

Teekay Tankers

Second Quarter 2024 Earnings Presentation

August 1, 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: our expectations regarding vessel sales, including the occurrence and timing of vessel delivery and completion of sale transactions, and the anticipated gain from such sales; the impact of the commissioning of the previously-announced expansion of the Trans Mountain Pipeline, including expected export levels; 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 tanker operating environment, the strength of the tanker market and of the tanker rate environment, and the Company's ability to benefit from strong spot tanker rates, maintain financial strength, generate free cash flow and create shareholder value; crude oil and refined product tanker market fundamentals; 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 expectations regarding free cash flow and other financial statement items; anticipated drydock 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 impact of geopolitical tensions and conflicts, 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, 2023. 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 \$124 million, and adjusted net income⁽¹⁾ of \$107 million, or \$3.11 per share, in Q2-24

For every \$5,000 above TNK's FCF⁽²⁾ breakeven of approximately \$15,000 per day, expected to generate \$2.36⁽³⁾ of annual FCF per share

Declared fixed quarterly dividend of \$0.25 per share

Market

Mid-size tanker spot rates remain strong and stable and continue to outperform other asset classes

Commencement of exports from Trans Mountain Pipeline expansion (TMX) has provided a new source of Aframax demand

Supply and demand fundamentals point towards multiple years of tanker market strength

Commercial

Sold two 2005-built vessels for \$64.8 million

Purchased one 2021-built Aframax for \$70.5 million

Extended existing in-charter Aframax for additional 12 months for \$34,000 per day

Out-chartered one Aframax for \$49,750 per day for 12 months

(1) These are non-GAAP financial measures. Please see Teekay Tankers' Q2-24 earnings release for definitions and reconciliations to the comparable GAAP measures.

(2) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 13 for the definition and the reconciliation to the comparable GAAP measure.

(3) For 12 months ending June 30, 2025, based on the current fleet and all in-charters and out-charters shown on slides 9 and 10.



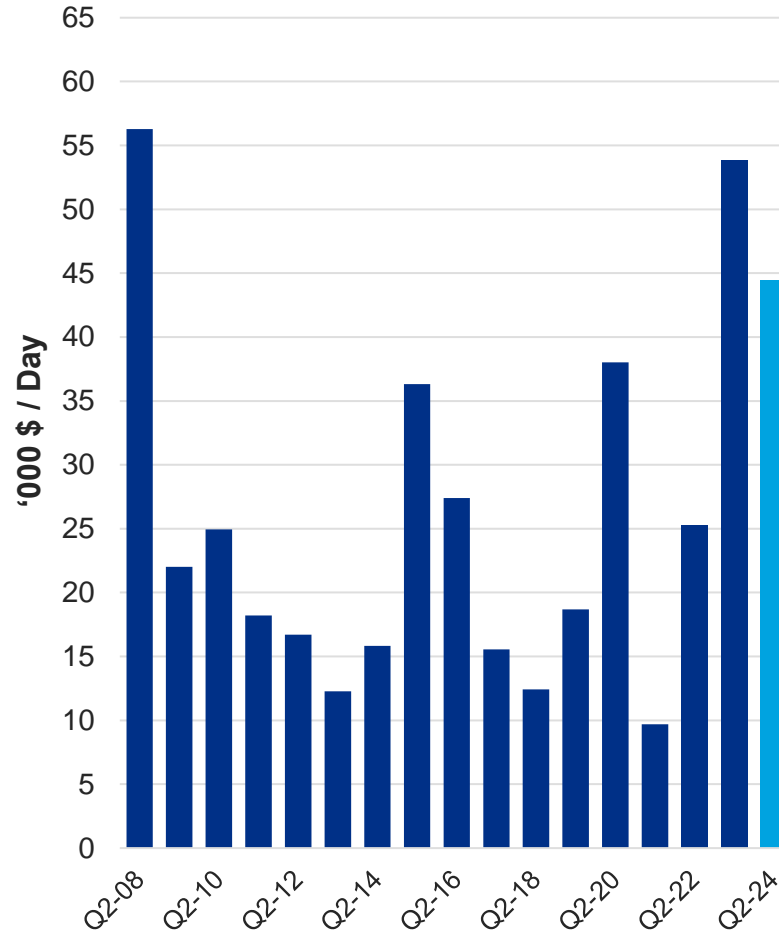
Mid-Size Tanker Spot Rates Remain Strong and Stable

