

Teekay Tankers

Second Quarter 2021 Earnings Presentation

August 5, 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 Company's plans to refinance, and the timing of closing, the repurchase of sale-and-leaseback vessels, including anticipated interest expense savings; timing of and the Company's expectations regarding tanker contracts and sale-leaseback transactions; the Company's expectations regarding future earnings of repositioned unfixed vessels; 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, and the impact thereon of various factors; forecasts of a potential recovery in the tanker market, as well as expected growth in global oil demand and supply; forecasts of worldwide tanker fleet growth or contraction (including as a result of higher newbuilding and steel prices) 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; future OPEC+ and non-OPEC oil production increases, the timing thereof and the resulting impact on oil and tanker demand, as well as tanker fleet utilization and crude spot tanker rates; the impact of the COVID-19 global pandemic and related developments on the Company's business and tanker and oil market fundamentals; the Company's liquidity and market position; and the Company's high operating leverage and ability to benefit from an expected 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: 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 global pandemic 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 or to finance the repurchase of sale-and-leaseback vessels within anticipated timeframes; 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 and others that may further regulate greenhouse gas emissions; 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, 2020. 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

Total adjusted EBITDA⁽¹⁾ of (\$6.8) million, down from \$15.9 million in Q1-21

Adjusted net loss⁽¹⁾ of (\$41.5) million, or (\$1.23) per share, compared to (\$22.0) million, or (\$0.65) per share, in Q1-21

Balance Sheet Strength

Pro-forma Liquidity of \$274 million as at June 30, 2021⁽²⁾

Net debt to capitalization of 36% as at June 30, 2021

Signed term sheets for lower-cost sale-leasebacks to refinance vessels on higher-cost sale-leasebacks

- Total refinancing amount of \$142 million for eight vessels expected to close in Q3-21
- Two vessels delivered in May 2021, remaining vessels to be delivered in September 2021

Market Activity

Continued weak freight market conditions in Q2-21 and early Q3-21

Although the near-term outlook is uncertain due to COVID-19, key tanker demand and supply indicators point to the beginning of a market recovery in the coming quarters, led by OPEC+ supply increases

Counter-cyclically in-chartered three Aframax-sized vessels for 18-24 months at an average rate of \$17,800 per day

- Options to extend for 12 months at attractive rates

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q2-21 earnings release for definitions and reconciliations to the comparable GAAP measures.

(2) Pro-forma for the \$43 million financing of two unencumbered vessels that were previously under sale-leaseback arrangements that were repurchased with existing liquidity in May 2021 for \$57 million.



