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Press Release
September 07, 2023

TEN LTD. REPORTS PROFITS FOR THE SECOND QUARTER AND SIX MONTHS ENDED JUNE 30, 2023 AND DECLARES TOTAL ANNUAL DIVIDEND OF \$1.00 PER COMMON SHARE FOR 2023

Over 350% increase in first half 2023 net income to \$237 million

\$138 million in common stock dividend and preferred redemption so far in 2023

Long-term market fundamentals remain strong

New charters secured over \$1.5 billion in fleet revenue backlog

10-green vessel newbuilding program on track – Four dual-fuel aframax to be delivered from September 2023 to first quarter of 2024

Athens, Greece – September 07, 2023 -TEN, Ltd (TEN) (NYSE: TNP) (the “Company”) today reported results (unaudited) for the six months and second quarter ended June 30, 2023.

SIX MONTHS 2023 SUMMARY RESULTS

With tanker markets remaining strong, primarily spurred by favorable supply and demand fundamentals and favorable trade dislocations caused by the war in the Ukraine continuing and with no signs of abating, TEN, in the first half of 2023, generated voyage revenues of \$482.7 million from \$366.4 million in the equivalent period of 2022 or 32% higher.

Operating income more than quadrupled to \$281.7 million, which included a gain on vessel sales of \$81.2 million after the timely sale of eight older MR and handysize product tankers in the first quarter of 2023.

Reflecting the good momentum in the tanker markets, which continues to positively impact both operations and asset values, net income experienced a near fivefold increase from the 2022 first half level of \$51.7 million and reached \$237.2 million.

On the back of enhanced transportation needs for long-haul trades and with a still considerable portion of the fleet operating in spot trades, fleet utilization in the first six months of 2023 amounted to a strong 95.3%, despite six vessels, including two DP2 shuttle tankers, undergoing dry-dockings during the period.

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The average Time Charter Equivalent (TCE) in the 2023 first six-month period reached \$40,182 per vessel per day, 64% higher from \$24,529 in the 2022 first half.

Adjusted Earnings Before Interest Tax Depreciation & Amortization (EBITDA) more than doubled to \$275.2 million from \$133.3 million in the 2022 first six months, a 107% increase.

Positive fleet performance and the free cash generated by vessel sales, resulted in TEN's cash reserves increasing to \$534.1 million as at June 30, 2023.

Bank debt during the first six months of the year continued its downward trajectory and settled at \$1.38 billion at June 30, 2023, \$35 million lower from the December 31, 2022 level.

Interest and finance costs in the first half of 2023 reached \$48.8 million, impacted by continuing higher global interest rates and the new loans for the acquisition of the DP2 shuttle tanker *Porto* and the VLCC *Dias I* in the second half of 2022. This cost was mitigated with interest income for the first six months of 2023 increasing to about \$7.0 million from \$0.4 million in the same period of 2022.

Daily operating expenses per vessel during the 2023 first six months averaged \$9,349.

Depreciation and amortization costs combined were at \$70.4 million compared to \$67.5 million in the 2022 first half period driven by prior year dry-dockings.

Q2 2023 SUMMARY RESULTS

TEN, whilst operating on average seven vessels less than in the 2022 second quarter, generated \$4.8 million more in voyage revenues compared to last year's same quarter and reached \$221.4 million.

The resulting operating income climbed to \$82.6 million, \$25.2 million higher than the 2022 equivalent quarter. Net income experienced a 31% increase to reach \$60.6 million from \$46.2 million in the 2022 second quarter which also included a small \$0.3 million gain on vessels sale.

Adjusted EBITDA for the second quarter of 2023 recorded a 32% increase from the 2022 equivalent period and settled at \$120.2 million.

Fleet utilization, despite a number of scheduled dry-dockings, remained high at 94.2% compared to 93.6% in the second quarter of 2022.

Daily average TCE per vessel, following the market momentum, increased to \$38,353 from \$29,278, 31% higher from the 2022 second quarter, while operating expenses were contained to \$9,492 per vessel per day.

Overall, voyage expenses during the 2023 second quarter fell approximately 38% from the 2022 second quarter due to lower bunker costs while total vessel operating expenses remained at about the same levels as the 2022 second quarter, as did depreciation and amortization.

Interest and finance costs in the second quarter of 2023, continuing to be impacted by high interest rates globally, settled at \$24.3 million, which was also mitigated by interest income reaching \$4.1 million from just \$0.2 million in the same period of 2022.