Q2-24 mid-size tanker spot rates averaged above \$40,000 / day for the third quarter in a row

TMX began operations in mid-May creating additional Aframax demand in the Pacific

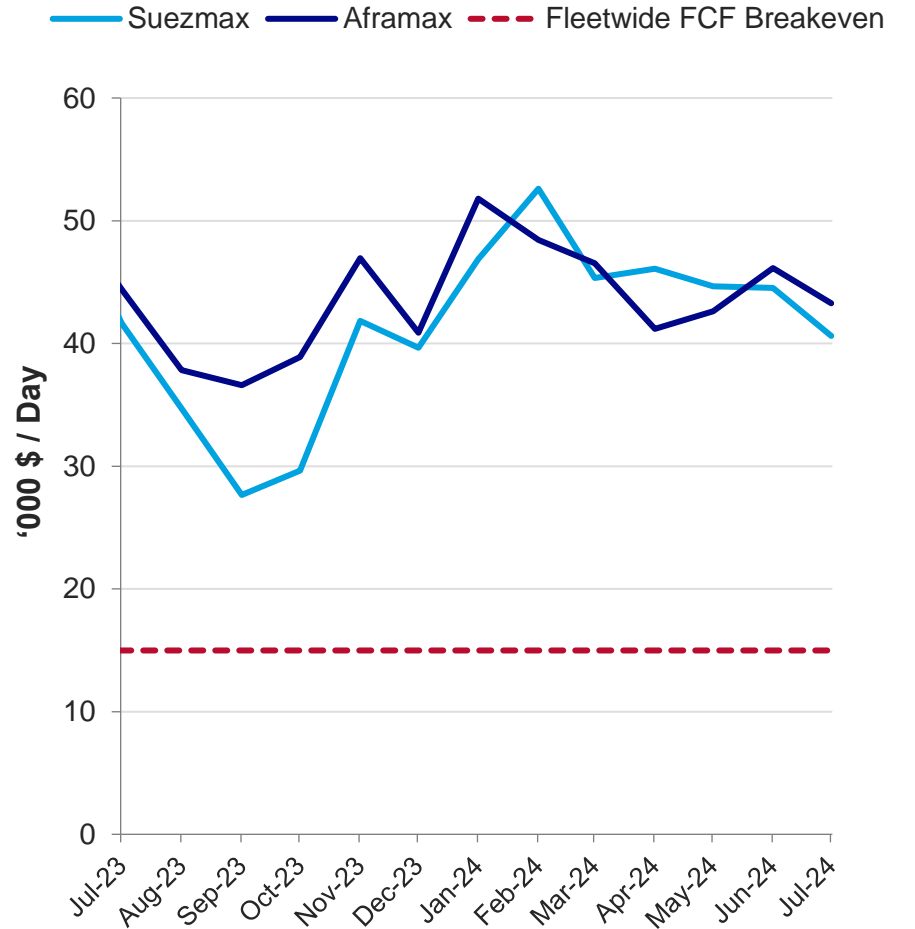
Ongoing attacks in the Red Sea causing continued vessel diversions, leading to longer voyage distances

TNK's Historical Q2 Average Mid-Size Tanker Rates



Source: Internal
(average of Suezmax and Aframax spot rates)