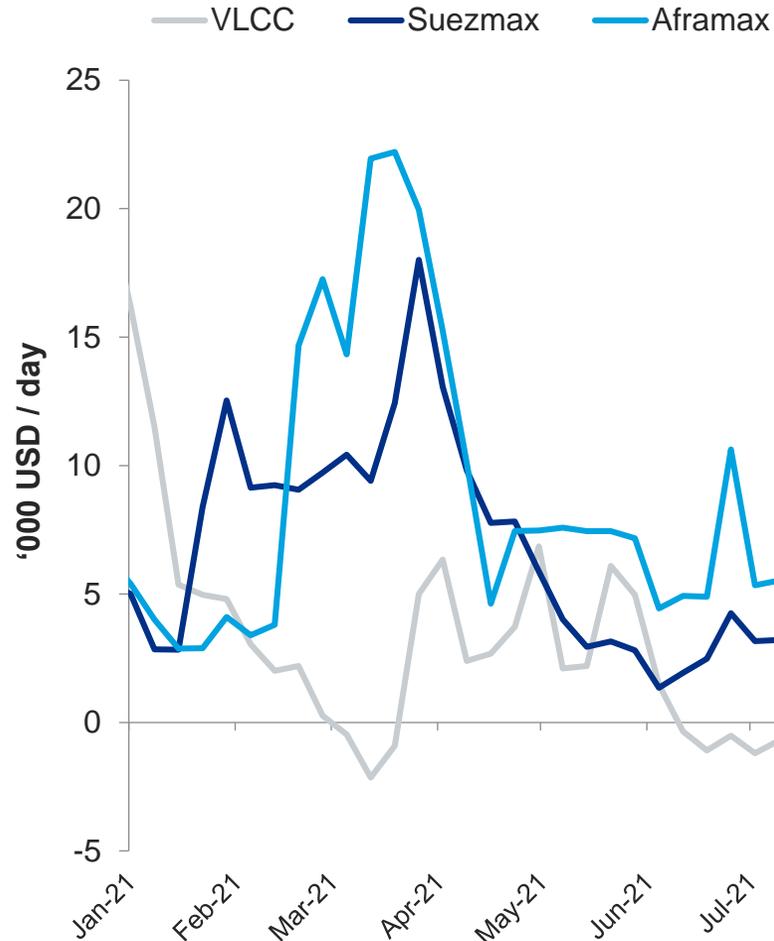
Persistent Weak Spot Tanker Rates

Spot rates remained very weak in Q2-21 and into early Q3-21:

- Rising OPEC+ production offset by an increase in Middle East domestic consumption for power generation during the summer months
- Wider Brent-Dubai price spread led to a reduction in long-haul movements from the Atlantic to Pacific
- Chinese crude oil imports down 3% y-o-y in 1H-2021
- 2021 newbuild delivery schedule concentrated in first half of the year
- Higher bunker prices negatively impacting TCE returns

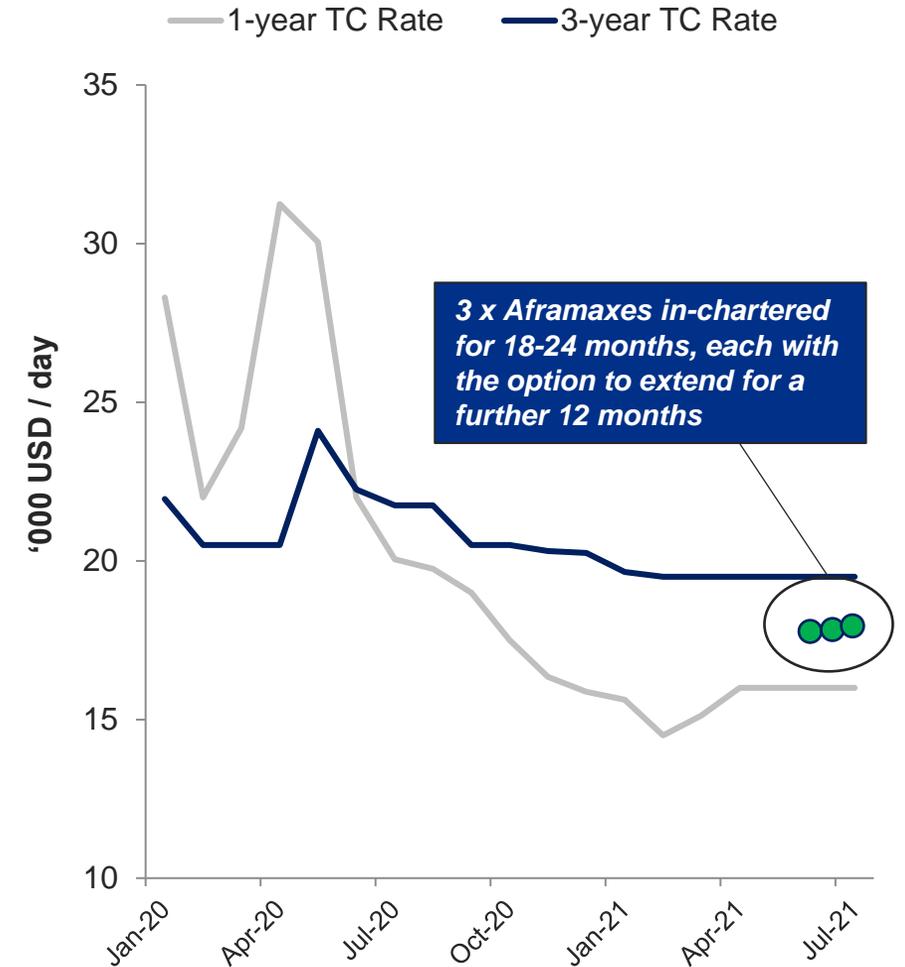
Based on our forward view, counter-cyclically in-chartered three Aframax-sized tankers for 18-24 months at an average rate of \$17,800 per day, plus options to extend for 12 months

