

Teekay Tankers

Second Quarter 2023 Earnings Presentation

August 3, 2023

Forward-Looking Statements

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 report, 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: the funding and expected timing of the Company's repurchase of certain vessels following exercise of related purchase options; management's expectations regarding oil demand growth and the various contributing factors thereto (including seasonal demand) and impact thereof; management's view of the strength of the tanker market and the tanker rate environment, and the Company's ability to continue to benefit from strong spot tanker rates, generate significant free cash flow and create shareholder value; crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the oil and tanker markets and the continued volatility of such markets; forecasted changes in global oil supply and the factors contributing thereto; the outlook for the global economy, driven by various factors; forecasts of worldwide tanker fleet growth or contraction, vessel scrapping levels, and newbuilding tanker orders, including the factors contributing thereto and the timing thereof, and the Company's general outlook on tanker supply and demand fundamentals (including the durability of existing conditions); the Company's expectations regarding tanker charter contracts, including the timing of commencement, expiry or extensions thereof; the impact of the invasion of Ukraine by Russia on the economy, our industry and our business, including as a result of sanctions and import and other restrictions, and the expected durability of resulting changing trade patterns; management's expectation regarding free cash flow and other financial statement items; the occurrence and timing of the extension or repayment of existing credit facilities; anticipated drydock, equipment installation and off-hire schedules; and the Company's liquidity and market position.

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: potential changes to or termination of the Company's capital allocation plan or dividend policy; the declaration by the Company's Board of Directors of any future cash dividends on the Company's common shares; the Company's available cash and the levels of its capital needs; changes in the Company's liquidity and financial leverage; changes in tanker rates, including spot tanker market rate fluctuations, and in oil prices; changes in the production of, or demand for, oil or refined products and for tankers; changes in trading patterns affecting overall vessel tonnage requirements; non-OPEC+ and OPEC+ production and supply levels; the status of Russia's invasion of Ukraine and related sanctions, and import and other restrictions; 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; delays of vessel deliveries or whether repurchases of vessels upon the exercise of purchase options under sale-leaseback arrangements close when expected, if at all; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations and the impact of such changes; 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, 2022. 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

Total adjusted EBITDA⁽¹⁾ of \$184.5 million, compared to \$58.4 million in Q2-22

Adjusted net income⁽¹⁾ of \$149.4 million, or \$4.38 per share, compared to \$25.7 million, or \$0.76 per share, in Q2-22

For every \$5,000 above TNK's FCF⁽²⁾ breakeven of approximately \$16,000 per day, expected to generate \$2.60⁽³⁾ of annual FCF per share

- Generated \$170.1 million of FCF⁽²⁾ in Q2-23

Declared fixed quarterly dividend of \$0.25 per share

Notice given to exercise purchase options on four sale-leaseback vessels for \$57.2 million

Market Activity

Spot tanker rates remained very firm in Q2-23 driven by strong Chinese and Indian crude oil imports and firm crude oil exports from Russia and the United States

Q3 to-date spot tanker rates are following normal seasonal patterns, well above historical averages

Extended two chartered-in vessels for an additional 12 months each at an average rate of \$20,600 per day; total of eight vessels chartered-in at an average rate of \$25,000 per day

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q2-23 earnings release for definitions and reconciliations to the comparable GAAP measures.

(2) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivatives, non-cash items, FCF from equity-accounted investments and any write-offs or other non-recurring items, less unrealized gains from derivatives, other non-cash items, dry-docking expenditures and other capital expenditures.

(3) Annualized FCF for 12 months ending June 30, 2024 assuming 51 vessels continue to operate in the spot market.



