

Teekay Tankers

Fourth Quarter and Annual 2023 Earnings
Presentation

February 22, 2024

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 timing of and our expectations regarding the repurchase of certain vessels following exercise of related purchase options; estimated changes in global oil demand and supply, and the various contributing factors thereto and impacts thereof; geopolitical events and the impact thereof on our industry and our business; management's view of the strength of the tanker market and the tanker rate environment, and the Company's ability to benefit from strong spot tanker rates, generate significant free cash flow and create shareholder value; crude oil and refined product tanker market fundamentals; 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; management's expectation regarding free cash flow and other financial statement items; 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; the impact of geopolitical tensions and conflicts, including the Hamas-Israel war, 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; delays of vessel deliveries; 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

Adjusted net income⁽¹⁾ of \$99.5 million, or \$2.91 per share, compared to \$76.6 million, or \$2.24 per share in Q3-23

2023 Adjusted net income⁽¹⁾ of \$500.5 million, or \$14.65 per share, compared to adjusted net income of \$217.1 million, or \$6.39 per share, in 2022

For every \$5,000 above TNK's FCF⁽²⁾ breakeven of approximately \$16,000 per day, expected to generate \$2.50⁽³⁾ of annual FCF per share

Agreed to repurchase eight vessels currently on sale-leaseback arrangements for \$137 million. After completion in Q1-24, TNK is expected to be debt free

Declared fixed quarterly dividend of \$0.25 per share

Market Activity

Highest annual average mid-size tanker spot rates in TNK's history during 2023

Spot rates remain firm at the start of 2024 with continued volatility

Positive tanker supply and demand fundamentals remain intact and signal ongoing market strength over the next 2 to 3 years

Sold two 2004-built Aframaxes for total proceeds of \$46.5 million, recording a combined gain on sale of approximately \$21.9 million

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q4-23 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. This is a non-GAAP financial measure. See appendix slide 17 for the reconciliation to the comparable GAAP measure.

(3) Annualized FCF for 12 months ending December 31, 2024 assuming 50 vessels continue to operate in the spot market.



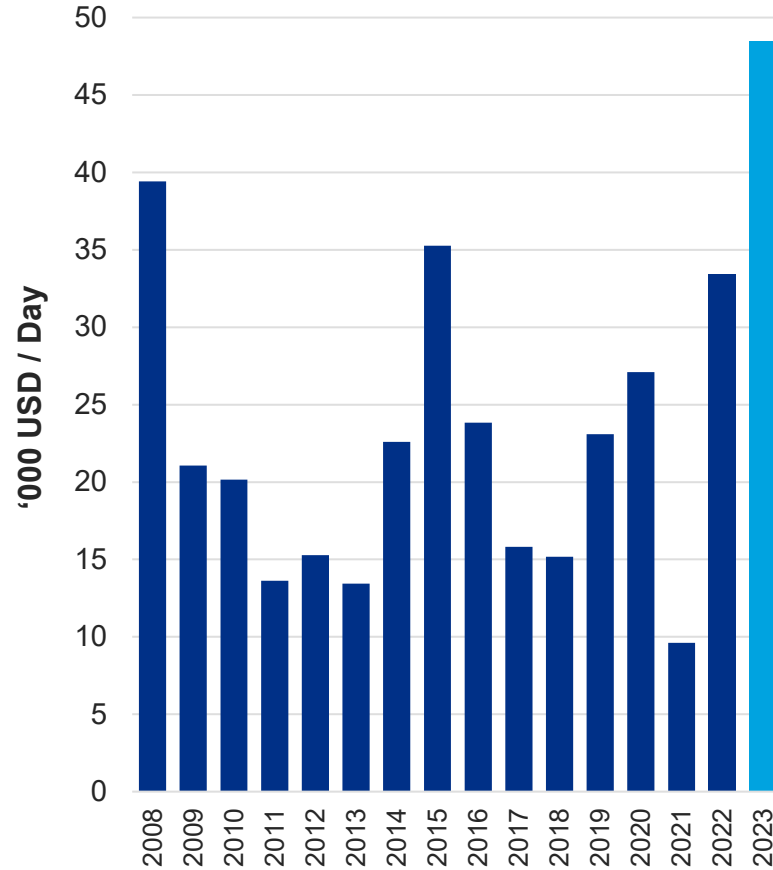
2023 Market Strength Continuing in 2024

Average mid-size tanker spot rates during 2023 were the highest since TNK's inception:

- Strong oil demand growth of 1.9 mb/d as China ended COVID lockdowns
- Increase in crude oil exports from non-OPEC+ countries, including record high US crude oil exports
- Stretching of the mid-size tanker fleet due to the EU ban on Russian crude oil imports and the subsequent rerouting of Russian volumes on long-haul trades to India and China
- Low levels of tanker fleet growth

