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STATES SECURITIES AND EXCHANGE COMMISSIONWASHINGTON, D.C. 20549FORMÂ 10-Q(Mark One)â˜’ QUARTERLY REPORT PURSUANT TO SECTIONÂ 13 OR 15 (d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the quarterly period ended September 30, 2024ORâ˜ TRANSITION REPORT PURSUANT TO SECTIONÂ 13 OR 15 (d)Â OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from Â Â Â Â Â Â Â Â to Â Â Â Â Â Â Â Â Commission File Number Â Â Â Â Â Â Â 1-37836-1Â Â Â Â Â Â Â Â â€‹â€‹â€‹INTERNATIONAL SEAWAYS, INC.(Exact name of registrant as specified in its charter)â€‹â€‹â€‹â€‹Marshall IslandsÂ Â Â 98-0467117(State or other jurisdiction ofÂ incorporation or organization)Â (I.R.S. Employer Identification Number)â€‹â€‹â€‹600 Third Avenue, 39th Floor, New York, New Yorkâ€‹10016(Address of principal executive offices)â€‹(Zip Code)â€‹â€‹â€‹Registrantâ€™s telephone number, including area code: 212-578-1600â€‹â€‹(Former name, former address and former fiscal year, if changed since last report)Securities registered pursuant to Section 12(b) of the Act:Title of each classTrading Symbol(s)Name of each exchange on which registeredCommon Stock (no par value)INSWNew York Stock ExchangeRights to Purchase Common StockN/ANew York Stock Exchangeâ€‹Indicate by check mark whether the registrant (1)Â has filed all reports required to be filed by SectionÂ 13 or 15(d)Â of the Securities Exchange Act of 1934 during the preceding 12Â months (or for such shorter period that the registrant was required to file such reports), and (2)Â has been subject to such filing requirements for the past 90Â days. YesÂ â˜’Â NoÂ Â â˜Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to RuleÂ 405 of Regulation S-T (Â§Â 232.405 of this chapter) during the preceding 12Â months (or for such shorter period that the registrant was required to submit such files). YesÂ Â â˜’ NoÂ Â â˜Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filerâ€, â€œaccelerated filerâ€, â€œsmaller reporting companyâ€, and â€œemerging growth companyâ€ in RuleÂ 12b-2 of the Exchange Act.â€‹â€‹â€‹â€‹â€‹â€‹â€‹Large accelerated filer â˜’Accelerated filer â˜Emerging growth company â˜â€‹â€‹â€‹Non-accelerated filer â˜Smaller reporting company â˜â€‹â€‹If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to SectionÂ 13(a)Â of the Exchange Act. â˜Indicate by check mark whether the registrant is a shell company (as defined in RuleÂ 12b-2 of the Exchange Act). YesÂ Â â˜ NoÂ Â â˜’APPLICABLE ONLY TO CORPORATE ISSUERSIndicate the number of shares outstanding of each of the issuerâ€™s classes of common stock, as of the latest practical date. The number of shares outstanding of the issuerâ€™s common stock as of November 4, 2024: common stock, no par value, 49,192,838 shares.â€‹â€‹â€‹â€‹â€‹â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.CONDENSED CONSOLIDATED BALANCE SHEETSDOLLARS IN THOUSANDS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹ September 30, 2024Â Â Â Â December 31, 2023ASSETSâ€‹â€‹â€‹â€‹â€‹â€‹Current Assets:â€‹â€‹â€‹â€‹â€‹â€‹Cash and cash equivalents â€‹$ 103,309â€‹$ 126,760Short-term investmentsâ€‹â€‹ 50,000â€‹â€‹ 60,000Voyage receivables, net of allowance for credit losses of $190 and $191â€‹â€‹â€‹â€‹â€‹â€‹including unbilled receivables of $185,262 and $237,298â€‹â€‹ 191,093â€‹â€‹ 247,165Other receivablesâ€‹â€‹ 15,682â€‹â€‹ 14,303Inventoriesâ€‹â€‹ 378â€‹â€‹ 1,329Prepaid expenses and other current assetsâ€‹â€‹ 9,721â€‹â€‹ 10,342Current portion of derivative assetâ€‹â€‹ 2,087â€‹â€‹ 5,081Total Current Assetsâ€‹â€‹ 372,270â€‹â€‹ 464,980Vessels and other property, less accumulated depreciation of $502,936 and $427,274â€‹â€‹ 2,045,331â€‹â€‹ 1,914,426Vessels construction in progressâ€‹â€‹ 24,401â€‹â€‹ 11,670Deferred drydock expenditures, netâ€‹â€‹ 82,628â€‹â€‹ 70,880Operating lease right-of-use assetsâ€‹â€‹ 12,295â€‹â€‹ 20,391Pool working capital depositsâ€‹â€‹ 33,794â€‹â€‹ 31,748Long-term derivative assetâ€‹â€‹ 214â€‹â€‹ 1,153Other assetsâ€‹â€‹ 16,913â€‹â€‹ 6,571Total Assetsâ€‹$ 2,587,846â€‹$ 2,521,819â€‹â€‹â€‹â€‹â€‹â€‹LIABILITIES AND EQUITYâ€‹â€‹â€‹â€‹â€‹â€‹Current Liabilities:â€‹â€‹â€‹â€‹â€‹â€‹Accounts payable, accrued expenses and other current liabilitiesâ€‹$ 45,796â€‹$ 57,904Current portion of operating