

TEN, Ltd.

367 Syngrou Avenue, 175 64 P. Faliro, Greece

Tel: 30210 94 07 710, Fax: 30210 94 07 716, e-mail: ten@tenn.gr

Website: <http://www.tenn.gr>



Press Release
March 16, 2023

TEN LTD. REPORTS RECORD PROFITS FOR FOURTH QUARTER AND YEAR-END 2022 AND DECLARES ANNUAL DIVIDEND OF \$0.60 PER COMMON SHARE

Year revenues at \$860 million and record profits of \$204.2 million (EPS at \$6.02 for 2022)

240% increase in annual EBITDA

140% increase in common stock dividend

Dynamic fleet renewal - Boosts sale & purchase activity

Strong market fundamentals remain - Over \$1.2 billion in minimum contracted revenue

Athens, Greece – March 16, 2023- TEN, Ltd. (TEN) (NYSE: TNP) (the “Company”) reports results (unaudited) for the fourth quarter and the year ended December 31, 2022.

FINANCIAL RESULTS FOR THE YEAR 2022

Positive market fundamentals and the ongoing geopolitical events have maintained a strong market throughout 2022 and have resulted in TEN’s fleet generating \$860 million of voyage revenues or \$314 million higher than in 2021. With total expenses at just 4% higher from the 2021 level, the resulting operating income for 2022 was \$256 million or \$290 million better than the prior year level.

In line with the above trend, net income climbed to \$204.2 million or \$6.02 per share.

With an almost identical average number of vessels as in 2021, roughly 66, the average daily Time Charter Equivalent (TCE) per vessel for 2022 averaged \$30,399, 78% higher than the 2021 average of \$17,037.

Fleet operating expenses experienced inflation related pressures, primarily in crew, insurances and lubricant costs amounting to about 10%, which were absorbed by the positive cash flow generated by revenues and by other sources of cash, including redemption of interest rate swaps.

Daily operating expenses per vessel remained competitive at \$8,467.

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Voyage expenses in 2022 increased correspondingly as a significant number of vessels continued to operate in the spot market, in order to benefit from the strong rates at a cost of higher global bunker prices.

Depreciation and amortization were somewhat lower compared to 2021 at \$141 million. There were no material non-cash impairment charges in 2022, unlike 2021 where such charges amounted to \$86.4 million.

Interest and finance costs increased by about \$19million as a result of global interest rates increases necessary to tackle the impact of inflation.

Adjusted EBITDA in the year amounted to about \$396 million, resulting in a 240% increase compared to the \$115 million Adjusted EBIDTA of 2021.

FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2022

In the 2022 fourth quarter, with essentially the same number of vessels as the 2021 fourth quarter, TEN generated voyage revenues of \$270 million, almost doubling the revenues generated in the 2021 fourth quarter.

Operating income in the fourth quarter of 2022 amounted to \$122.4 million, compared to an operating loss of \$6.5 million in the fourth quarter of 2021, which excludes an impairment charge of \$86.4 million in the 2021 period.

Net income attributable to TEN in the fourth quarter of 2022 amounted to \$101.1 million, or \$3.17 per share, the company's best quarter since its inception in 1993.

Adjusted EBITDA for the fourth quarter 2022 was \$159.4 million, nearly an increase of 450% from the comparable quarter in 2021, assisting in the considerable accumulation of free cash on the balance sheet.

Interest and finance costs increased by about \$12.2 million principally due to the rally in global interest rates and the new debt raised towards the end of 2022 for the acquisition of the 2020-built scrubber-fitted VLCC Dias I.

The average daily Time Charter Equivalent (TCE) rate per vessel in the fleet reached \$39,776 a 135% increase over the 2021 fourth quarter which stood at \$16,891.

DIVIDEND – CORPORATE AFFAIRS

The Company will pay an annual dividend of \$0.60 per common share, 50% of which will be paid in June 2023 and 50% in December 2023. This will bring the total dividend amount paid since the NYSE listing in 2002 to over \$500 million.

During the fourth quarter of 2022, the Company issued 569,207 common shares through its ATM program for net proceeds of \$10.4 million. As of December 31, 2022, there were outstanding 29,505,603 common shares and 15,010,155 NYSE-listed preferred shares.

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SUBSEQUENT EVENTS

In the first quarter of 2023, TEN sold six 2005-built MR and two 2007-built Handysize tankers on an en-bloc basis to third party interests and generated \$117 million of free cash after repaying related debt. A capital gain of \$80.4 million from these sales will be recorded in the first quarter of 2023.

In February 2023, TEN repurchased two 2005-built Suezmax tankers that were under sale-and-leaseback agreements, the Eurochampion 2004 and Euronike, for a price that is today well under their fair market value. Currently these vessels operate in the strong spot market and management is actively exploring opportunities.

In December 2022 and January 2023, the Company placed orders for the construction of two scrubber-fitted environmentally designed Suezmax tankers in South Korea with expected delivery in 2025. Management is in discussions with various high-end charterers to employ the vessels on long-term contracts upon delivery.