Monthly Crude Tanker Spot Rates

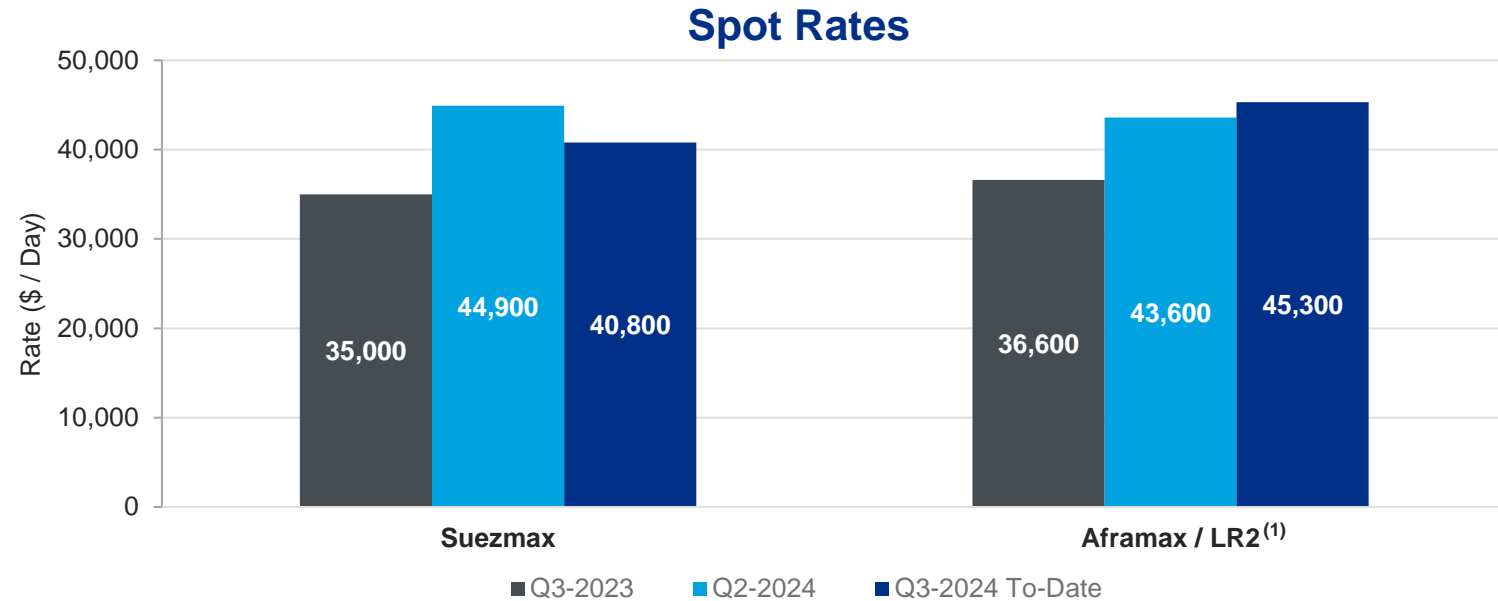


Source: Internal



Q3-24 To-Date Spot Rates

Eight vessels in-chartered at an average rate of \$26,800 per day, mark-to-market value of approximately \$53 million⁽²⁾



	Suezmax	Aframax / LR2 ⁽¹⁾
Q3-24 spot ship days available	2,061	1,928
Q3-24 % spot ship days booked to-date	40%	41%

(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 July 26, 2024, multiplied by the remaining days of each chartered-in agreement, including extension options on three Aframax vessels, two in 2025 and one in 2026.

Market Outlook

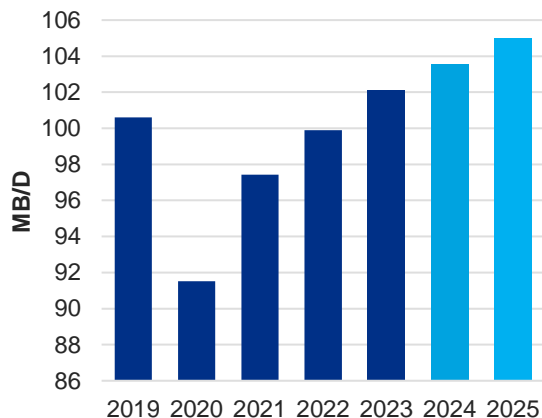
Supply and demand fundamentals point towards multiple years of tanker market strength

Increasing customer enquiries for time charters of up to 3 years at firm rates; indication of growing belief in a multi-year strong market

Oil Supply / Demand

- Global oil demand projected to grow by around 1.5 mb/d in each of 2024 and 2025
- OPEC+ has announced that it will unwind 2.2 mb/d of voluntary supply cuts starting Oct-24
- Further non-OPEC+ supply growth from the US, Canada, Brazil, and Guyana