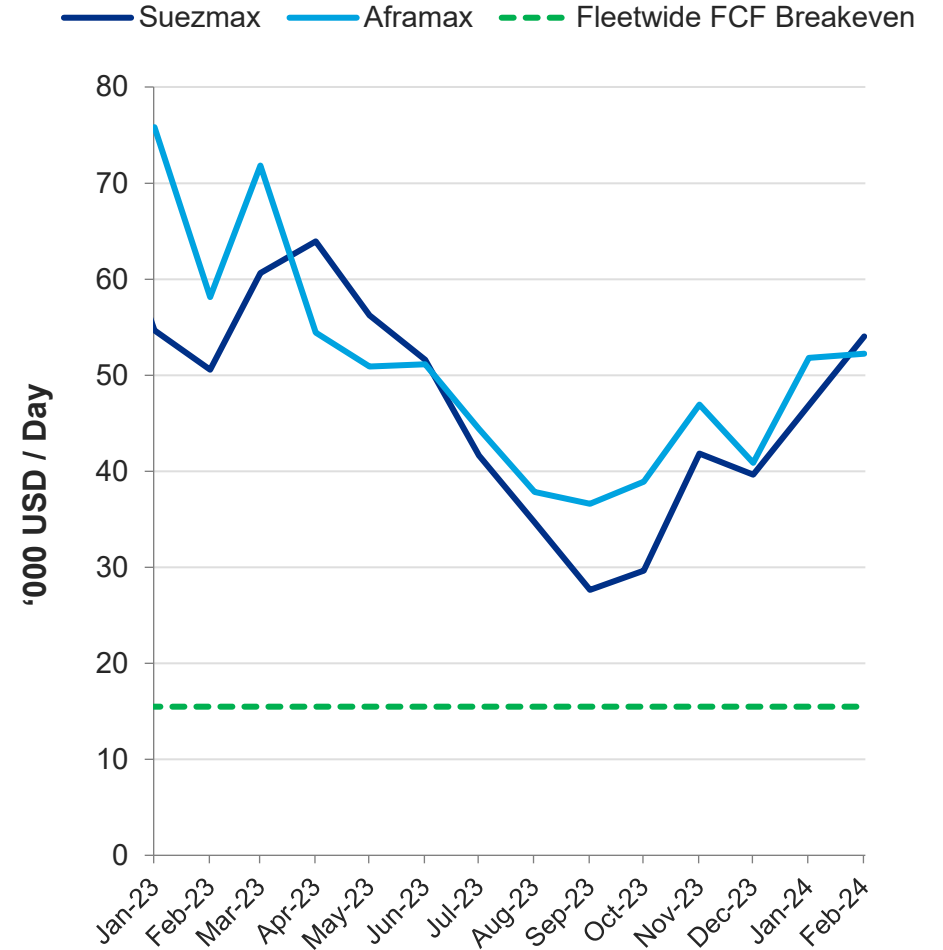
Spot rates have remained firm at the start of 2024 due to a combination of strong underlying fundamentals, seasonal factors, and longer voyages due to regional disruptions

TNK's Annual Mid-Size Tanker Spot Rates



Source: Internal

TNK's Monthly Mid-Size Tanker Spot Rates



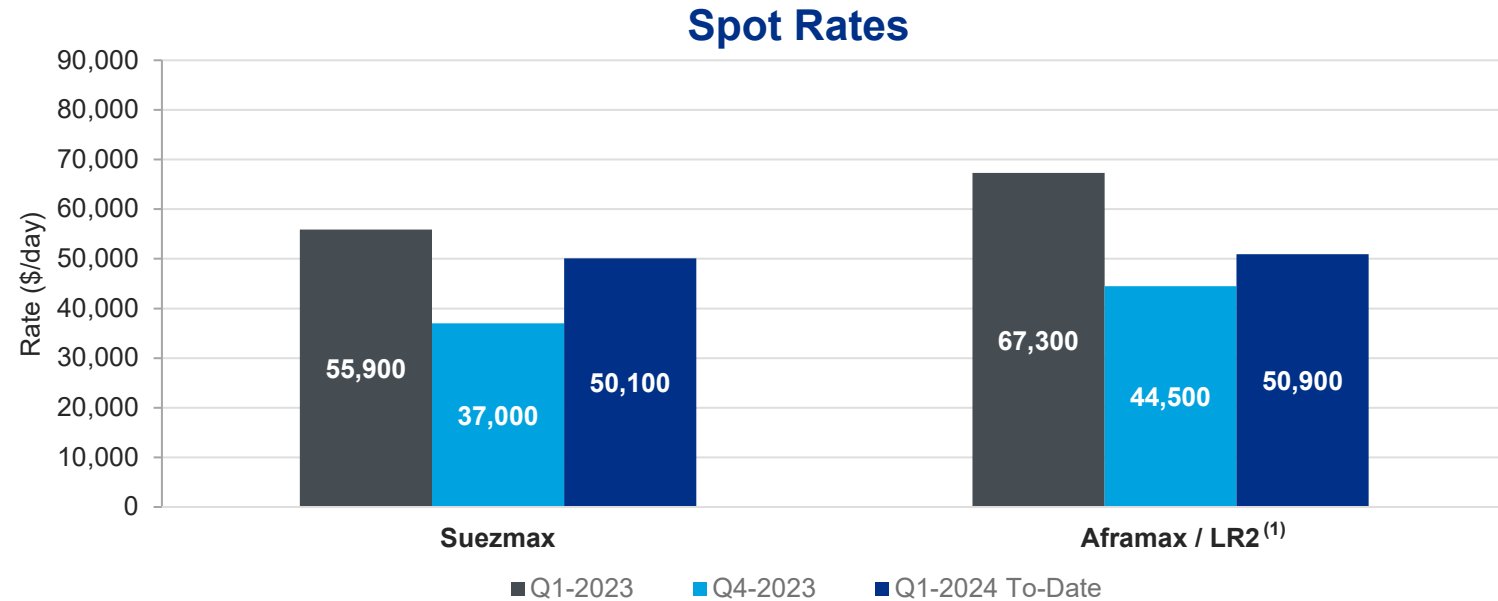
Source: Internal

Feb'24 figures reflect 77% of days booked for Aframax and 82% of days booked for Suezmax