In March 2023, the 2016-built LNG carrier Maria Energy was fixed for a minimum of 12-years to a leading Asian natural gas operator at a rate reflective of current market conditions in the LNG sector. The vessel is expected to be delivered to her new charterer upon completion of the existing contract in April 2026 and is expected to generate a minimum of \$350 million in gross revenues.

STRATEGY & OUTLOOK

In what has been TEN's 20th anniversary year on NYSE, ie. TEN@20, long-term market fundamentals and geopolitical events have resulted in very strong rates for our diversified fleet. This has resulted to a record year and positive forward-looking prospects for 2023.

The first quarter of 2023 has been the most active sales & purchase period since the Company's inception in 1993 and proves that TEN moves swiftly when opportunities arise in order to maintain the modernity of its fleet. Following the sale of eight vessels, with an average age of 17 years, the Company is renewing its fleet with an active newbuilding program in South Korean yards with four dual-fuel LNG Aframax, two DP2 shuttle tankers and two Suezmaxes for deliveries starting in the third quarter of 2023.

With Chinese oil imports anticipated to reach and possibly surpass the pre-Covid levels of 10.8mbpd and oil consumption expected by many analysts to expand significantly in 2023, the strength of the current oil market, enhanced by geopolitical events and additional ton miles, seems to be on solid foundations going forward. The tanker sector is set to be a prime beneficiary of this trend as the orderbook stands at just 4% of the existing global fleet, of which 35% is over 15 years of age making these vessels less attractive to high-end oil concerns particularly for longer-term contracts.

In this market environment, TEN continues its proven model of a diversified fleet with spot and profit-sharing arrangements serving first class clients, that has secured its successful growth and uninterrupted dividend distributions since inception.

Healthy cash reserves will remain an important element of the Company's strategy going forward and management will assess ways to reward shareholders by efficiently utilizing its strong and healthy liquidity.

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“Having a record year on our 20th anniversary on the New York Stock Exchange, we look forward for even better days as we celebrate TEN@30, thirty years since our establishment back in 1993”, Mr George Saroglou, Chief Operating Officer of TEN commented.

Conference Call Details:

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 877 405 1226 (US Toll-Free Dial In) or +1 201-689-7823 (US and Standard International Dial In). Please quote “Tsakos” to the operator and/or conference ID 13736939. [Click here for additional participant International Toll-Free access numbers.](#)

Alternatively, participants can register for the call using the call me option for a faster connection to join the conference call. You can enter your phone number and let the system call you right away. [Click here for the call me option.](#)

Simultaneous Slides and Audio Webcast:

There will also be a live, and then archived, webcast of the conference call and accompanying slides, available through the Company’s website. To listen to the archived audio file, visit our website www.tenn.gr and click on Webcasts & Presentations under our Investor Relations page. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

ABOUT TSAKOS ENERGY NAVIGATION

TEN, founded in 1993 and celebrating 30 years as a public company this year, is one of the first and most established public shipping companies in the world. TEN’s diversified energy fleet currently consists of 67 double-hull vessels including four dual-fuel LNG powered Aframax, two scrubber-fitted Suezmaxes and up to three DP2 Shuttle tankers under construction constituting a mix of crude tankers, product tankers and LNG carriers, totaling 8.4 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.

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For further information, please contact:

Company

Tsakos Energy Navigation Ltd.

George Saroglou

COO

+30210 94 07 710

gsaroglou@tenn.gr

Investor Relations / Media

Capital Link, Inc.

Nicolas Bornozis

Markella Kara

+212 661 7566

ten@capitallink.com

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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 | | Year ended | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | December 31 (unaudited) | | December 31 (unaudited) | |
| | 2022 | 2021 | 2022 | 2021 |
| Voyage revenues | \$ 270,255 | \$ 139,129 | \$ 860,400 | \$ 546,120 |
| Voyage expenses | 46,137 | 49,098 | 209,890 | 198,078 |
| Charter hire expense | 6,642 | 8,806 | 32,774 | 30,056 |
| Vessel operating expenses | 50,033 | 44,467 | 190,268 | 173,277 |
| Depreciation and amortization | 37,409 | 36,046 | 140,821 | 143,253 |
| General and administrative expenses | 7,616 | 7,196 | 29,854 | 29,130 |
| Loss on sale of vessels | - | - | 440 | 5,817 |
| Impairment charges | - | 86,368 | - | 86,368 |
| Total expenses | 147,837 | 231,981 | 604,047 | 665,979 |
| Operating income (loss) | 122,418 | (92,852) | 256,353 | (119,859) |
| Interest and finance costs, net | (20,893) | (8,650) | (50,253) | (31,407) |
| Interest income | 1,155 | 200 | 2,000 | 703 |
| Other, net | 196 | 65 | 366 | (18) |
| Total other expenses, net | (19,542) | (8,385) | (47,887) | (30,722) |
| Net income (loss) | 102,876 | (101,237) | 208,466 | (150,581) |
| Less: Net income attributable to the noncontrolling interest | (1,740) | (670) | (4,232) | (820) |
| Net income (loss) attributable to Tsakos Energy Navigation Limited | \$ 101,136 | \$ (101,907) | \$ 204,234 | \$ (151,401) |
| Effect of preferred dividends | (8,673) | (8,668) | (34,724) | (33,603) |
| Undistributed income to Series G participants | - | - | (1,250) | - |
| Deemed dividend on partially redeemed Series G convertible preferred shares | - | - | - | (2,171) |
| Net income (loss) attributable to common stockholders of Tsakos Energy Navigation Limited | \$ 92,463 | \$ (110,575) | \$ 168,260 | \$ (187,175) |
| Earnings (Loss) per share, basic | \$ 3.17 | \$ (5.05) | \$ 6.02 | \$ (9.53) |
| Earnings (Loss) per share, diluted | \$ 3.17 | \$ (5.05) | \$ 6.01 | \$ (9.53) |
| Weighted average number of common shares, basic | 29,188,716 | 21,904,254 | 27,970,799 | 19,650,307 |
| Weighted average number of common shares, diluted | 29,188,716 | 21,904,254 | 28,188,064 | 19,650,307 |