Spot Rates Averaging Well Above Historical Levels

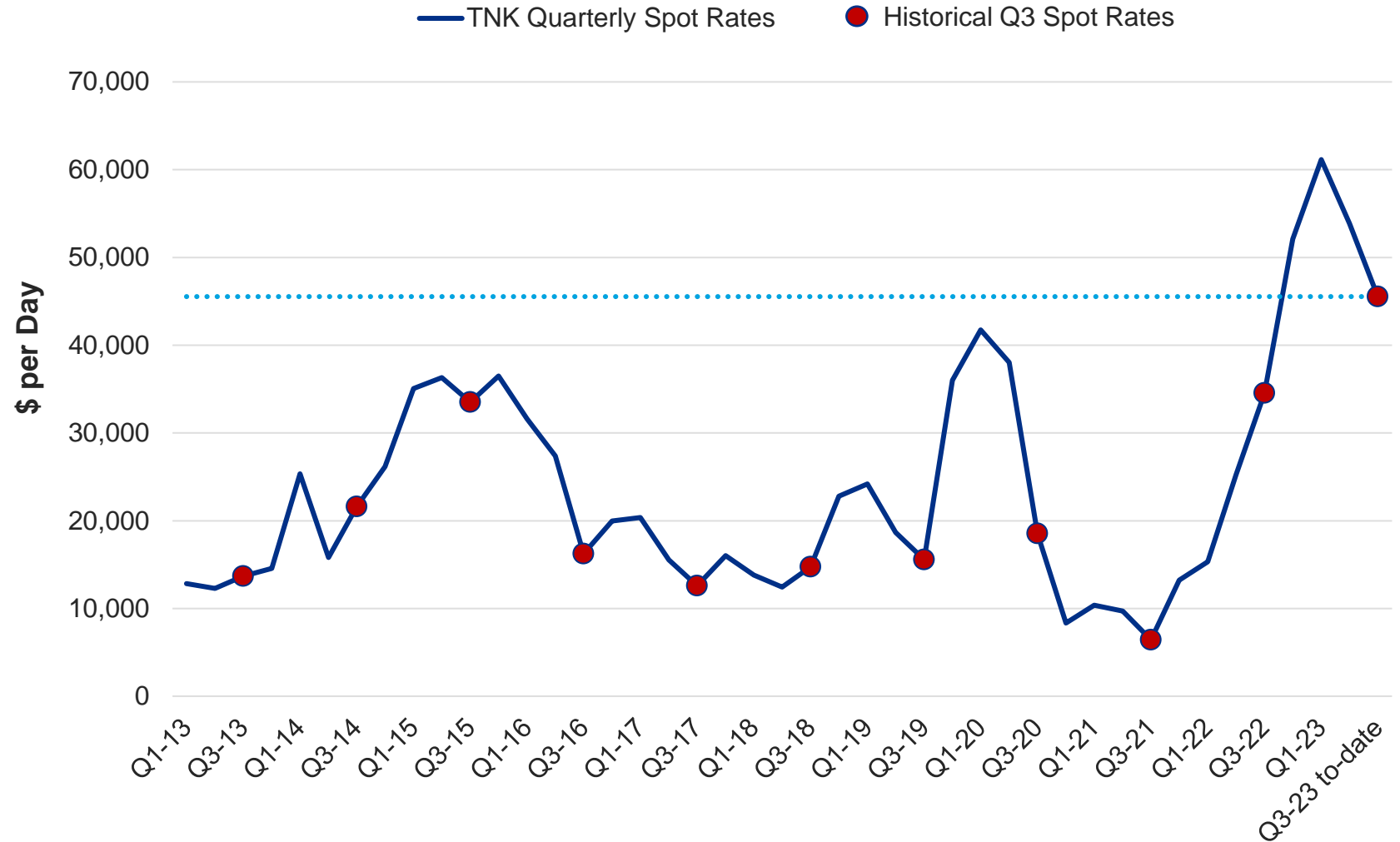
Spot tanker rates remained very strong during Q2-23:

- Crude oil imports into India and China at a record high
- Russian crude oil exports rose to a 3-year high with volumes primarily moving long-haul to India and China
- Firm US Gulf crude oil exports

Spot rates are following normal seasonality during Q3, but are averaging much higher than in prior market cycles

