



**TEN, Ltd.**

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Press Release  
November 23, 2020

**TEN LTD REPORTS PROFITS FOR THE NINE MONTHS AND THIRD  
QUARTER ENDED SEPTEMBER 30, 2020 AND ANNOUNCES COMMON  
STOCK DIVIDEND OF \$0.125 PER SHARE**

*130% increase of operating income y-o-y*

*Full-year common stock dividend totals \$0.50 per share*

*New acquisitions to add a minimum of \$200 million in TCE revenues*

*High utilization levels despite global pandemic*

*TEN's crew health and safety remains a priority*

Athens, Greece – November 23, 2020 -TEN, Ltd (TEN) (NYSE: TNP) (the “Company”) today reported results (unaudited) for the quarter and nine months ended September 30, 2020.

**NINE MONTHS 2020 SUMMARY RESULTS**

TEN generated a net income of \$70.6 million in the nine months ended September 30, 2020, before second-quarter 2020 reported non-cash charges of \$16.5 million, compared to \$2.0 million for the same nine-month period in 2019.

Gross revenues amounted to \$512.5 million, a \$90.4 million, or 21.4%, increase over the 2019 equivalent nine-month period, despite three vessels undergoing dry-docking for survey and upgrading purposes.

Adjusted EBITDA for the nine months ended September 30, 2020 increased to \$234.1 million, \$67.0 million higher from the same period in 2019.

Operating income, before non-cash items, totaled \$133.3 million, a 130% increase from the 2019 equivalent nine-month period.

The average daily time charter equivalent (TCE) rate per vessel of the fleet increased by 27.4% to reach \$25,351.

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Fleet utilization for the first nine months of the year at a still strong 95.2% after increased dry-dockings and pandemic related operational obstacles.

On September 30, 2020, total cash reserves stood at \$236.5 million.

Six tankers with an average age of 14.7 years were sold in the first half of 2020 generating about \$37.5 million free cash after repaying nearly \$61.0 million of related debt. Additionally, during the year, the Company has taken delivery of four environmentally friendly state of the art vessels, two suezmaxes and two aframaxs on minimum five-year contracts to an oil major with expected TCE-basis revenues of about \$200 million. These transactions resulted in the reduction of the fleet's average age by about three years and further enhanced its modern profile.

Vessel operating expenses were at \$133.4 million, just under the operating expenses in the 2019 nine-month period with the same average number of vessels.

Average daily operating expenses per vessel in the 2020 first nine months also remained at a relatively stable level of \$7,757.

Total finance costs remained steady at \$61.0 million, almost exactly the level of the 2019 nine-month period, of which bank loan interest amounted to \$35.4 million. A reduction of \$18.5 million due to lower average outstanding debt, lower market interest rates and lower average margins in this nine-month period.

Total debt outstanding as of September 30, 2020 stood at \$1.504 billion.

### **Q3 2020 SUMMARY RESULTS**

In what is the seasonally slowest quarter, TEN's net income for the three-month period that ended on September 30, 2020 reached \$1.4 million compared to a net loss of \$9.5 million in the same quarter of 2019. An \$11.0 million positive turnaround.

Gross revenue generated by TEN's vessels amounted to \$142.8 million, 9% more than in the 2019 third quarter resulting to an EBITDA of \$48.1 million.

Despite the additional pressure created by the global slow-down in demand due to the pandemic and the inevitable draw-down of global inventories, operating income increased by 29% from the 2019 third quarter to reach \$15.1 million.

Average daily TCE rates per vessel increased to \$20,451, compared to an average daily TCE per vessel of \$18,837 in the 2019 third quarter.

Operating expenses of about \$45.2 million were similar to those of the 2019 third quarter. Average daily opex per vessel at \$7,927 increased modestly, due partly to a weakness in the US dollar, necessary dry-docking expenses and effects of the pandemic.

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Finance and interest costs fell 39% to \$13.5 million, due to a reduction in average debt outstanding between the two respective third quarters and a decrease in margins payable on several loans.

### **DIVIDEND – COMMON SHARES**

The Company will pay a dividend of \$0.1250 per common share on December 22, 2020 to shareholders of record as of December 16, 2020 bringing the total payments to holders of the common stock for 2020 to \$0.50 per share on a reverse-split adjusted basis.