Global Oil Demand

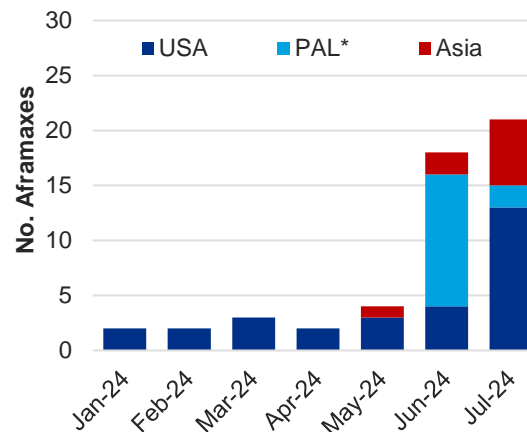


Source: Average of IEA, EIA, OPEC

Seaborne Oil Trade

- TMX pipeline operating at around 300 kb/d (60% capacity) in June with 20 vessels loaded; volumes continuing to ramp up
- Significant number of vessels continue to divert via the Cape of Good Hope to avoid attacks in the Red Sea

TMX Loadings by Destination



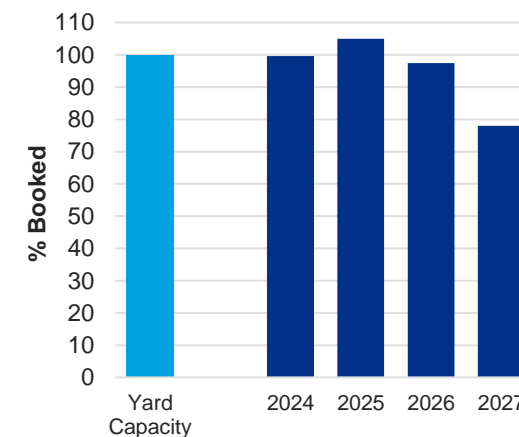
Source: Vortexa

*Pacific Area Lightering zone off California for loading to a VLCC for onwards transportation to Asia

Tanker Fleet Supply

- 2024 on track to be the lowest year for new tanker deliveries since 1988
- Shipyards are full through 2026 and almost 80% full for 2027
- Modest orderbook, aging tanker fleet, and lack of yard capacity signals low fleet growth over the next 2-3 years

Orderbook vs. Yard Capacity*



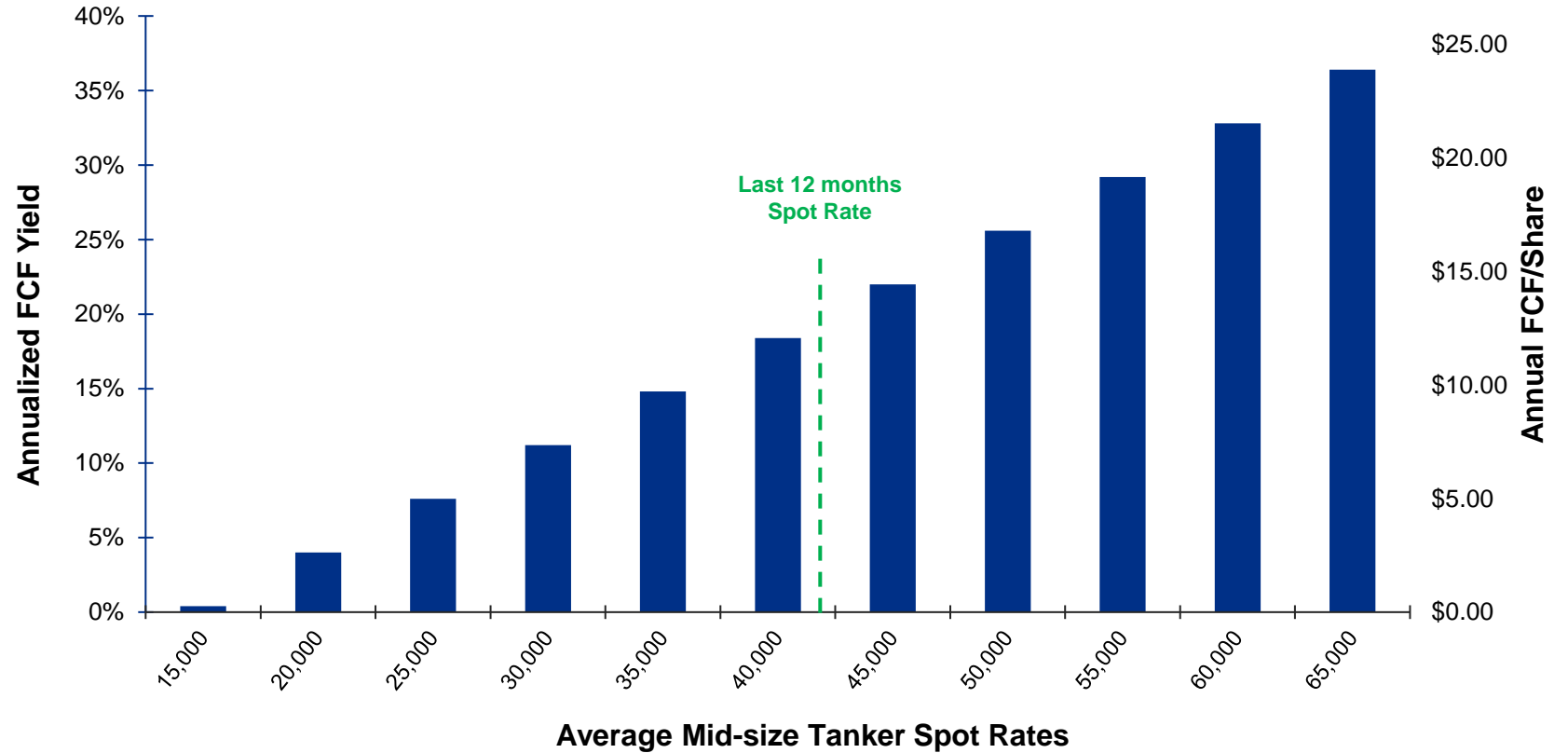
*Forward orderbook for all vessel types vs. estimated shipyard capacity