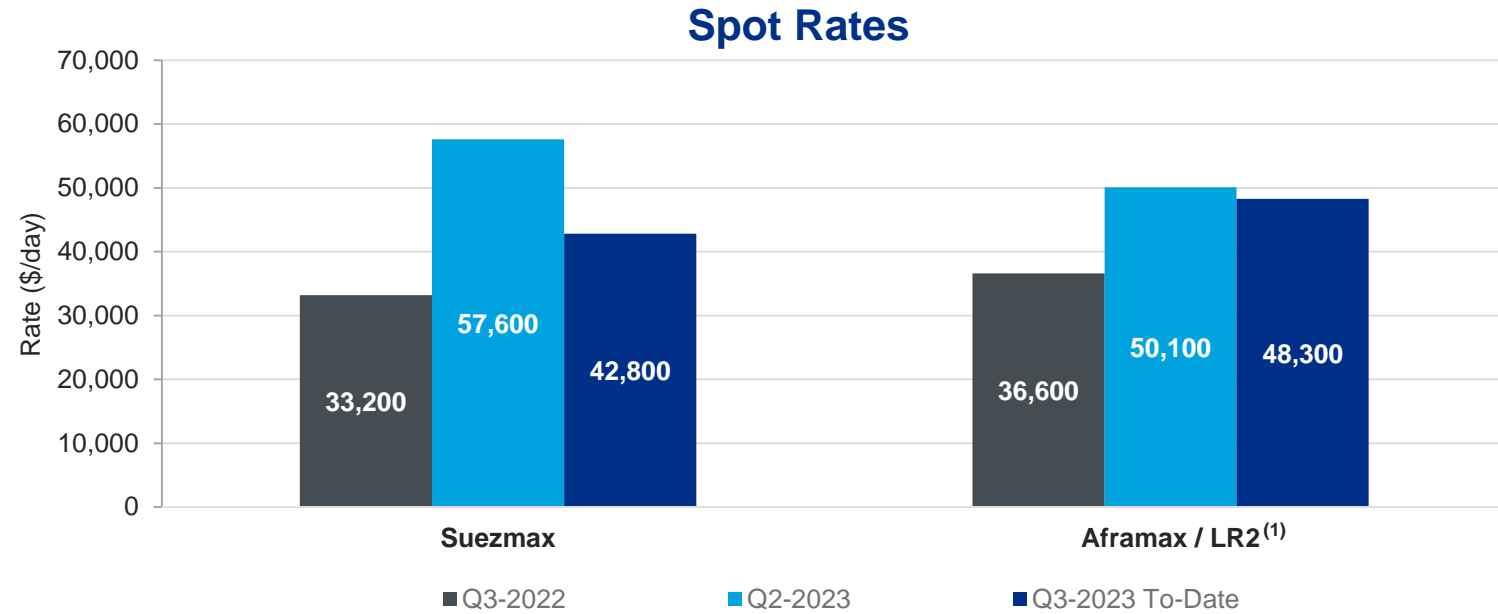
Firm winter market expected due to rising oil demand in 2H-2023 and typical seasonality

TNK Quarterly Spot Rates (Average of Aframax and Suezmax Rates)



Q3-23 To-Date Spot Rates

Extended period for two charter-in vessels. Currently eight vessels chartered-in at an average of \$25,000 per day, mark-to-market value of approximately \$64 million⁽²⁾



	Suezmax	Aframax / LR2 ⁽¹⁾
Q3-23 spot ship days available	2,143	2,252
Q3-23 % spot ship days booked to-date	48%	44%

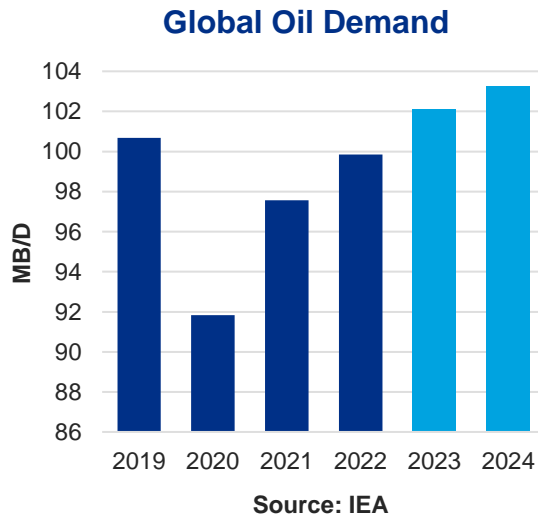
- (1) Earnings and percentage booked to-date include Aframax RSA, non-RSA voyage charters and full-service lightering (FSL) for all Aframax and LR2 vessels whether trading in the clean or dirty spot market.
- (2) Mark-to-market is the present value of difference between TNK's charter-in rates and the current average published time charter rates from Clarksons, Braemar, Galbraiths and Poten & Partners on July 28, 2023, multiplied by the remaining days of each charter-in, including extension options on three Aframax vessels in 2023.