Benchmark Crude Tanker Spot Rates



Source: Clarksons

Aframax Time Charter Rates



Source: Clarksons

Q3-21 To-Date Spot Charter Rates

Weak Q3-21 to-date Suezmax spot rates partially due to a timing issue of incurring additional bunker expense to reposition unfixed vessels

Majority of 2021 drydocking program will be completed by the end of Q3-21 in anticipation of improving winter market



	Suezmax	Aframax ⁽¹⁾	LR2 ⁽²⁾
Q3-21 spot ship days available	2,323	1,208	712
Q3-21 % spot ship days booked to-date	41%	36%	38%

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

(2) Earnings 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.

(3) As of August 4, 2021

Key Indicators Remain on Track For a Tanker Market Recovery

Oil demand is recovering as vaccination programs are rolled out, though COVID-19 remains a key downside risk

OECD oil inventories are well below 5-year average levels

OPEC+ agreement in place to return 2 mb/d of supply between August and December 2021

- Supply cuts to be fully unwound by September 2022

Fleet supply fundamentals remain very positive:

- Small orderbook
- Increase in tanker scrapping
- Decline in new tanker orders due to rising newbuild prices

	Feb-21	May-21	Aug-21	Trend (Feb-Aug)
Global Oil Demand Relative to pre-COVID Levels ⁽¹⁾	-7.9 mb/d	-5.1 mb/d	-3.3 mb/d	✓
OECD Oil Inventories vs. 5-year Average ⁽²⁾	+138 mb	+2 mb	-76 mb	✓
OPEC+ Production Policy	Flat (+ Saudi voluntary cut of 1 mb/d)	+2.1 mb/d (May-Jul)	+2.0 mb/d (Aug-Dec)	✓
Tanker Orderbook as a % of Total Fleet ⁽³⁾	8.5%	8.3%	8.0%	✓
Tanker Scrapping (prior 3 months) ⁽³⁾	1.9 mdwt	2.4 mdwt	3.3 mdwt	✓
Aframax 5-year-old Vessel Value ⁽³⁾	\$33m	\$40m	\$40m	✓

(1) Source: Rystad Energy

(2) Source: IEA

(3) Source: Clarksons

Strong Financial Foundation

\$274 million of pro-forma liquidity⁽¹⁾ provides financial resilience in weak spot market environment

