,324 days at \$12,300</td> <td>914 days at \$12,200</td> </tr> <tr> <td>Fixed: Q1 To-Date (booked days quarter-to-date)</td> <td>257 days (100%) at \$22,400</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Fixed: Q4 Actual</td> <td>186 days at \$24,800</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> | Vessel type - Days (% booked) at Day Rate in \$ | Aframax <sup>(2)</sup> | Suezmax | LR2 <sup>(3)</sup> | Spot: Q1 To-Date (booked days quarter-to-date) | 674 days (64%) at \$13,500 | 1,511 days (70%) at \$10,300 | 507 days (59%) at \$11,200 | Spot: Q4 Actual | 1,129 days at \$14,200 | 2,324 days at \$12,300 | 914 days at \$12,200 | Fixed: Q1 To-Date (booked days quarter-to-date) | 257 days (100%) at \$22,400 | - | - | Fixed: Q4 Actual | 186 days at \$24,800 | - | - |
| Vessel type - Days (% booked) at Day Rate in \$               | Aframax <sup>(2)</sup>           | Suezmax   | LR2 <sup>(3)</sup>                              |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Spot: Q1 To-Date (booked days quarter-to-date)                | 674 days (64%) at \$13,500       | 1,511 days (70%) at \$10,300  | 507 days (59%) at \$11,200                      |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Spot: Q4 Actual   | 1,129 days at \$14,200           | 2,324 days at \$12,300  | 914 days at \$12,200                            |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Fixed: Q1 To-Date (booked days quarter-to-date)               | 257 days (100%) at \$22,400      | -   | -   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Fixed: Q4 Actual  | 186 days at \$24,800             | -   | -   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Vessel Operating Expenses (OPEX)                              | (72)                             | • No significant changes anticipated  |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Time-Charter Hire Expense                                     | (5)                              | • Teekay Tankers - \$1M increase primarily due to a full quarter of operation of one in-chartered tanker that was delivered in Q4-21  |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Depreciation and Amortization                                 | (27)                             | • Teekay Tankers - \$2M decrease primarily due to the sale of one tanker in Q1-22 and two tankers as held-for-sale in Q4-21   |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| General & Administrative                                      | (17)                             | • Consolidated G&A is expected to be approximately \$15M in Q1-22   |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Net Interest Expense  | (15)                             | • Teekay Parent - \$7M decrease in interest expense primarily due to bond redemptions in Q1-22  |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Tax Recovery  | 1                                | • Teekay Parent - \$2M lower tax recoveries anticipated primarily due to timing differences   |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Income from Discontinued Operations                           | 64                               | • TKC sold its ownership interest in Teekay LNG in January 2022, Income from Discontinued Operations is estimated to be approximately \$12M in Q1-22  |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |
| Adjusted Net Income Attributable to Non-controlling Interests | (21)                             | • Expected to range from positive \$17M to \$19M due to expected lower adjusted net results in Teekay Tankers and due to TKC selling its ownership interest in Teekay LNG in January 2022   |   |                        |         |                    |  |                            |                              |                            |                 |                        |                        |                      |   |                             |   |   |                  |                      |   |   |

(1) Changes described are after adjusting Q4-21 for items included in Appendix A to our Fourth Quarter and Annual 2021 Results Earnings Release and realized gains and losses on derivatives (see slide 9 to this presentation for the Consolidated Adjusted Statement of Income Reconciliation for Q4-21)

(2) Days and percentage booked to-date include Aframax RSA, full service lightering (FSL) and non-RSA voyage charters for all Aframax vessels

(3) Days and percentage booked to-date include Aframax RSA, FSL and non-RSA voyage charters for all LR2 vessels, whether trading in the clean or dirty spot market