Creating Shareholder Value

52-vessel fleet continuing to create significant shareholder value in strong tanker market

- 96% of the fleet in the strong spot market
- Every \$5,000 increase in spot rates above TNK's FCF break-even of \$15,000 per day expected to increase annual FCF yield by 3.6% or generate \$2.36^(2,3) of annual FCF per share

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

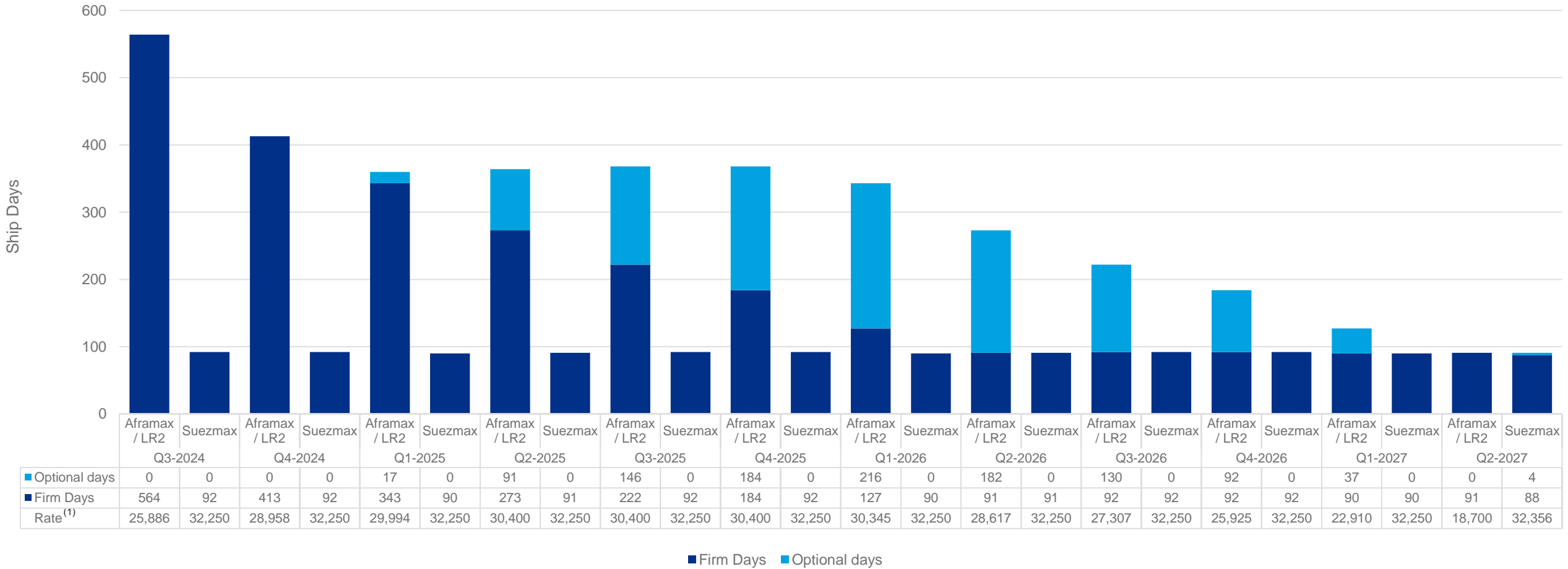


FCF yield of approximately 20%^(2,3) based on last 12 months average spot rates

(1) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 13 for the definition and the reconciliation to the comparable GAAP measure.