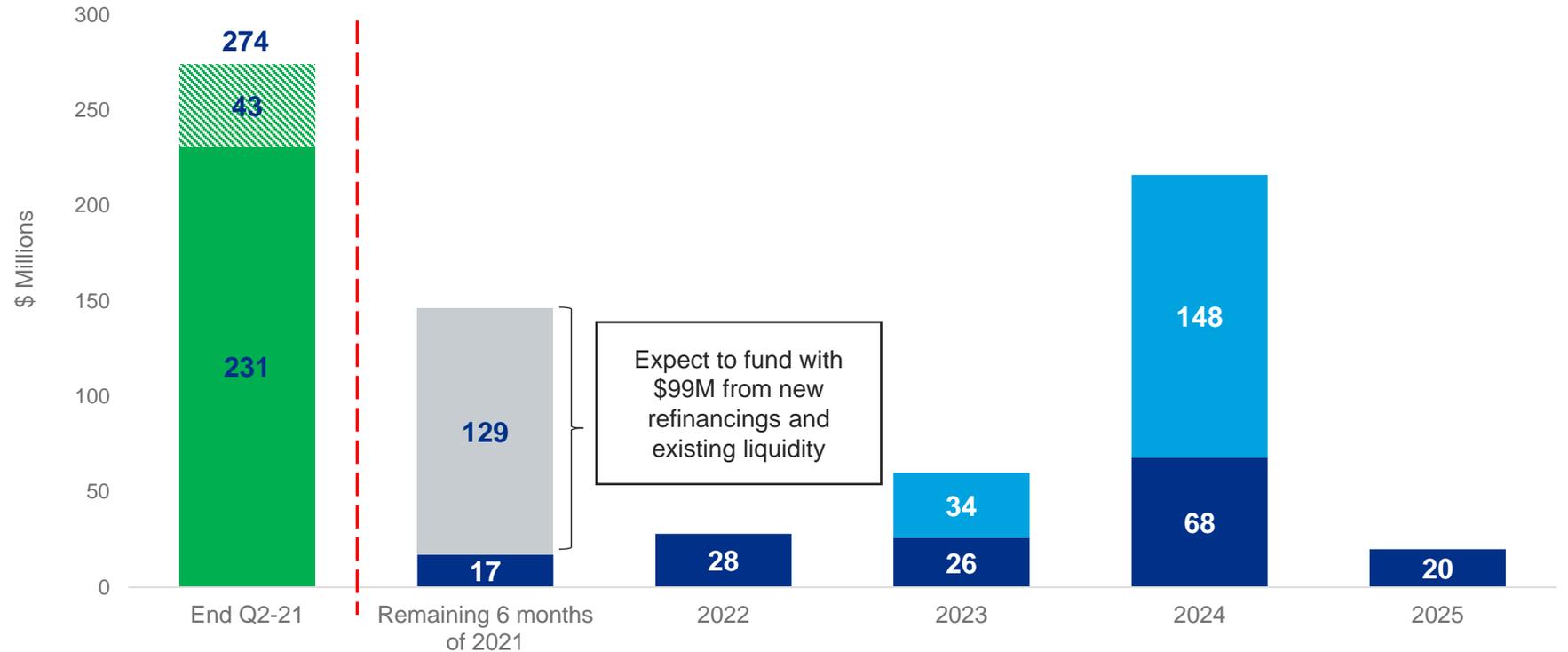
Net debt to capitalization of 36% as at June 30, 2021

Term sheets signed to refinance eight vessels with completion expected in September 2021

- Estimated interest rate savings of approximately \$11 million for the first 12 months⁽⁴⁾

No significant debt maturities until 2024

Pro-forma Liquidity & Debt Repayment Profile^(1,2,3)