Tanker Demand and Supply Fundamentals Remain Strong

Positive outlook for the next 2-3 years is driven by durable supply and demand fundamentals

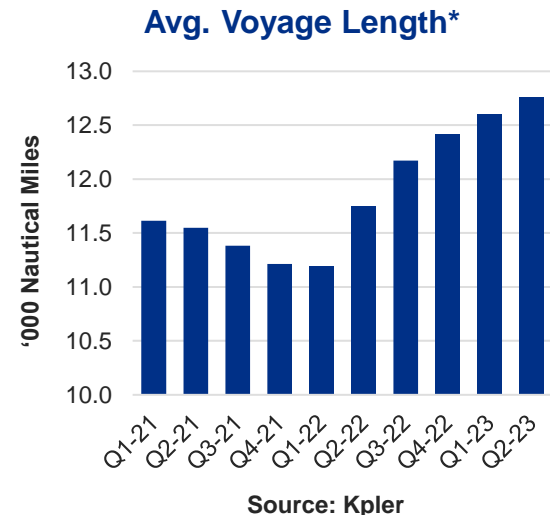
Oil Supply / Demand

- Global oil demand set to reach a record high of 102.1 mb/d in 2023 (+2.2 mb/d y-o-y)
- Oil demand projected to grow by a further 1.2 mb/d in 2024
- Rising non-OPEC+ supply from Atlantic basin producers positive for tonne-mile demand



Voyage Distances

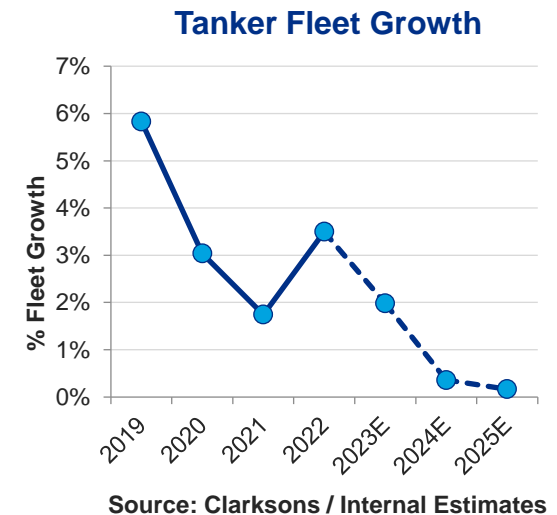
- Around 90% of Russian crude oil exports are moving long-haul to India and China
- Average Aframax / Suezmax voyage distance up by 14% since the start of 2022
- Trade pattern changes are expected to be durable



*Aframax and Suezmax (laden + ballast)

Fleet Supply

- Tanker orderbook as a % of the existing fleet remains below 5% despite recent tanker orders
- Shipyard capacity for 2025 is now virtually sold out
- 2% tanker fleet growth projected in 2023 falling to near 0% levels in both 2024 and 2025



Continuing to Create Significant Shareholder Value

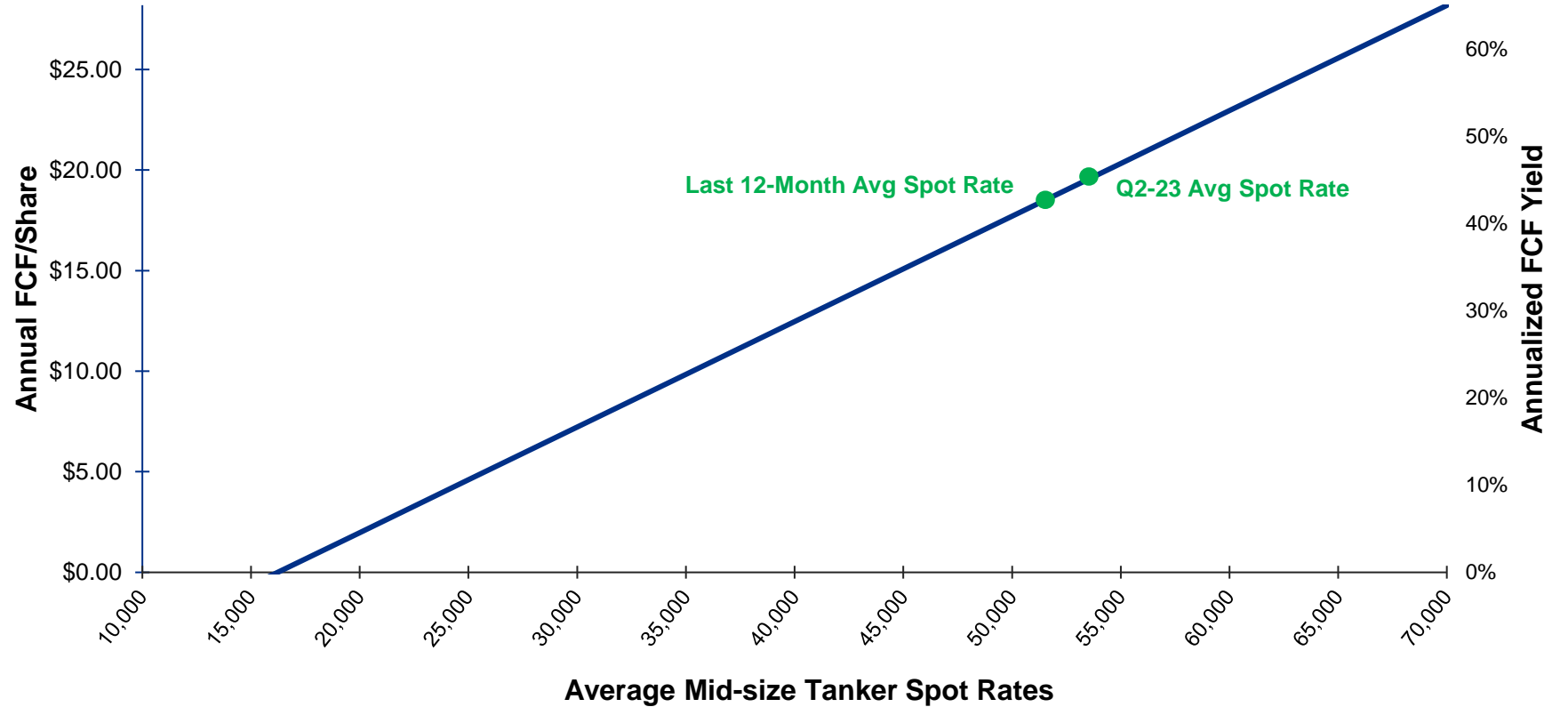
96% of the 53-vessel fleet trading in the strong spot market