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SUBSEQUENT EVENTS

In the third quarter of 2023 the Company redeemed in full \$88.0 million of its publicly traded 8.75% Series D Cumulative Redeemable Perpetual Preferred Shares and \$19.4 million of a privately placed perpetual preferred instrument, carrying a coupon of 7.50%, for a total of \$107.4 million with annual cash savings of over \$9.0 million. Inclusive of the prior redemptions of Series B and Series C Perpetual Preferred Shares and privately placed preferred instruments, the Company has, in aggregate, redeemed a total of \$211 million of preferred shares with annual cash savings of about \$18.0 million.

New and extended time charter business at renewed rates increases revenue backlog to over \$1.5 billion - Average contract duration close to three years.

In August 2023, the Company signed newbuilding contracts for the construction of two scrubber-fitted MR product tankers with expected delivery in the first quarter of 2026.

DIVIDEND – COMMON SHARES - OTHER

As previously announced, TEN will distribute to common shareholders, a second semi-annual dividend of \$0.30 per share in December 2023 following the \$0.30 per share payment in June 2023 which together with an additional special dividend of \$0.40 per common share, increase total distributions for this year to \$1.00, bringing total common stock dividend payments for 2023 to approximately \$30 million.

Payment for the special dividend is scheduled for October 26, 2023, to shareholders of record on October 20, 2023.

Inclusive of this upcoming payment, TEN has provided common shareholders \$528 million in dividends, equating to over \$25 million per annum, since its 2002 NYSE listing.

The Company's authority to issue common stock under its last At-The-Market program has expired and has not been renewed and therefore it is no longer available for use.

CORPORATE STRATEGY & OUTLOOK

While management took advantage of the historical high asset prices and divested eight of its older product tankers at significant profits this year it has used its healthy cash reserves to pay increased amounts of common stock dividends and redeem preferred shares, aggregating to \$138 million, as well as invest in green energy vessels.

Along with sound cash balances, bank debt reduction and further green vessel investments, capital allocation shall continue to be the cornerstone of TEN's balance sheet management.

“Taking advantage of the positive environment in the tanker market the Company has timely monetized a big part of its first-generation tankers and has reinvested the proceeds for new and environmentally friendly vessels, common share dividend distributions and a significant reduction of its preferred shares,” Mr. George Saroglou, President and COO of TEN commented. “The recent appetite from our major clients for accretive long-term business, particularly in the LNG and tanker segments, has given us the comfort to secure over \$1.5 billion

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in forward revenues and ensure continuity in providing healthy returns and increased dividends to our shareholders,” Mr. Saroglou concluded.

ABOUT TEN

TEN, founded in 1993 and celebrating this year 30 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 four dual-fuel LNG powered Aframax vessels, two DP2 shuttle tankers, two scrubber-fitted Suezmax vessels and two scrubber-fitted MR product tankers under construction, constituting a mix of crude tankers, product tankers and LNG carriers, totaling 8.4 million dwt.

Conference Call Details:

As announced previously, today, Thursday, September 7, 2023 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 what is included in the earnings press release.

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 13740947. [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.

TEN’s CURRENT GROWTH PROGRAM

#	Name	Type	Delivery	Status	Employment
1	TBN	Aframax Dual Fuel	Q3 2023*	Under Construction	Yes
2	TBN	Aframax Dual Fuel	Q4 2023*	Under Construction	Yes
3	TBN	Aframax Dual Fuel	Q1 2024*	Under Construction	Yes
4	TBN	Aframax Dual Fuel	Q1 2024*	Under Construction	Yes
5	TBN	DP2 Shuttle Tanker	Q2 2025*	Under Construction	Yes
6	TBN	DP2 Shuttle Tanker	Q2 2025*	Under Construction	Yes
7	TBN	Suezmax – Scrubber Fitted	Q2 2025*	Under Construction	Under Discussion
8	TBN	Suezmax – Scrubber Fitted	Q4 2025*	Under Construction	Under Discussion
9	TBN	MR – Scrubber Fitted	Q1 2026*	Under Construction	Under Discussion
10	TBN	MR – Scrubber Fitted	Q1 2026*	Under Construction	Under Discussion

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**Expected delivery as per shipbuilding contracts*