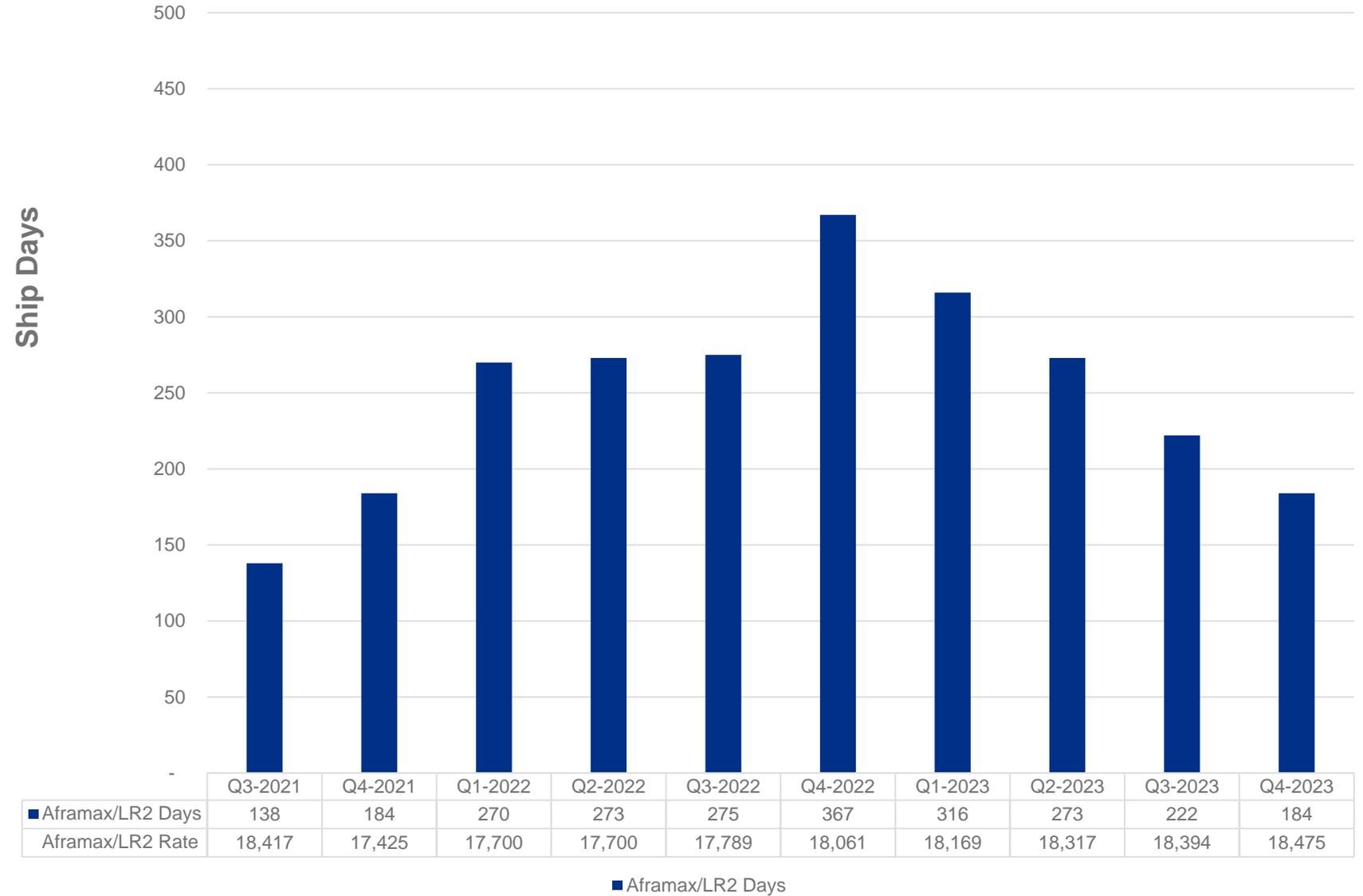


■ Scheduled Repayments incl. Capital Leases ■ Balloon Payments ■ Exercised Purchase Options ■ Liquidity ■ Incremental pro-forma liquidity from refinancing⁽¹⁾

- (1) Pro-forma for the \$43 million financing of two unencumbered vessels that were previously under sale-leaseback arrangements that were repurchased with existing liquidity in May 2021 for \$57 million.
- (2) 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
- (3) Repayment profile based on current drawn amounts
- (4) Assumes LIBOR of 0.20% in 2021 and 0.25% in 2022