- Last four quarters, generated \$17.62 per share of FCF⁽¹⁾
- Based on Q2-23 average realized spot rates, annualized FCF⁽¹⁾⁽³⁾ forecast to be more than \$19.00 per share resulting in a FCF yield over 45%⁽²⁾

Strong cash flows rapidly increasing shareholder value

Q2-23 net debt decreased from prior quarter by \$153 million to \$28.5 million

FCF Per Share Spot Rate Sensitivity Next 12 Months ^(1,2,3)



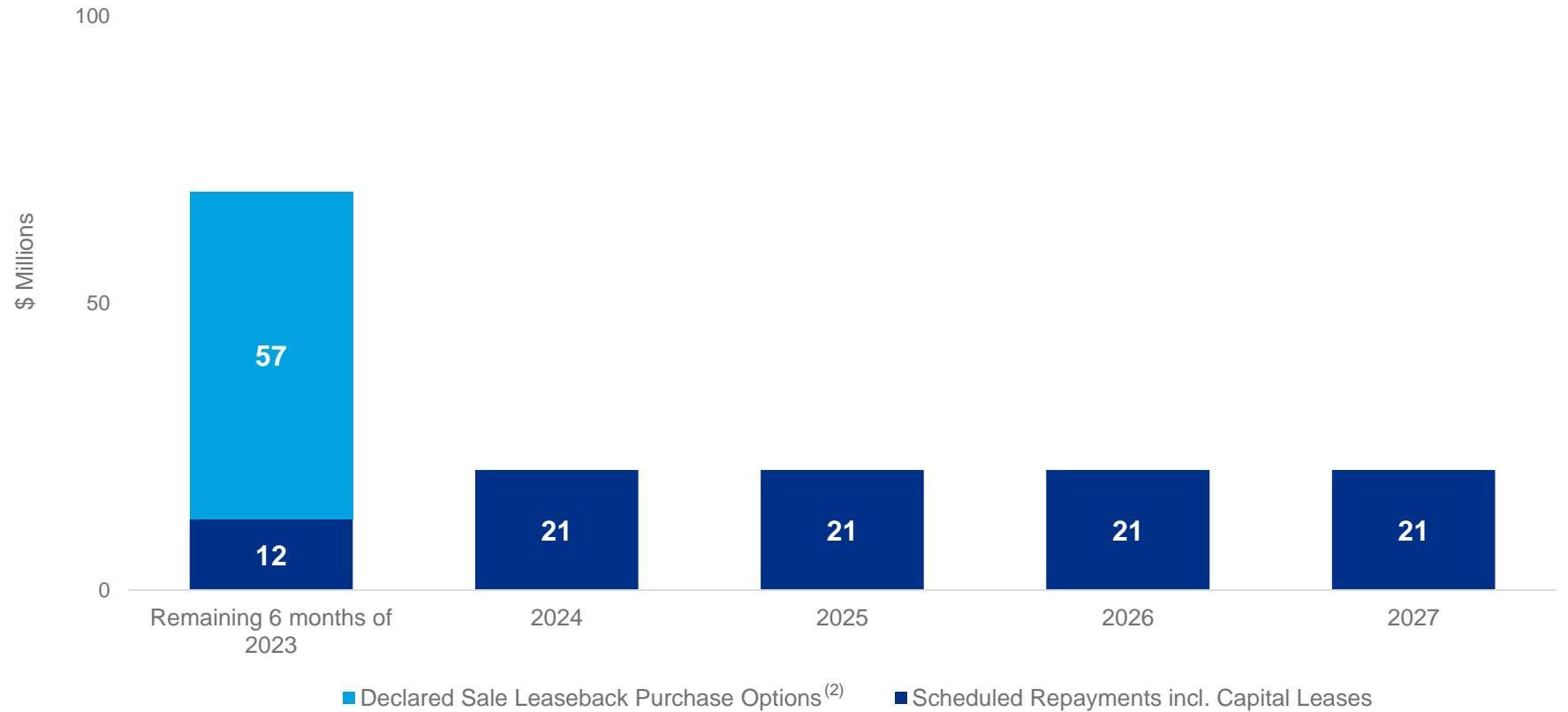
(1) Free cash flow (FCF) represents net income, plus depreciation and amortization, unrealized losses from derivatives, non-cash items, FCF from equity-accounted investments and any write-offs or other non-recurring items, less unrealized gains from derivatives, other non-cash items, dry-docking expenditures and other capital expenditures.
 (2) Free Cash Flow (FCF) yield is calculated based on annualizing free cash flow for a given quarter divided by TNK's closing share price on August 02, 2023 of \$43.21.
 (3) For 12 months ending June 30, 2024 assuming 51 vessels operating in the spot market.