Q1-24 To-Date Spot Rates

Currently eight vessels chartered-in at an average rate of \$25,400 per day, mark-to-market value of approximately \$60 million⁽²⁾



	Suezmax	Aframax / LR2 ⁽¹⁾
Q1-24 spot ship days available	2,245	2,130
Q1-24 % spot ship days booked to-date	68%	67%

(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 chartered-in rates and the current average published time charter rates for similar periods from Clarksons, Braemar, Galbraiths and Poten & Partners on February 16, 2024, multiplied by the remaining days of each chartered-in agreement, including extension option on one Aframax in 2024.

Underlying Fundamentals Remain Very Strong

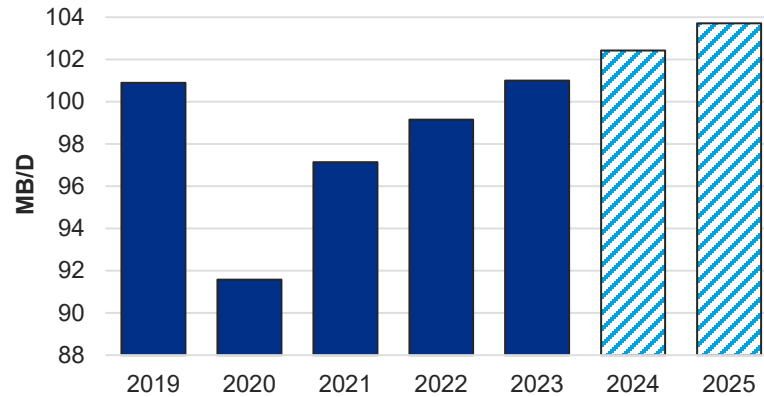
Global oil demand is expected to grow by 1.4 mb/d in 2024 and 1.3 mb/d in 2025

Extremely low levels of tanker fleet growth expected in both 2024 and 2025 due to a small orderbook and an aging tanker fleet:

- 9 mdwt of new tankers expected to deliver in 2024, the lowest level of annual deliveries since 1997
- Tanker orderbook is 7% of the fleet, delivering over the next 3.5 years
- Tanker scrapping / removals expected to increase with 23% of the mid-size tanker fleet aged 20 years or older by the end of 2025

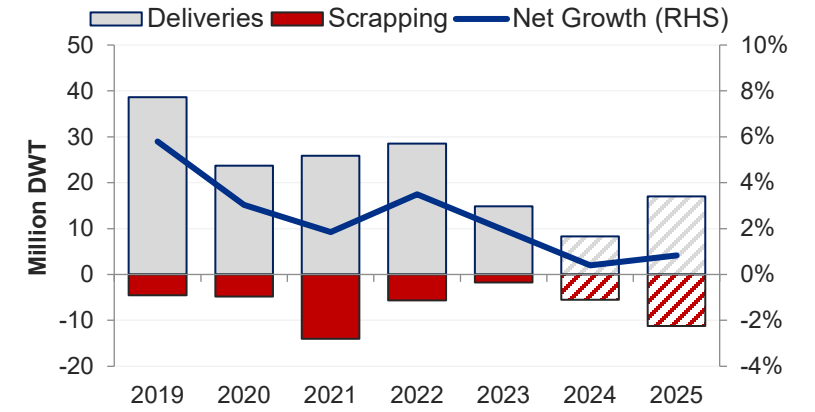
Compounding impact of year-on-year tonne-mile demand growth outstripping fleet supply growth supports high fleet utilization and spot rates