### **OTHER**

Following the full redemption of the \$50 million Series B Preferred shares in July 2019, at the end of October 2020 TEN also repaid, at par, its 8.875% \$50 million Series C Preferred Shares and reduced its total preferred shares by \$100 million.

Since the commencement of the TEN's share buyback program in May 2020, the Company has acquired approximately \$10 million worth of common shares representing over 5% of the total (reverse-split adjusted) shares outstanding.

### **CORPORATE STRATEGY & OUTLOOK**

As the rollercoaster year 2020 approaches to a close, a light glimmers at the end of the tunnel in the form of a vaccine that hopefully cures all.

In the meantime, TEN continues its steady course through these turbulent times.

The strong market at the start of the year gave us the opportunity to charter-out at accretive rates a number of our vessels operating in spot trades. At the same time, we sold six tankers with an average age of 14.7 years and replaced them with four brand new, purposely-built eco-designed vessels with solid long-term employment which will add \$200 million, over 5 years, in TCE-basis revenues.

Concurrently, we took the opportunity of the distressed newbuilding prices to order two specialized vessels, one DP2 shuttle tanker and one LNG carrier, today both with long-term charter contracts.

Additionally, we have continued the reduction of our preferred securities and bank debt, whilst maintaining our uninterrupted dividend policy and strong cash reserves.

Looking forward, a normalization of the pandemic should revitalize world trade and materially increase oil demand, resulting in a stronger freight market. The historically low supply of tonnage currently in existence should assist in boosting rates and asset values significantly, providing better opportunities to divest our first-generation vessels and enhance profitability further.

In the meantime, we spare no effort in securing the well-being of our seafarers and thank them for their heroic efforts in maintaining our flawless operations and high utilization record in this unprecedented challenging environment.

We wish you all a SAFE Thanksgiving and better days ahead.

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## **CONFERENCE CALL**

As previously announced, today, Monday, November 23, 2020 at 10:00 a.m. Eastern Time, TEN will host a conference call to review the results as well as management's outlook for the business. The call, which will be hosted by TEN's senior management, may contain information beyond that which is included in the earnings press release.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 877 553 9962 (US Toll Free Dial In), 0808 238 0669 (UK Toll Free Dial In) or +44 (0)2071 928592 (Standard International Dial In). Please quote "Tsakos" to the operator.

A telephonic replay of the conference call will be available until Monday, November 30, 2020 by dialing 1 866 331 1332 (US Toll Free Dial In), 0808 238 0667 (UK Toll Free Dial In) or +44 (0)3333 00 9785 (Standard International Dial In). Access Code: 90295809#

## **SIMULTANEOUS SLIDES AND AUDIO WEBCAST:**

There will also be a simultaneous live, and then archived, slides webcast of the conference call, available through TEN's website ([www.tenn.gr](http://www.tenn.gr)). The slides webcast will also provide details related to fleet composition and deployment and other related company information. This presentation will be available on the Company's corporate website reception page at [www.tenn.gr](http://www.tenn.gr). Participants for the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

## **ABOUT TEN**

TEN, founded in 1993 and celebrating this year 27 years as a public company, is one of the first and most established public shipping companies in the world. TEN's diversified energy fleet currently consists of 68 double-hull vessels, including one LNG carrier and one suezmax DP2 shuttle tanker under construction, constituting a mix of crude tankers, product tankers and LNG carriers, totalling 7.6 million dwt.

## **ABOUT FORWARD-LOOKING STATEMENTS**

Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. TEN undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. For further information, please contact:

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**TSAKOS ENERGY NAVIGATION LIMITED AND SUBSIDIARIES**

Selected Consolidated Financial and Other Data

(In Thousands of U.S. Dollars, except share, per share and fleet data)