Appendix

Debt Repayment Profile

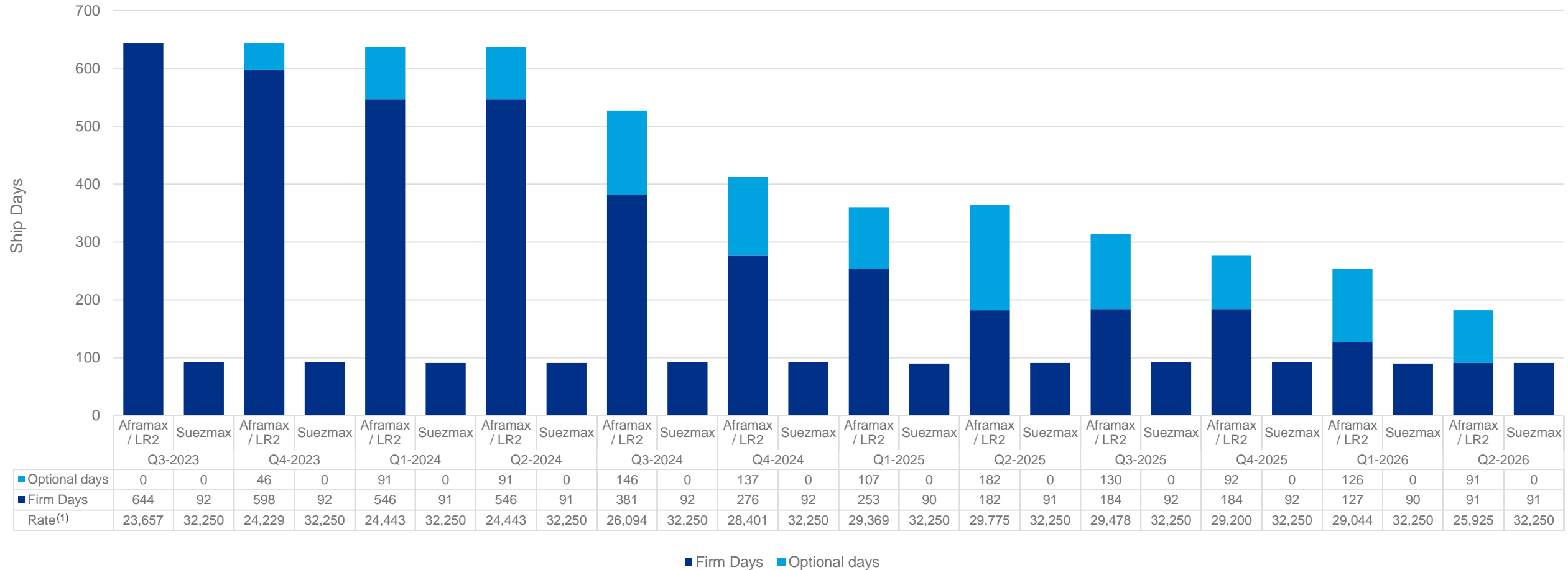
Debt Repayment Profile⁽¹⁾



(1) Repayment profile based on current drawn amounts.