Robust Global Oil Demand Growth



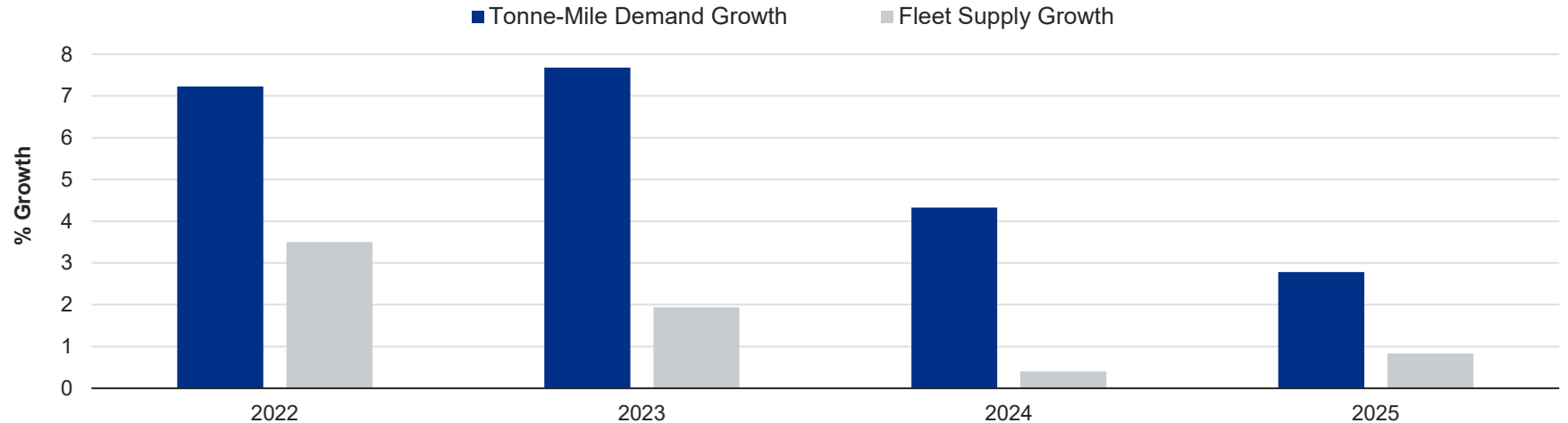
Source: EIA

Low Tanker Fleet Growth



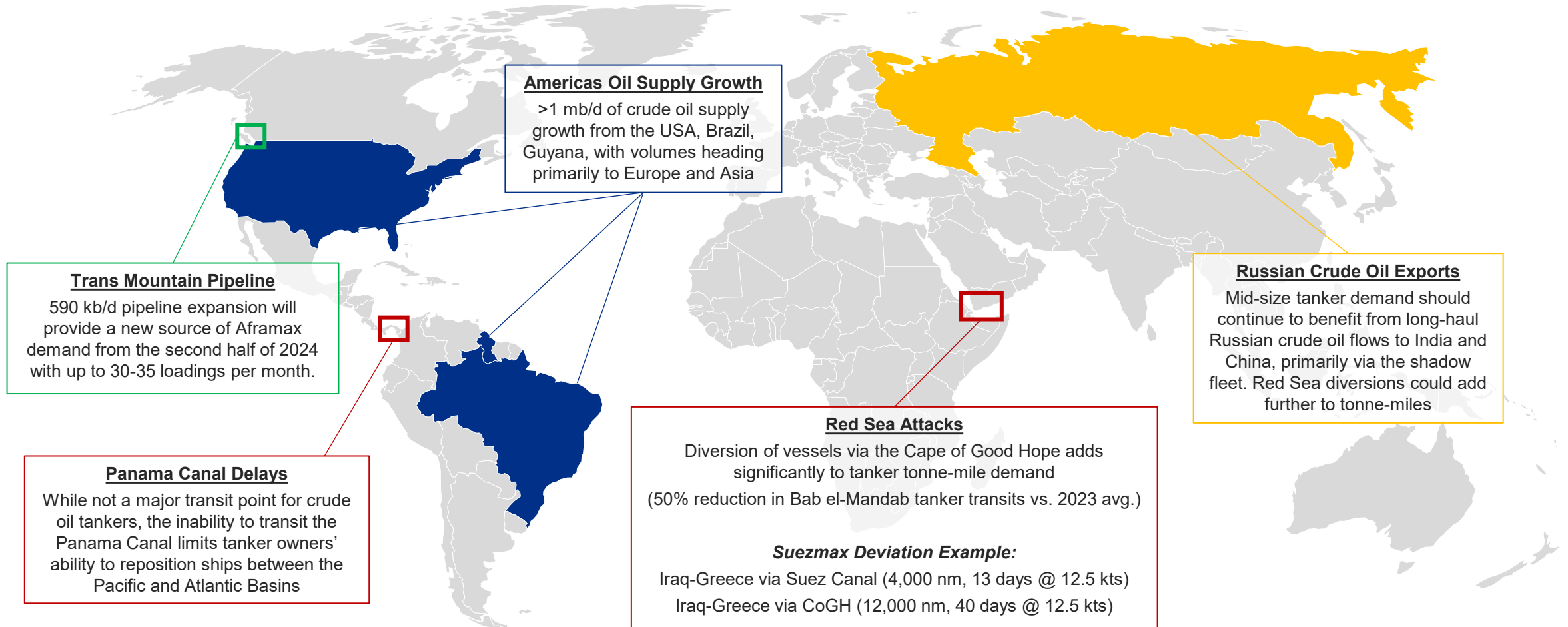
Source: Clarksons / Internal Estimates

Tanker Tonne-Mile Demand Set to Outstrip Fleet Supply Growth in 2024 / 25



Source: Clarksons / Internal Estimates

Events Impacting Tanker Trades, Creating Volatility in an Already Tight Market



Changing seaborne trade increases complexity and supply chain inefficiency, creating additional tanker demand

TNK's 2023 Key Accomplishments

Record earnings and cash flow generation

Balance Sheet Transformed

Strong Operational Performance

Creating value for our Shareholders



Best Financial Year in TNK's History

- Adjusted net income of \$500.5 million⁽¹⁾
- Generated \$575.2 million of FCF⁽²⁾



Net Debt Free

- Net Cash of \$226.3 million⁽³⁾ at end Q4-23 vs. Net Debt of \$345.4 million⁽³⁾ at end Q4-22
- 19 vessels repurchased from sale leaseback financings



Operational Excellence

- 99.8% Fleet availability
- 0 Loss Time Injury



Returning Capital to Shareholders

- Fixed quarterly dividend of \$0.25 / share
- \$1.00 / share special dividend in Q1-23
- Established \$100 million share buyback program



Financial Flexibility

- Refinanced 19 vessels into new \$350 million revolving credit facility
- Expect to be debt free with 23 unencumbered vessels by end Q1-24



Lucrative In-Charters

- One 7-year chartered-in newbuild delivered
- Extended four chartered-in vessels
- 8-vessel time chartered-in portfolio average rate of \$25,400 is well below current spot market rates

Since the beginning of 2023, total shareholder return of 109%⁽⁴⁾

(1) This is a non-GAAP financial measures. Please see Teekay Tankers' Q4-23 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. This is a non-GAAP financial measure. See appendix slide 17 for the reconciliation to the comparable GAAP measure.