# Consolidated Adjusted Statement of Net Income Reconciliation

## Q4-21 vs. Q3-21

(in thousands of US dollars, except per share amounts)

|   | Three Months Ended<br>December 31, 2021 |                         |  | Three Months Ended<br>September 30, 2021 |                       |                         |  |                       |
|---|---|-------------------------|--|--|-----------------------|-------------------------|--|-----------------------|
|   | As Reported                             | Appendix A<br>Items (1) | Reclass for<br>Realized Gains/<br>Losses on<br>Derivatives (2) | As Adjusted                              | Recast<br>As Reported | Appendix A<br>Items (1) | Reclass for<br>Realized Gains/<br>Losses on<br>Derivatives (2) | Recast<br>As Adjusted |
| Revenues  | 196,494                                 | (299)                   | (153)  | 196,042                                  | 148,322               | -                       | (359)  | 147,963               |
| Voyage expenses   | (95,967)                                | -                       | -  | (95,967)                                 | (78,335)              | -                       | -  | (78,335)              |
| Net revenues  | 100,527                                 | (299)                   | (153)  | 100,075                                  | 69,987                | -                       | (359)  | 69,628                |
| Vessel operating expenses   | (72,984)                                | 1,329                   | (31)   | (71,686)                                 | (66,957)              | 260                     | -  | (66,697)              |
| Time charter hire expenses  | (5,160)                                 | -                       | -  | (5,160)                                  | (2,870)               | -                       | -  | (2,870)               |
| Depreciation and amortization   | (26,667)                                | -                       | -  | (26,667)                                 | (25,837)              | -                       | -  | (25,837)              |
| General and administrative expenses                                       | (17,025)                                | 46                      | -  | (16,979)                                 | (19,165)              | 31                      | -  | (19,134)              |
| (Write-down) and gain (loss) on sale                                      | (4,270)                                 | 4,270                   | -  | -  | (697)                 | 697                     | -  | -                     |
| Restructuring charges   | (1,512)                                 | 1,512                   | -  | -  | -                     | -                       | -  | -                     |
| <b>(Loss) income from vessel operations</b>                               | <b>(27,091)</b>                         | <b>6,858</b>            | <b>(184)</b>   | <b>(20,417)</b>                          | <b>(45,538)</b>       | <b>988</b>              | <b>(359)</b>   | <b>(44,909)</b>       |
| Interest expense  | (15,405)                                | 492                     | (82)   | (14,995)                                 | (16,889)              | -                       | (318)  | (17,207)              |
| Interest income   | 57                                      | -                       | -  | 57                                       | 40                    | -                       | -  | 40                    |
| Realized and unrealized gains (losses) on<br>derivative instruments       | 565                                     | (831)                   | 266  | -  | (282)                 | (395)                   | 677  | -                     |
| Equity (loss) income  | (12,046)                                | 11,584                  | -  | (462)                                    | (873)                 | -                       | -  | (873)                 |
| Income tax recovery (expense)   | 1,560                                   | (412)                   | -  | 1,148                                    | 816                   | -                       | -  | 816                   |
| Foreign exchange gain (loss)  | 497                                     | (497)                   | -  | -  | (1,818)               | 1,818                   | -  | 0                     |
| Other - net   | (6,441)                                 | 6,319                   | -  | (122)                                    | (1,865)               | 1,780                   | -  | (85)                  |
| Income from discontinued operations                                       | 41,453                                  | 22,362                  | -  | 63,815                                   | 75,989                | (12,312)                | -  | 63,677                |
| <b>Net (loss) income</b>  | <b>(16,851)</b>                         | <b>45,875</b>           | <b>-</b>   | <b>29,024</b>                            | <b>9,580</b>          | <b>(8,121)</b>          | <b>-</b>   | <b>1,459</b>          |
| <b>Net income attributable to<br/>non-controlling interests</b>           | <b>(539)</b>                            | <b>(20,134)</b>         | <b>-</b>   | <b>(20,673)</b>                          | <b>(12,493)</b>       | <b>11,129</b>           | <b>-</b>   | <b>(1,364)</b>        |
| <b>NET (LOSS) INCOME ATTRIBUTABLE TO<br/>SHAREHOLDERS OF TEEKAY CORP.</b> | <b>(17,390)</b>                         | <b>25,741</b>           | <b>-</b>   | <b>8,351</b>                             | <b>(2,913)</b>        | <b>3,008</b>            | <b>-</b>   | <b>95</b>             |
| <b>Basic (loss) earnings per share</b>                                    | <b>(0.17)</b>                           |                         |  | <b>0.08</b>                              | <b>(0.03)</b>         |                         |  | <b>0.00</b>           |