| STATEMENT OF OPERATIONS DATA  | Three months ended       |                    | Nine months ended        |                    |
|---|--------------------------|--------------------|--------------------------|--------------------|
|   | September 30 (unaudited) |                    | September 30 (unaudited) |                    |
|   | 2020                     | 2019               | 2020                     | 2019               |
| <b>Voyage revenues</b>  | \$ 142,834               | \$ 131,002         | \$ 512,503               | \$ 422,066         |
| Voyage expenses   | 37,242                   | 30,132             | 105,363                  | 96,888             |
| Charter hire expense  | 5,471                    | 2,728              | 16,033                   | 8,094              |
| Vessel operating expenses   | 45,246                   | 44,766             | 133,440                  | 134,163            |
| Depreciation and amortization   | 33,144                   | 34,522             | 102,477                  | 104,065            |
| General and administrative expenses   | 6,591                    | 7,143              | 21,859                   | 20,375             |
| Loss on sale of vessels   | -                        | -                  | 3,050                    | -                  |
| Impairment charges  | -                        | -                  | 13,450                   | -                  |
| <b>Total expenses</b>   | <b>127,694</b>           | <b>119,291</b>     | <b>395,672</b>           | <b>363,585</b>     |
| <b>Operating income</b>   | <b>15,140</b>            | <b>11,711</b>      | <b>116,831</b>           | <b>58,481</b>      |
| Interest and finance costs, net   | (13,485)                 | (22,133)           | (60,958)                 | (60,988)           |
| Interest income   | 28                       | 690                | 538                      | 3,238              |
| Other, net  | (140)                    | (3)                | 377                      | (34)               |
| <b>Total other expenses, net</b>  | <b>(13,597)</b>          | <b>(21,446)</b>    | <b>(60,043)</b>          | <b>(57,784)</b>    |
| <b>Net income (loss)</b>  | <b>1,543</b>             | <b>(9,735)</b>     | <b>56,788</b>            | <b>697</b>         |
| Less: Net (income) loss attributable to the noncontrolling interest                                       | (123)                    | 206                | (2,668)                  | 1,312              |
| <b>Net income (loss) attributable to Tsakos Energy Navigation Limited</b>                                 | <b>\$ 1,420</b>          | <b>\$ (9,529)</b>  | <b>\$ 54,120</b>         | <b>\$ 2,009</b>    |
| Effect of preferred dividends   | (9,204)                  | (10,204)           | (28,268)                 | (30,613)           |
| Undistributed income to Series G participants   | -                        | -                  | (1,370)                  | -                  |
| Deemed dividend on Series B preferred shares  | -                        | -                  | -                        | (2,750)            |
| Deemed dividend on Series C preferred shares  | (2,493)                  | -                  | (2,493)                  | -                  |
| <b>Net income (loss) attributable to common stockholders of Tsakos Energy Navigation Limited, basic</b>   | <b>\$ (10,277)</b>       | <b>\$ (19,733)</b> | <b>\$ 21,989</b>         | <b>\$ (31,354)</b> |
| <b>Net income (loss) attributable to common stockholders of Tsakos Energy Navigation Limited, diluted</b> | <b>\$ (10,277)</b>       | <b>\$ (19,733)</b> | <b>\$ 24,013</b>         | <b>\$ (31,354)</b> |
| Earnings (Loss) per share, basic  | \$ (0.55)                | \$ (1.11)          | \$ 1.16                  | \$ (1.78)          |
| Earnings (Loss) per share, diluted  | \$ (0.55)                | \$ (1.11)          | \$ 1.16                  | \$ (1.78)          |
| Weighted average number of common shares, basic   | 18,605,661               | 17,825,746         | 18,937,444               | 17,633,473         |
| Weighted average number of common shares, diluted   | 18,605,661               | 17,825,746         | 20,681,143               | 17,633,473         |

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| <b>BALANCE SHEET DATA</b>                         | <b>September 30</b> |                  | <b>December 31</b> |                  |
|---|---------------------|------------------|--------------------|------------------|
|   |                     | <b>2020</b>      |                    | <b>2019</b>      |
| Cash  |                     | 236,493          |                    | 197,770          |
| Other assets                                      |                     | 290,639          |                    | 261,607          |
| Vessels, net                                      |                     | 2,574,077        |                    | 2,633,251        |
| Advances for vessels under construction           |                     | 77,493           |                    | 61,475           |
| <b>Total assets</b>                               | \$                  | <u>3,178,702</u> | \$                 | <u>3,154,103</u> |
| Debt, net of deferred finance costs               |                     | 1,495,003        |                    | 1,534,296        |
| Other liabilities                                 |                     | 262,897          |                    | 147,488          |
| Stockholders' equity                              |                     | <u>1,420,802</u> |                    | <u>1,472,319</u> |
| <b>Total liabilities and stockholders' equity</b> | \$                  | <u>3,178,702</u> | \$                 | <u>3,154,103</u> |