(3) Net cash and net debt are non-GAAP financial measures and represent (a) cash and cash equivalents and restricted cash, less (b) short-term debt, current and long-term debt and current and long-term obligations related to finance leases.

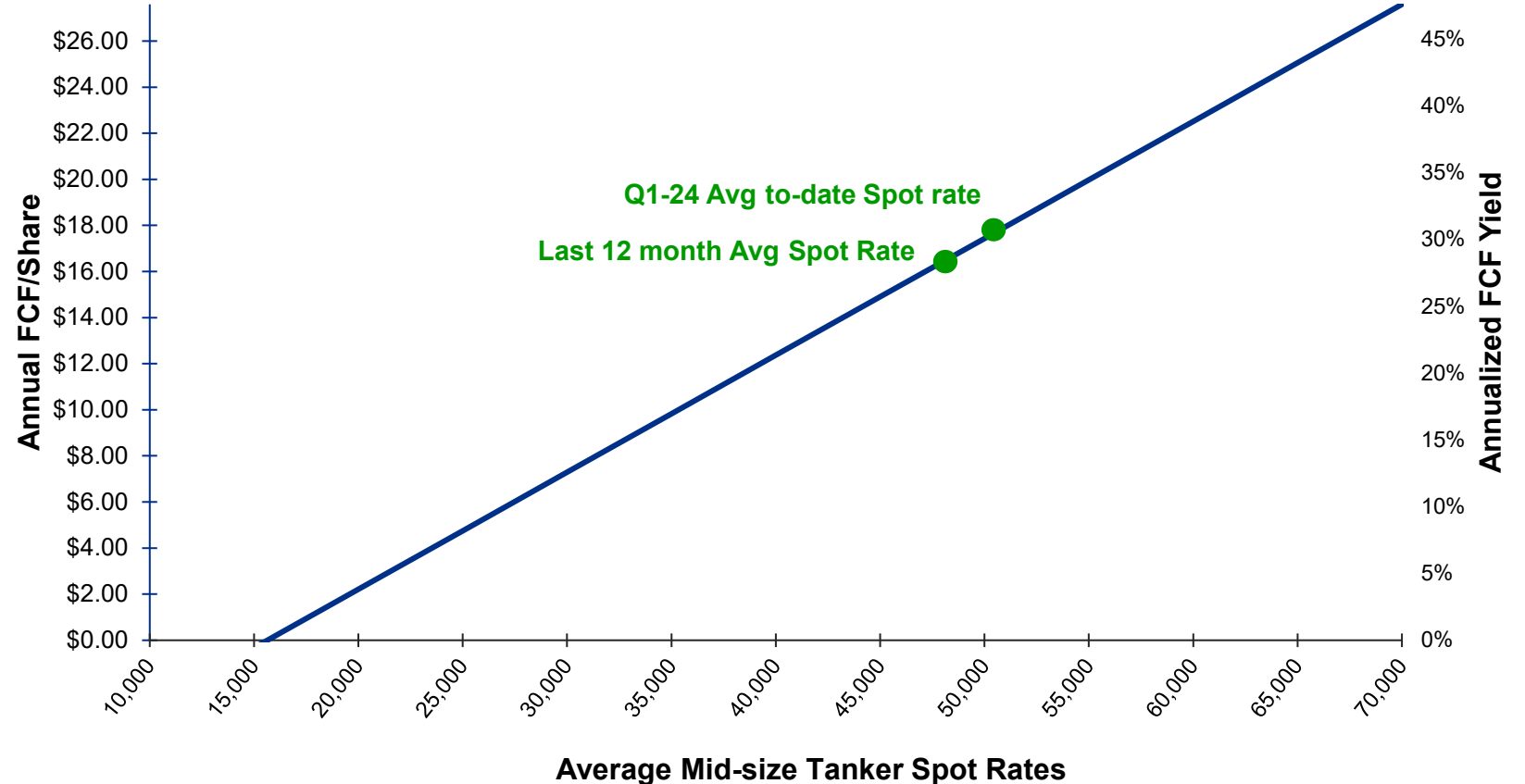
(4) Total shareholder return based on the change in share price from January 3, 2023 (\$28.70) to February 21, 2024 (\$57.94) plus a total of \$1.00 per share of fixed quarterly dividends and a \$1.00 per share special dividend paid for Q1-23.

Creating Shareholder Value

Continuing to create shareholder value in strong tanker market as 98% of the 51-vessel fleet trading in the strong spot market

- Based on LTM average realized spot rates, annual FCF⁽¹⁾⁽²⁾ forecast is approximately \$16.30 per share, resulting in a FCF yield of approximately 28%⁽³⁾

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. This is a non-GAAP financial measure. See appendix slide 17 for the reconciliation to the comparable GAAP measure.