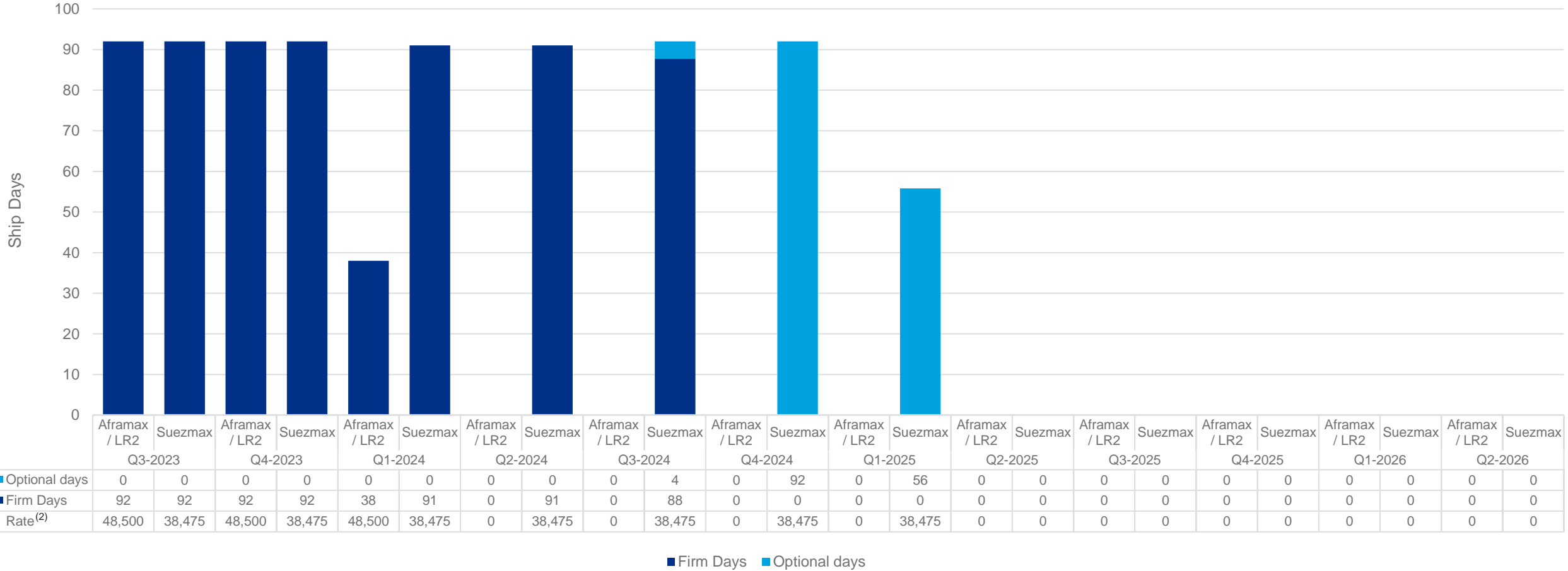
(2) Purchase options totaling \$57.2 million are expected to be paid with cash balances by end Q3-23.

Fleet In-Charters



(1) The weighted average rate for the firm and optional period hire rates

Fleet Out-Chartering⁽¹⁾



(1) Based on existing charters excluding expected drydock / off-hire days noted on slide 15
 (2) The weighted average rate for the firm and optional period hire rates

Q3-23 Outlook

Income Statement Item	Q2-23 in thousands adjusted basis ⁽¹⁾	Q3-23 Outlook ⁽¹⁾ (expected changes from Q2-23)
Net revenues ⁽²⁾	252,564	<p>Decrease of approximately 50 spot market revenue days, primarily due to more scheduled dry dockings in Q3-23, partially offset by more calendar days in Q3-23 compared to Q2-23.</p> <p>Refer to Slide 5 for Q3-23 booked to-date spot tanker rates. Refer to Slide 11 for a summary of fleet out-charter employment.</p>
Time-charter hire expenses	(18,691)	<p>Increase of approximately \$1 million, primarily due to an increase in hire rates resulting from the exercise of extension options for two in-chartered tankers during Q3-23, more calendar days in Q3-23 compared to Q2-23, as well as fewer expected off-hire days from our in-chartered tankers during Q3-23.</p>
Income tax expense	(8,121)	<p>Decrease of approximately \$2 million due to vessel trading activities and regular assessment of tax positions.</p>