Appendix

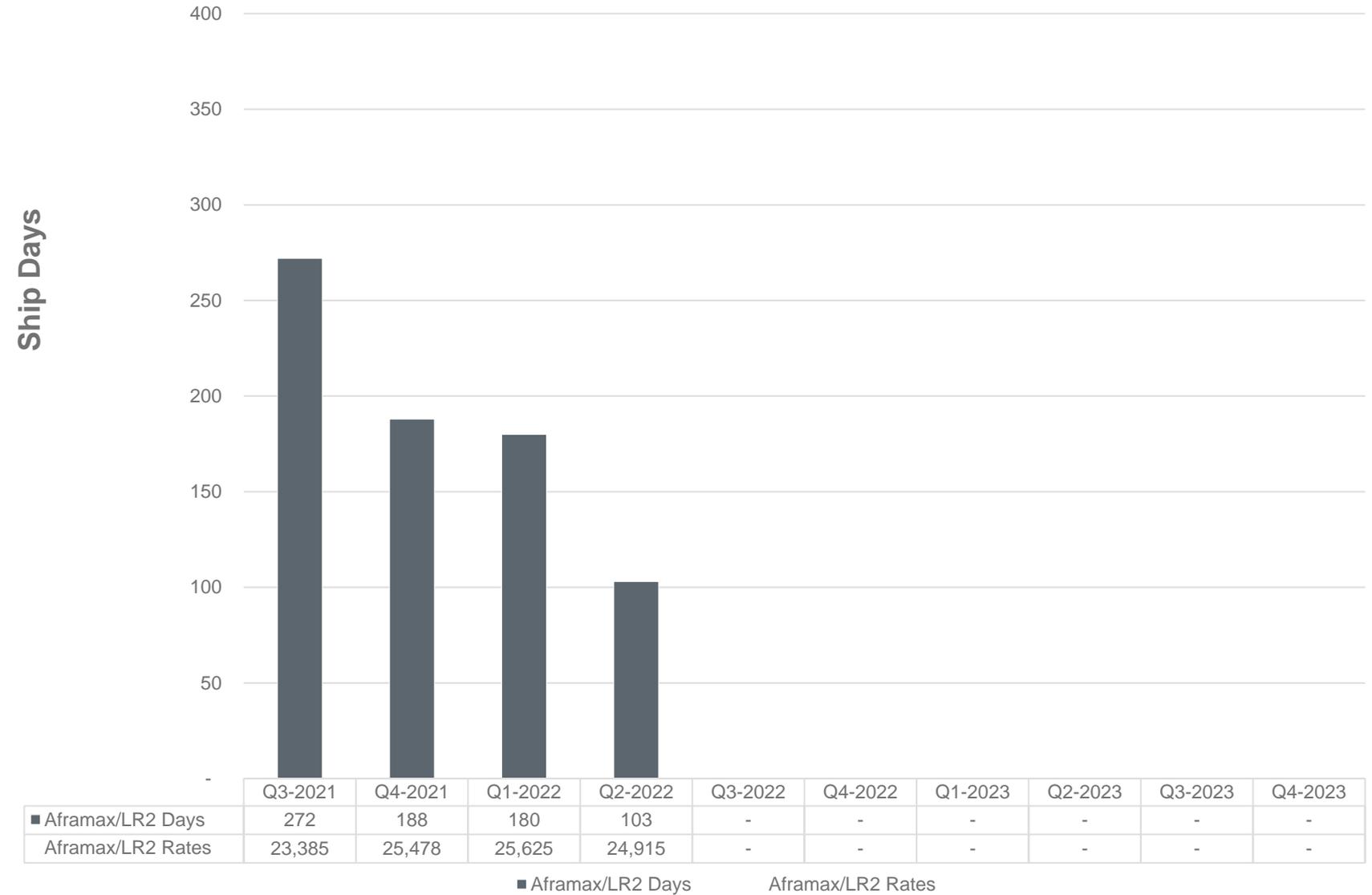
Fleet In-Charters⁽¹⁾



(1) Based on existing charters excluding extension options



Fleet Out-Chartering⁽¹⁾



(1) Based on existing charters excluding extension options and expected drydock/ off-hire days noted on slide 14



Q3-21 Outlook

Income Statement Item	Q3-21 Outlook ⁽¹⁾ (expected changes from Q2-21)
Revenues	<p>Increase of approximately 120 net revenue days, comprised of an increase of 145 spot days and a reduction of 25 fixed days, primarily due to one in-chartered tanker that is expected to be delivered in Q3-21, fewer dry-docking days in Q3-21 compared to Q2-21 and an additional calendar day in Q3-21.</p> <p>Refer to Slide 5 for Q3-21 booked to-date spot tanker rates. Refer to Slide 10 for a summary of fleet out-charter employment.</p>
Vessel operating expenses	<p>Increase of approximately \$1 million, primarily due to the timing of crew-related expenditures and maintenance activities.</p>
Time-charter hire expenses	<p>Increase of approximately \$1 million, primarily due to one in-chartered tanker that is expected to be delivered in Q3-21.</p> <p>Refer to Slide 9 for a summary of fleet in-charters.</p>
Depreciation and amortization	<p>Decrease of approximately \$1 million, primarily due to the write-down of seven vessels and the classification of one vessel as held for sale, both recorded in Q2-21.</p>
General and administrative expenses	<p>Decrease of approximately \$1 million, primarily due to the timing of expenditures.</p>
Interest expense	<p>Decrease of approximately \$1 million, primarily due to lower interest payments related to two sale-leaseback vessels that were repurchased during Q2-21.</p>
Income tax expense	<p>Increase of approximately \$3 million due to vessel trading activities and regular assessment of tax positions.</p>