(2) For 12 months ending December 31, 2024 assuming 50 vessels operating in the spot market.

(3) Free Cash Flow (FCF) yield is equal to forecasted annual FCF divided by TNK's closing share price on February 21, 2024 of \$57.94.

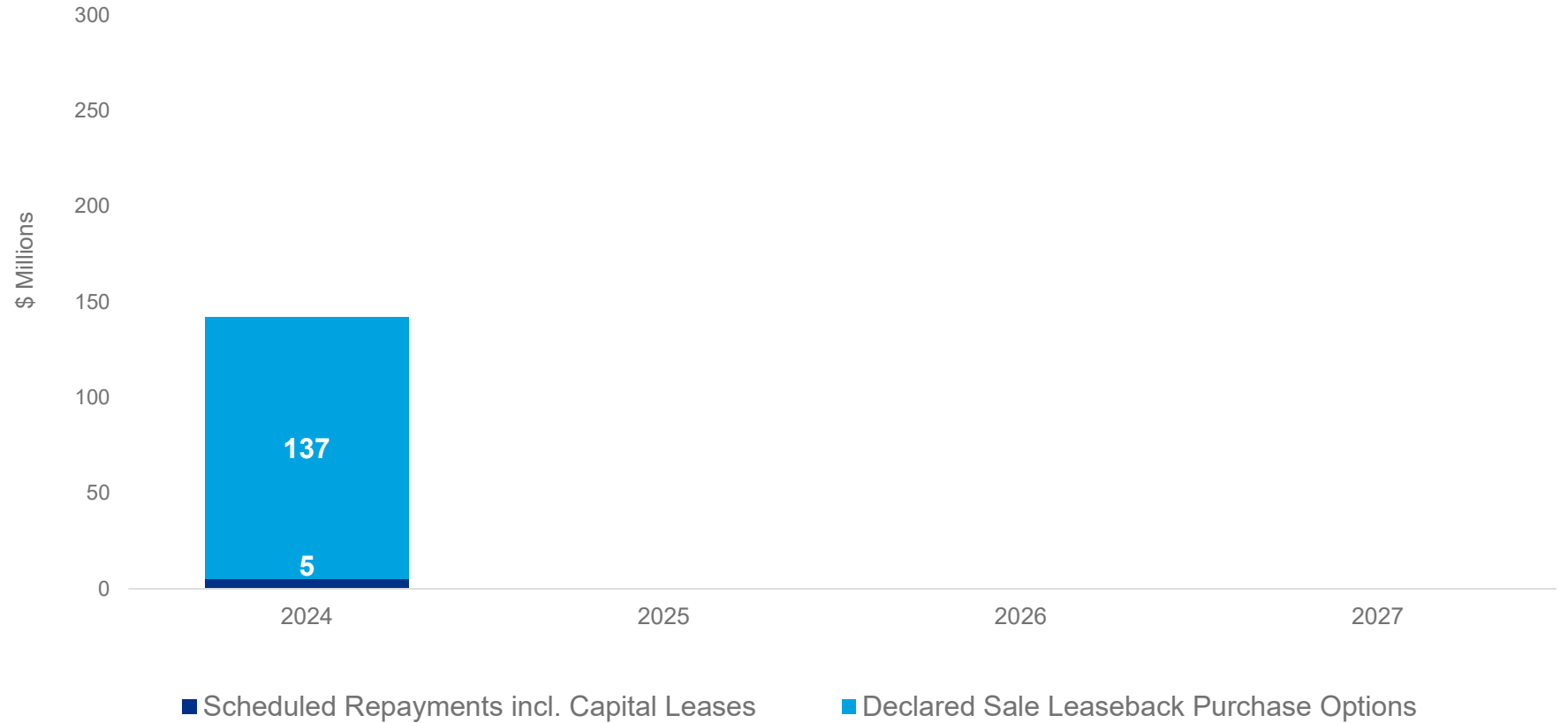
Appendix

Debt Repayment Profile

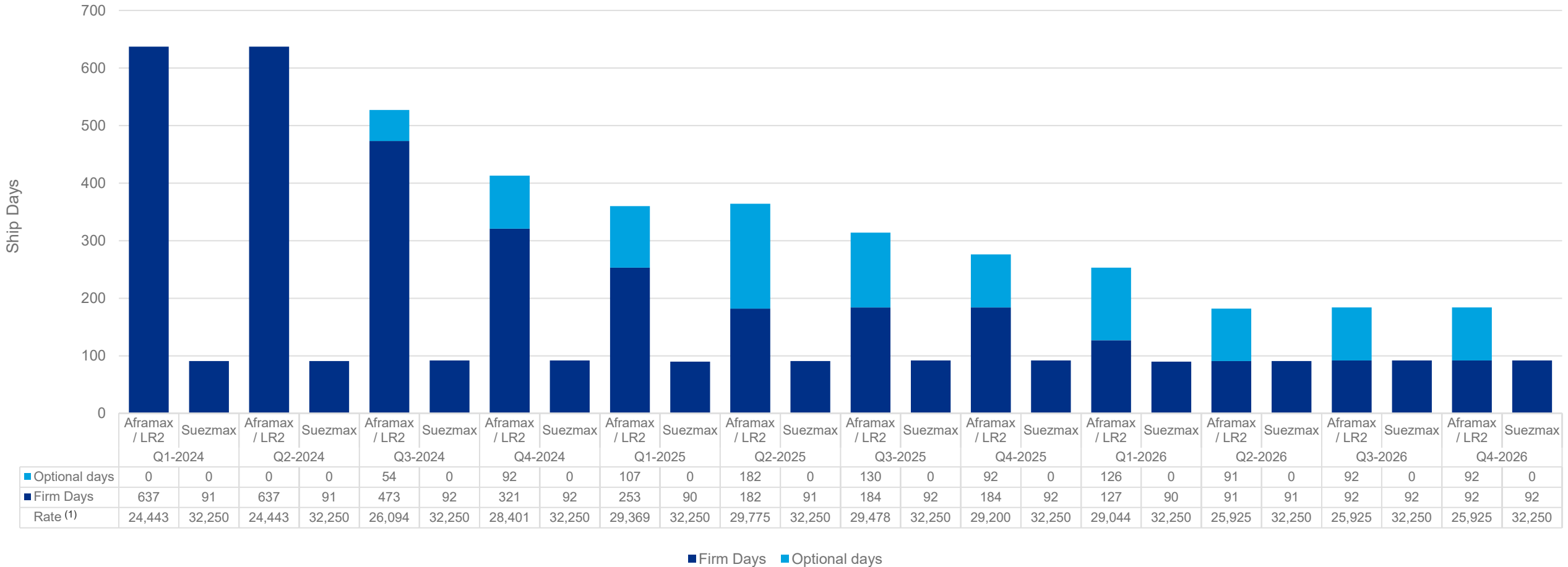
Gave notice to exercise repurchase options on remaining eight vessels in sale-leaseback arrangements for \$137 million

- The vessels are expected to be repurchased by end Q1-24
- TNK will be debt free after the repurchases