(1) Changes described are after adjusting Q2-23 for items included in Appendix A of Teekay Tankers' Q2-23 Earnings Release and realized gains and losses on derivatives (see slide 14 of this earnings presentation for the Consolidated Adjusted Line Items for Q2-23).

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q2-23 Earnings Release for a definition and reconciliation of this term.



Adjusted Net Income⁽¹⁾

Q2-23 vs Q1-23

(In thousands of U.S. dollars)

Statement Item	Q2-2023 (unaudited)	Q1-2023 (unaudited)	Variance	Comments
Revenues	370,646	394,647	(24,001)	
Voyage expenses	(118,082)	(124,187)	6,105	
Net revenues ⁽²⁾	252,564	270,460	(17,896)	Decrease primarily due to lower overall spot TCE rates in Q2-23, partially offset by a full quarter of operation for three chartered-in vessels that were delivered to us during Q1-23.
Vessel operating expenses	(37,800)	(38,182)	382	
Time-charter hire expenses	(18,691)	(12,945)	(5,746)	Increase primarily due to a full quarter of operation for three chartered-in vessels that were delivered to us during Q1-23, as well as the return of one chartered-in vessel that was off-hire for dry dock during Q1-23.
Depreciation and amortization	(24,384)	(23,975)	(409)	
General and administrative expenses	(12,118)	(12,269)	151	
Income from operations	159,571	183,089	(23,518)	
Interest expense	(5,450)	(9,228)	3,778	Decrease primarily due to lower interest payments related to the repurchase of nine sale-leaseback vessels during Q1-23 and the repurchase of another six sale-leaseback vessels during Q2-23.
Interest income	1,771	2,230	(459)	
Equity income	1,120	1,130	(10)	
Other income (expense)	547	(21)	568	
Income tax expense	(8,121)	(2,282)	(5,839)	Increase in income tax expense primarily due to vessel trading activities and regular assessment of tax positions.
Adjusted net income	149,438	174,918	(25,480)	

(1) Refer to slide 14 for the Q2-23 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP). For the Q1-23 reconciliation, please refer to the Q1-23 earnings presentation.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q2-23 Earnings Release for a definition and reconciliation of this term.

Consolidated Adjusted Statement of Income

(In thousands of U.S. dollars)

Q2-23

Statement Item	As Reported	Appendix A Items ⁽¹⁾	Reclassification for Realized Gain/ Loss on Derivatives	As Adjusted
Revenues	370,646	-	-	370,646
Voyage expenses	(118,082)	-	-	(118,082)
Net revenues ⁽²⁾	252,564	-	-	252,564
Vessel operating expenses	(37,800)	-	-	(37,800)
Time-charter hire expenses	(18,691)	-	-	(18,691)
Depreciation and amortization	(24,384)	-	-	(24,384)
General and administrative expenses	(12,118)	-	-	(12,118)
Income from operations	159,571	-	-	159,571
Interest expense	(5,907)	-	457	(5,450)
Interest income	1,771	-	-	1,771
Realized and unrealized gain on derivative instruments	547	(90)	(457)	-
Equity income	1,120	-	-	1,120
Other income	2,262	(1,715)	-	547
Income tax expense	(8,121)	-	-	(8,121)
Net income	151,243	(1,805)	-	149,438

(1) Please refer to Appendix A in Teekay Tankers Q2-23 Earnings Release for a description of Appendix A items.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q2-23 Earnings Release for a definition and reconciliation of this term.



Drydock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	March 31, 2023 (A)		June 30, 2023 (A)		September 30, 2023 (E)		December 31, 2023 (E)		Total 2023 (E)	
	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	-	13	1	54	5	180	1	30	7	277
Fixed-Rate Tanker	-	-	-	-	-	-	-	-	-	-
Other - Unplanned Offhire	-	119	-	51	-	26	-	51	-	247
	-	132	1	105	5	206	1	81	7	524

(1) Includes vessels scheduled for drydocking, ballast water treatment system installation, 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) Vessel count only reflects the vessels with drydock and/or ballast water treatment system installation related off-hire.