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BALANCE SHEET DATA

| | December 31 | December 31 |
|---|---------------------|---------------------|
| | 2022 | 2021 |
| Cash | 309,439 | 127,197 |
| Other assets | 371,911 | 260,024 |
| Vessels, net | 2,580,575 | 2,402,958 |
| Advances for vessels under construction and acquisition | 46,650 | 104,635 |
| Total assets | \$ 3,308,575 | \$ 2,894,814 |
| Debt and other financial liabilities, net of deferred finance costs | 1,577,877 | 1,373,187 |
| Other liabilities | 207,779 | 229,836 |
| Stockholders' equity | 1,522,919 | 1,291,791 |
| Total liabilities and stockholders' equity | \$ 3,308,575 | \$ 2,894,814 |

| OTHER FINANCIAL DATA | Three months ended | | Year ended | |
|---|---------------------------|-------------|--------------------|-------------|
| | December 31 | | December 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| Net cash provided by operating activities | \$ 132,836 | \$ 17,905 | \$ 288,529 | \$ 53,111 |
| | (100,198) | (26,678) | (301,814) | |
| Net cash used in investing activities | \$) | \$) | \$) | \$ (8,004) |
| Net cash provided by (used in) financing activities | \$ 75,376 | \$ 20,343 | \$ 195,527 | \$ (89,681) |
| TCE per ship per day | \$ 39,776 | \$ 16,891 | \$ 30,399 | \$ 17,037 |
| Operating expenses per ship per day | \$ 8,827 | \$ 7,919 | \$ 8,467 | \$ 7,728 |
| Vessel overhead costs per ship per day | \$ 1,263 | \$ 1,203 | \$ 1,248 | \$ 1,221 |
| | 10,090 | 9,122 | 9,715 | 8,949 |

FLEET DATA

| | | | | | |
|--|-------|-------|-------|--------|--------|
| Average number of vessels during period | | 65.6 | 65.0 | 65.5 | 65.4 |
| Number of vessels at end of period | | 66.0 | 65.0 | 66.0 | 65.0 |
| Average age of fleet at end of period | Years | 10.4 | 10.2 | 10.4 | 10.2 |
| Dwt at end of period (in thousands) | | 7,570 | 7,209 | 7,570 | 7,209 |
| Time charter employment - fixed rate | Days | 2,282 | 2,549 | 8,337 | 8,949 |
| Time charter and pool employment - variable rate | Days | 2,168 | 1,178 | 8,131 | 4,278 |
| Period employment coa at market rates | Days | 84 | 84 | 386 | 338 |
| Spot voyage employment at market rates | Days | 1,344 | 1,933 | 5,786 | 8,525 |
| Total operating days | | 5,878 | 5,744 | 22,640 | 22,090 |
| Total available days | | 6,032 | 5,980 | 23,919 | 23,864 |
| Utilization | | 97.4% | 96.1% | 94.7% | 92.6% |

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Non-GAAP Measures
Reconciliation of Net income (loss) to Adjusted EBITDA

| | Three months ended | | Year ended | |
|--|---------------------------|------------------|--------------------|-------------------|
| | December 31 | | December 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) attributable to Tsakos Energy Navigation Limited | \$ 101,136 | \$ (101,907) | \$ 204,234 | \$ (151,401) |
| Depreciation and amortization | 37,409 | 36,046 | 140,821 | 143,253 |
| Interest Expense | 20,893 | 8,650 | 50,253 | 31,407 |
| Loss on sale of vessels | - | - | 440 | 5,817 |
| Impairment charges | - | 86,368 | - | 86,368 |
| Adjusted EBITDA | <u>\$ 159,438</u> | <u>\$ 29,157</u> | <u>\$ 395,748</u> | <u>\$ 115,444</u> |

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 151 days lost for the fourth quarter and 761 days for the twelve-month of 2022 and 196 days for the prior year quarter and 805 days for the twelve-month, 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) Adjusted EBITDA. See above for reconciliation to net income (loss).

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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