Debt Repayment Profile

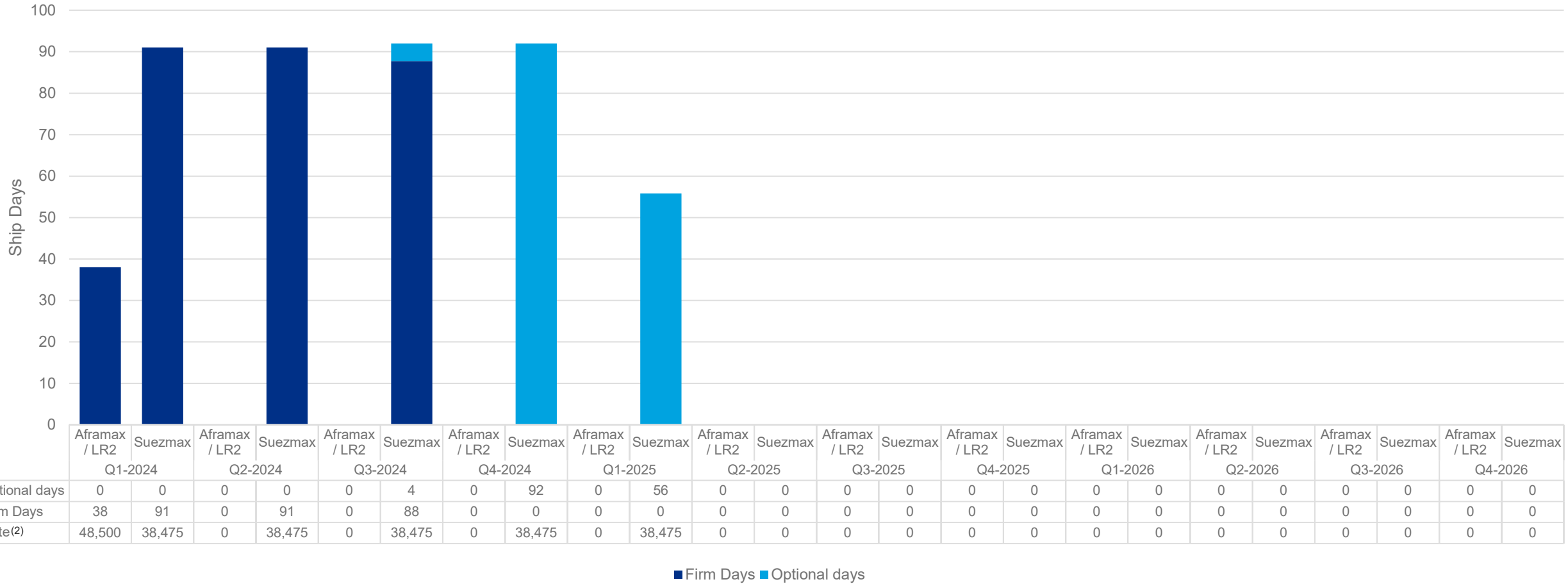


Fleet In-Chartering



(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 18

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

Q1-24 Outlook

Income Statement Item	Q4-23 in thousands adjusted basis ⁽¹⁾	Q1-24 Outlook ⁽¹⁾ (expected changes from Q4-23)
Net revenues ⁽²⁾	194,463	<p>Decrease of approximately 115 net revenue days, consisting of a decrease of 60 fixed days and a decrease of 55 spot days, primarily due to the redelivery of one tanker from out-charter contract in the first half of Q1-24, the sale of two tankers at the end of Q4-23 and during the first half of Q1-24, as well as fewer calendar days, partially offset by fewer off-hire days in Q1-24 compared to Q4-23.</p> <p>Refer to Slide 5 for Q1-24 booked to-date spot tanker rates. Refer to Slide 13 for a summary of fleet out-charter employment.</p>
Vessel operating expenses	(36,612)	Increase of approximately \$1 million, primarily due to the timing of maintenance activities, partially offset by the sale of two tankers at the end of Q4-23 and during the first half of Q1-24.
Depreciation and amortization	(24,627)	Decrease of approximately \$1 million, primarily due to the sale of one tanker and the classification of another tanker as held-for-sale in Q4-23.
Interest income	3,058	Increase of approximately \$2.5 million, primarily due to interest income earned on expected higher cash balances during Q1-24.

(1) Changes described are after adjusting Q4-23 for items included in Appendix A of Teekay Tankers' Q4-23 Earnings Release (see slide 16 of this earnings presentation for the Consolidated Adjusted Line Items for Q4-23).

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-23 Earnings Release for a definition and reconciliation of this term.



Adjusted Net Income⁽¹⁾

Q4-23 vs Q3-23

(In thousands of U.S. dollars)

Statement Item	Q4-2023 (unaudited)	Q3-2023 (unaudited)	Variance	Comments
Revenues	313,291	285,858	27,433	
Voyage expenses	(118,828)	(113,274)	(5,554)	
Net revenues ⁽²⁾	194,463	172,584	21,879	Increase primarily due to higher overall spot TCE rates, partially offset by more scheduled dry-dockings in Q4-23.
Vessel operating expenses	(36,612)	(36,366)	(246)	
Time-charter hire expenses	(19,822)	(19,378)	(444)	
Depreciation and amortization	(24,627)	(24,565)	(62)	
General and administrative expenses	(10,849)	(10,700)	(149)	
Income from operations	102,553	81,575	20,978	
Interest expense	(4,141)	(6,440)	2,299	Decrease primarily due to lower interest payments related to the repurchase of four sale-leaseback vessels at the end of Q3-23 and lower loan cost amortization resulting from the write-off of capitalized financing costs related to the same repurchase of four sale-leaseback vessels, as well as the voluntary cancellation of one revolving credit facility in Q3-23.