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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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 June 30 (unaudited)		Six months ended June 30 (unaudited)	
	2023	2022	2023	2022
Voyage revenues	\$ 221,454	\$ 216,699	\$ 482,667	\$ 366,403
Voyage expenses	38,892	62,738	84,789	110,941
Charter hire expense	5,731	8,711	12,522	17,326
Vessel operating expenses	46,669	46,630	94,943	89,804
Depreciation and amortization	35,264	34,168	70,403	67,518
General and administrative expenses	12,336	7,383	19,493	14,177
Gains on sale of vessels	-	(299)	(81,198)	(299)
Total expenses	138,892	159,331	200,952	299,467
Operating income	82,562	57,368	281,715	66,936
Interest and finance costs, net	(24,334)	(10,992)	(48,848)	(14,292)
Interest income	4,125	226	6,888	416
Other, net	(241)	349	(180)	182
Total other expenses, net	(20,450)	(10,417)	(42,140)	(13,694)
Net income	62,112	46,951	239,575	53,242
Less: Net income attributable to the noncontrolling interest	(1,471)	(726)	(2,379)	(1,499)
Net income attributable to Tsakos Energy Navigation Limited	\$ 60,641	\$ 46,225	\$ 237,196	\$ 51,743
Effect of preferred dividends	(8,673)	(8,704)	(17,347)	(17,377)
Undistributed income to Series G participants	-	(370)	-	(353)
Deemed dividend on Series D preferred shares	(3,256)	-	(3,256)	-
Net income attributable to common stockholders of Tsakos Energy Navigation Limited	\$ 48,712	\$ 37,151	\$ 216,594	\$ 34,013
Earnings per share, basic and diluted	\$ 1.65	\$ 1.31	\$ 7.34	\$ 1.26
Weighted average number of common shares, basic	29,505,603	28,398,404	29,505,603	26,992,886
Weighted average number of common shares, diluted	29,505,603	28,704,595	29,505,603	27,299,077

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BALANCE SHEET DATA

	June 30	December 31
	2023	2022
Cash	534,094	309,439
Other assets	226,811	371,911
Vessels, net	2,544,453	2,580,575
Advances for vessels under construction	143,997	46,650
Total assets	\$ 3,449,355	\$ 3,308,575
Debt and other financial liabilities, net of deferred finance costs	1,538,086	1,577,877
Other liabilities	276,138	207,779
Stockholders' equity	1,635,131	1,522,919
Total liabilities and stockholders' equity	\$ 3,449,355	\$ 3,308,575

OTHER FINANCIAL DATA	Three months ended		Six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Net cash provided by operating activities	\$ 143,496	\$ 49,267	\$ 258,502	\$ 73,553
Net cash (used in) provided by investing activities	\$ (49,298)	\$ 14,040	\$ 37,025	\$ (144,159)
Net cash (used in) provided by financing activities	\$ (35,786)	\$ (34,476)	\$ (70,872)	\$ 115,205
TCE per ship per day	\$ 38,353	\$ 29,278	\$ 40,182	\$ 24,529
Operating expenses per ship per day	\$ 9,492	\$ 8,367	\$ 9,349	\$ 8,056
Vessel overhead costs per ship per day	\$ 2,337	\$ 1,244	\$ 1,793	\$ 1,195
	11,829	9,611	11,142	9,251

FLEET DATA

Average number of vessels during period		58.0	65.2	60.1	65.5
Number of vessels at end of period		58.0	65.0	58.0	65.0
Average age of fleet at end of period	Years	10.5	10.5	10.5	10.5
Dwt at end of period (in thousands)		7,178	7,185	7,178	7,185
Time charter employment - fixed rate	Days	2,308	2,021	4,585	3,968
Time charter and pool employment - variable rate	Days	1,554	1,921	3,355	3,798
Period employment coa at market rates	Days	86	133	147	223
Spot voyage employment at market rates	Days	1,024	1,478	2,276	3,095
Total operating days		4,972	5,553	10,363	11,084
Total available days		5,278	5,935	10,872	11,864
Utilization		94.2%	93.6%	95.3%	93.4%

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Non-GAAP Measures
Reconciliation of Net income to Adjusted EBITDA

	Three months ended		Six months ended	
	June 30		June 30	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net income attributable to Tsakos Energy Navigation Limited	\$ 60,641	\$ 46,225	\$ 237,196	\$ 51,743
Depreciation and amortization	35,264	34,168	70,403	67,518
Interest Expense	24,334	10,992	48,848	14,292
Gains on sale of vessels	-	(299)	(81,198)	(299)
Adjusted EBITDA	<u>\$ 120,239</u>	<u>\$ 91,086</u>	<u>\$ 275,249</u>	<u>\$ 133,254</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 117 days lost for the second quarter and 281 days for the first half of 2023 and 170 days for the prior year quarter of 2022 and 374 days for first half of 2022, 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.

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.