| <b>OTHER FINANCIAL DATA</b>                         | <b>Three months ended</b> |                 | <b>Nine months ended</b> |                 |
|---|---------------------------|-----------------|--------------------------|-----------------|
|   | <b>September 30</b>       |                 | <b>September 30</b>      |                 |
|   | <b>2020</b>               | <b>2019</b>     | <b>2020</b>              | <b>2019</b>     |
| Net cash from operating activities                  | \$ 45,098                 | \$ 36,769       | \$ 187,179               | \$ 121,373      |
| Net cash used in investing activities               | \$ (86,375)               | \$ (27,453)     | \$ (70,274)              | \$ (60,297)     |
| Net cash provided by (used in) financing activities | \$ 21,217                 | \$ (24,898)     | \$ (78,183)              | \$ (104,598)    |
| TCE per ship per day                                | \$ 20,451                 | \$ 18,837       | \$ 25,351                | \$ 19,900       |
| Operating expenses per ship per day                 | \$ 7,927                  | \$ 7,603        | \$ 7,757                 | \$ 7,679        |
| Vessel overhead costs per ship per day              | \$ <u>1,117</u>           | \$ <u>1,213</u> | \$ <u>1,232</u>          | \$ <u>1,166</u> |
|   | 9,044                     | 8,816           | 8,989                    | 8,845           |

#### **FLEET DATA**

|   |       |              |              |              |              |
|---|-------|--------------|--------------|--------------|--------------|
| Average number of vessels during period |       | 64.1         | 64.0         | 64.8         | 64.0         |
| Number of vessels at end of period      |       | 65.0         | 64.0         | 65.0         | 64.0         |
| Average age of fleet at end of period   | Years | 9.2          | 9.0          | 9.2          | 9.0          |
| Dwt at end of period (in thousands)     |       | 7,119        | 6,936        | 7,119        | 6,936        |
| Time charter employment - fixed rate    | Days  | 2,030        | 2,425        | 6,953        | 7,090        |
| Time charter employment - variable rate | Days  | 1,225        | 1,589        | 4,448        | 4,817        |
| Period employment (coa) at market rates | Days  | 58           | 177          | 234          | 630          |
| Spot voyage employment at market rates  | Days  | <u>2,171</u> | <u>1,289</u> | <u>5,261</u> | <u>4,143</u> |
| Total operating days                    |       | 5,484        | 5,480        | 16,896       | 16,680       |
| Total available days                    |       | 5,898        | 5,888        | 17,749       | 17,472       |
| Utilization                             |       | 93.0%        | 93.1%        | 95.2%        | 95.5%        |

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**Non-GAAP Measures**

**Reconciliation of Net income (loss) to Adjusted EBITDA**

|  | Three months ended |           | Nine months ended |            |
|--|--------------------|-----------|-------------------|------------|
|  | September 30       |           | September 30      |            |
|  | 2020               | 2019      | 2020              | 2019       |
| Net income (loss) attributable to Tsakos Energy Navigation Limited | 1,420              | (9,529)   | 54,120            | 2,009      |
| Depreciation and amortization                                      | 33,144             | 34,522    | 102,477           | 104,065    |
| Interest Expense   | 13,485             | 22,133    | 60,958            | 60,988     |
| Loss on sale of vessels  | -                  | -         | 3,050             | -          |
| Impairment charges   | -                  | -         | 13,450            | -          |
| Adjusted EBITDA  | \$ 48,049          | \$ 47,126 | \$ 234,055        | \$ 167,062 |

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP measures used within the financial community may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods as well as comparisons between the performance of Shipping Companies. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. We are using the following Non-GAAP measures:

- (i) TCE which represents voyage revenue less voyage expenses is divided by the number of operating days less 226 days lost for the third quarter and 618 days for the nine-month of 2020 and 125 days for the prior year quarter of 2019 and 339 days for the nine-month of 2019, respectively, as a result of calculating revenue on a loading to discharge basis.
- (ii) Vessel overhead costs are General & Administrative expenses, which also include Management fees, Stock compensation expense and Management incentive award.
- (iii) Operating expenses per ship per day which exclude Management fees, General & Administrative expenses, Stock compensation expense and Management incentive award.
- (iv) EBITDA. See above for reconciliation to net income.

Non-GAAP financial measures should be viewed in addition to and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

The Company does not incur corporation tax.

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