(1) Changes described are after adjusting Q2-21 for items included in Appendix A of Teekay Tankers' Q2-21 Earnings Release and realized gains and losses on derivatives (see slide 13 of this earnings presentation for the Consolidated Adjusted Line Items for Q2-21).

Adjusted Net Loss⁽¹⁾

Q2-21 vs Q1-21

(In thousands of U.S. dollars)

Statement Item	Q2-2021 (unaudited)	Q1-2021 (unaudited)	Variance	Comments
Revenues	123,332	142,777	(19,445)	Decrease primarily due to a number of vessels returning from time-charter out contracts earning lower spot rates compared to previous fixed rates, more scheduled dry dockings and off-hire days in Q2-21, as well as lower overall spot TCE rates in Q2-21.
Voyage expenses	(71,773)	(69,045)	(2,728)	Increase consistent with more spot revenue days resulting from vessels returning from time-charter out contracts in Q2-21.
Vessel operating expenses	(43,129)	(43,048)	(81)	
Time-charter hire expenses	(2,138)	(3,630)	1,492	Decrease primarily due to the redelivery of two in-chartered vessels and one ship-to-ship support vessel to their owners during Q1-21 and in early Q2-21.
Depreciation and amortization	(26,895)	(26,684)	(211)	
General and administrative expenses	(12,233)	(11,470)	(763)	
Loss from operations	(32,836)	(11,100)	(21,736)	
Interest expense	(9,371)	(10,133)	762	
Interest income	29	30	(1)	
Equity loss	(829)	(359)	(470)	
Other (expense) income	(593)	131	(724)	
Income tax recovery (expense)	2,119	(571)	2,690	Increase in recovery primarily due to vessel trading activities and regular assessment of tax positions.
Adjusted net loss	(41,481)	(22,002)	(19,479)	

(1) Refer to slide 13 for the Q2-21 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP). For the Q1-21 reconciliation, refer to the Q1-21 earnings presentation.



Consolidated Adjusted Statement of Loss

(In thousands of U.S. dollars)

Q2-21

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/ Loss on Derivatives	As Adjusted
Revenues	123,420	-	(88)	123,332
Voyage expenses	(71,773)	-	-	(71,773)
Vessel operating expenses	(43,129)	-	-	(43,129)
Time-charter hire expenses	(2,138)	-	-	(2,138)
Depreciation and amortization	(26,895)	-	-	(26,895)
General and administrative expenses	(12,233)	-	-	(12,233)
Write-down of assets	(86,686)	86,686	-	-
Loss from operations	(119,434)	86,686	(88)	(32,836)
Interest expense	(9,299)	-	(72)	(9,371)
Interest income	29	-	-	29
Realized and unrealized loss on derivative instruments	(512)	352	160	-
Equity loss	(829)	-	-	(829)
Other expense	(1,218)	625	-	(593)
Income tax recovery	2,119	-	-	2,119
Net loss	(129,144)	87,663	-	(41,481)

(1) Please refer to Appendix A in Teekay Tankers Q2-21 Earnings Release for a description of Appendix A items.



Drydock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	March 31, 2021 (A)		June 30, 2021 (A)		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	-	-	4	189	5	192	2	63	11	444
Fixed-Rate Tanker	-	-	1	41	-	-	-	-	1	41
Other - Unplanned Offhire	-	100	-	45	-	55	-	71	-	271
	-	100	5	275	5	247	2	134	12	756

(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 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.