Interest income	3,058	3,119	(61)	
Equity income	516	666	(150)	
Other expense	(824)	(82)	(742)	
Income tax expense	(1,617)	(2,227)	610	
Adjusted net income	99,545	76,611	22,934	

(1) Refer to slide 16 for the Q4-23 reconciliations of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP). For the Q3-23 reconciliation, please refer to the Q3-23 earnings presentation.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-23 Earnings Release for a definition and reconciliation of this term.



Consolidated Adjusted Statement of Income

Q4-23

(In thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items ⁽¹⁾	As Adjusted
Revenues	313,291	-	313,291
Voyage expenses	(118,828)	-	(118,828)
Net revenues ⁽²⁾	194,463	-	194,463
Vessel operating expenses	(36,612)	-	(36,612)
Time-charter hire expenses	(19,822)	-	(19,822)
Depreciation and amortization	(24,627)	-	(24,627)
General and administrative expenses	(10,849)	-	(10,849)
Gain on sale of vessel	10,360	(10,360)	-
Income from operations	112,913	(10,360)	102,553
Interest expense	(4,141)	-	(4,141)
Interest income	3,058	-	3,058
Equity income	516	-	516
Other income (expense)	965	(1,789)	(824)
Income tax expense	(1,617)	-	(1,617)
Net income	111,694	(12,149)	99,545

(1) Please refer to Appendix A in Teekay Tankers Q4-23 Earnings Release for a description of Appendix A items.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-23 Earnings Release for a definition and reconciliation of this term.



Reconciliation of Non-GAAP Financial Measure – Free Cash Flow

(In thousands of U.S. dollars)

	Three Months Ended December 31, 2023 (unaudited)	Year Ended December 31, 2023 (unaudited)
Net income - GAAP basis	111,694	513,671
<i>Add:</i>		
Depreciation and amortization	24,627	97,551
Proportionate share of free cash flow from equity-accounted joint venture	1,031	5,490
Unrealized loss on derivative instruments	—	3,709
<i>Less:</i>		
Realized gain from early termination of interest rate swap	—	(3,215)
Gain on sale of assets	(10,360)	(10,360)
Equity income	(516)	(3,432)
Other	(1,789)	(1,789)
Dry-docking and capital expenditures	(14,243)	(26,428)
Free Cash Flow	110,444	575,197

Drydock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	December 31, 2023 (A)		March 31, 2024 (E)		June 30, 2024 (E)		September 30, 2024 (E)		December 31, 2024 (E)		Total 2024 (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	Vessels	Total Off-hire Days
Spot Tanker	4	145	1	55	8	260	6	200	-	10	15	525
Fixed-Rate Tanker	-	-	-	-	-	-	-	-	-	-	-	-
Other - Unplanned Offhire	-	15	-	32	-	37	-	37	-	36	-	142
	4	160	1	87	8	297	6	237	-	46	15	667

(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.