 (2) For 12 months ending June 30, 2025, based on the current fleet and all in-charters and out-charters shown on slides 9 and 10.
 (3) Free Cash Flow (FCF) yield is equal to forecasted annual FCF divided by TNK's closing share price on July 31, 2024 of \$65.44.

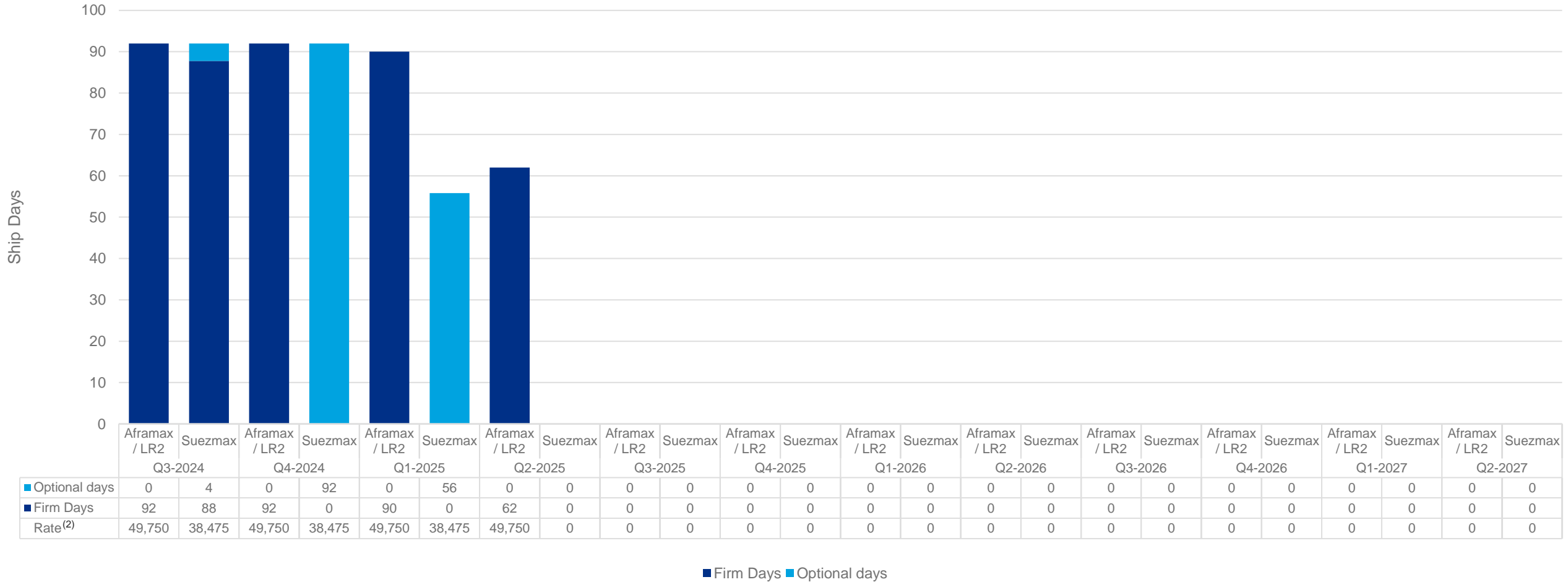
Appendix

Fleet In-Chartering



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

Fleet Out-Chartering⁽¹⁾



(1) Based on existing charters excluding expected dry-dock / off-hire days noted on slide 14
 (2) Weighted average rate for the firm and optional period hire rates

Q3-24 Outlook

Income Statement Item	Q2-24 in thousands	Q3-24 Outlook (expected changes from Q2-24)
Net revenues ⁽¹⁾	196,493	<p>Net decrease of approximately 194 net revenue days, consisting of a decrease of 257 spot days and an increase of 63 fixed days, primarily due to more scheduled dry dockings and higher associated off-hire bunker expenses of approximately \$1.2 million in Q3-24, as well as the expected redelivery of two in-chartered tankers in Q3-24, partially offset by the purchase of one tanker in Q3-24.</p> <p>Refer to Slide 5 for Q3-24 booked to-date spot tanker rates. Refer to Slide 10 for a summary of fleet out-charter employment.</p>
Time-charter hire expenses	(19,670)	<p>Decrease of approximately \$1 million, primarily due to the expected redelivery of two in-chartered tankers in Q3-24 and more off-hire days due to one in-chartered tanker dry docking during Q3-24, partially offset by an increase in the hire rate for one in-chartered tanker in Q3-24 resulting from the exercise of an extension option.</p>
General and administrative expenses	(13,959)	<p>Decrease of approximately \$3 million, primarily due to the timing of expenditures and the annual recognition of certain compensation-related amounts in the second quarter.</p>

(1) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q2-24 Earnings Release for a definition and reconciliation of this term.



Adjusted Net Income⁽¹⁾

Q2-24 vs Q1-24

(In thousands of U.S. dollars)

Statement Item	Q2-2024 (unaudited)	Q1-2024 (unaudited)	Variance	Comments
Revenues	296,590	338,343	(41,753)	
Voyage expenses	(100,097)	(116,531)	16,434	
Net revenues ⁽²⁾	196,493	221,812	(25,319)	Decrease primarily due to lower overall spot TCE rates, more scheduled dry dockings in Q2-24, and the sale of one vessel during Q1-24.
Vessel operating expenses	(38,356)	(37,495)	(861)	
Time-charter hire expenses	(19,670)	(19,516)	(154)	
Depreciation and amortization	(22,373)	(23,318)	945	
General and administrative expenses	(13,959)	(13,843)	(116)	
Income from operations	102,135	127,640	(25,505)	
Interest expense	(979)	(3,742)	2,763	Decrease primarily due to lower interest payments related to the repurchase of eight sale-leaseback vessels during Q1-24.
Interest income	5,726	5,474	252	
Equity income	905	1,368	(463)	
Other income	1,465	577	888	
Income tax (expense) recovery	(2,282)	1,030	(3,312)	Increase in income tax expense primarily due to vessel trading activities and regular assessment of tax positions.
Adjusted net income	106,970	132,347	(25,377)	

(1) For the Q1-24 reconciliation of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP), please refer to the Q1-24 earnings presentation.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q2-24 Earnings Release for a definition and reconciliation of this term.



Reconciliation of Non-GAAP Financial Measure – Free Cash Flow

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 gain on sale of assets, unrealized gains from derivatives, other non-cash items, dry-docking expenditures and other capital expenditures.

(In thousands of U.S. dollars)

	Three Months Ended June 30, 2024 (unaudited)
Net income - GAAP basis	106,970
<i>Add:</i>	
Depreciation and amortization	22,373
Proportionate share of free cash flow from equity-accounted joint venture	1,420
<i>Less:</i>	
Equity income	(905)
Dry-docking and capital expenditures	(9,727)
Free Cash Flow	120,131

Drydock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	March 31, 2024 (A)		June 30, 2024 (A)		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
Spot Tanker	-	21	4	173	11	363	-	10	15	567
Fixed-Rate Tanker	-	-	-	-	-	-	-	-	-	-
Other - Unplanned Offhire	-	37	-	11	-	47	-	35	-	130
	-	58	4	184	11	410	-	45	15	697

(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 vessel count has been allocated to the quarter in which a majority of drydock days occur.

(3) Vessel count only reflects the vessels with drydock and/or ballast water treatment system installation related off-hire.