lease liabilitiesâ€‹â€‹ 7,673â€‹â€‹ 10,223Current installments of long-term debtâ€‹â€‹ 49,823â€‹â€‹ 127,447Total Current Liabilitiesâ€‹â€‹ 103,292â€‹â€‹ 195,574Long-term operating lease liabilitiesâ€‹â€‹ 6,773â€‹â€‹ 11,631Long-term debtâ€‹â€‹ 600,689â€‹â€‹ 595,229Other liabilities â€‹â€‹ 2,462â€‹â€‹ 2,628Total Liabilitiesâ€‹â€‹ 713,216â€‹â€‹ 805,062â€‹â€‹â€‹â€‹â€‹â€‹Commitments and contingenciesâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Equity: â€‹â€‹â€‹â€‹â€‹â€‹Capital - 100,000,000 no par value shares authorized; 49,192,838 and 48,925,562â€‹â€‹â€‹â€‹â€‹â€‹shares issued and outstanding â€‹â€‹ 1,501,503â€‹â€‹ 1,490,986Retained earningsâ€‹â€‹ 382,350â€‹â€‹ 226,834â€‹â€‹â€‹ 1,883,853â€‹â€‹ 1,717,820Accumulated other comprehensive lossâ€‹â€‹ (9,223)â€‹â€‹ (1,063)Total Equityâ€‹â€‹ 1,874,630â€‹â€‹ 1,716,757Total Liabilities and Equityâ€‹$ 2,587,846â€‹$ 2,521,819â€‹See notes to condensed consolidated financial statements1â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONSDOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, â€‹â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Shipping Revenues:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Pool revenues, including $57,062, $72,877, $211,050 and $250,909â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹from companies accounted for by the equity methodâ€‹$ 170,007â€‹$ 194,465â€‹$ 603,970â€‹$ 701,634Time charter revenuesâ€‹â€‹ 36,842â€‹â€‹ 27,587â€‹â€‹ 99,030â€‹â€‹ 66,849Voyage charter revenuesâ€‹â€‹ 18,341â€‹â€‹ 19,656â€‹â€‹ 54,000â€‹â€‹ 52,558â€‹â€‹ 225,190â€‹â€‹ 241,708â€‹â€‹ 757,000â€‹â€‹ 821,041â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Operating Expenses:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage expensesâ€‹â€‹ 5,503â€‹â€‹ 5,756â€‹â€‹ 14,537â€‹â€‹ 13,434Vessel expensesâ€‹â€‹ 71,269â€‹â€‹ 64,596â€‹â€‹ 202,490â€‹â€‹ 188,516Charter hire expensesâ€‹â€‹ 7,245â€‹â€‹ 11,297â€‹â€‹ 20,841â€‹â€‹ 30,599Depreciation and amortization â€‹â€‹ 39,304â€‹â€‹ 33,363â€‹â€‹ 109,974â€‹â€‹ 95,356General and administrative â€‹â€‹ 13,411â€‹â€‹ 12,314â€‹â€‹ 37,494â€‹â€‹ 35,082Other operating expensesâ€‹â€‹ 985â€‹â€‹ â€”â€‹â€‹ 2,715â€‹â€‹ â€”Third-party debt modification feesâ€‹â€‹ â€”â€‹â€‹ 148â€‹â€‹ 168â€‹â€‹ 568(Gain)/loss on disposal of vessels and other assets, netâ€‹â€‹ (13,499)â€‹â€‹ 74â€‹â€‹ (41,402)â€‹â€‹ (10,648)Total operating expensesâ€‹â€‹ 124,218â€‹â€‹ 127,548â€‹â€‹ 346,817â€‹â€‹ 352,907Income from vessel operationsâ€‹â€‹ 100,972â€‹â€‹ 114,160â€‹â€‹ 410,183â€‹â€‹ 468,134Other incomeâ€‹â€‹ 3,211â€‹â€‹ 646â€‹â€‹ 8,525â€‹â€‹ 8,308Income before interest expense and income taxesâ€‹â€‹ 104,183â€‹â€‹ 114,806â€‹â€‹ 418,708â€‹â€‹ 476,442Interest expenseâ€‹â€‹ (12,496)â€‹â€‹ (16,817)â€‹â€‹ (37,808)â€‹â€‹ (51,678)Income before income taxesâ€‹â€‹ 91,687â€‹â€‹ 97,989â€‹â€‹ 380,900â€‹â€‹ 424,764Income tax benefit/(provision)â€‹â€‹ 1â€‹â€‹ (52)â€‹â€‹ 1â€‹â€‹ (432)Net incomeâ€‹$ 91,688â€‹$ 97,937â€‹$ 380,901â€‹$ 424,332â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Weighted Average Number of Common Shares Outstanding:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Basicâ€‹â€‹ 49,544,412â€‹â€‹ 48,861,356â€‹â€‹ 49,302,367â€‹â€‹ 49,008,901Dilutedâ€‹â€‹ 49,881,317â€‹â€‹ 49,275,022â€‹â€‹ 49,677,238â€‹â€‹ 49,442,825â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Per Share Amounts:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Basic net income per shareâ€‹$ 1.85â€‹$ 2.00â€‹$ 7.72â€‹$ 8.65Diluted net income per shareâ€‹$ 1.84â€‹$ 1.99â€‹$ 7.66â€‹$ 8.58â€‹See notes to condensed consolidated financial statementsâ€‹2â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOMEDOLLARS IN THOUSANDS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, â€‹â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Net incomeâ€‹$ 91,688â€‹$ 97,937â€‹$ 380,901â€‹$ 424,332Other comprehensive loss, net of tax:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Net change in unrealized gains/(losses) on cash flow hedgesâ€‹â€‹ (4,277)â€‹â€‹ (968)â€‹â€‹ (4,702)â€‹â€‹ (1,725)Defined benefit pension and other postretirement benefit plans:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Net change in unrecognized prior service costsâ€‹â€‹ (467)â€‹â€‹ 49â€‹â€‹ (457)â€‹â€‹ (11)Net change in unrecognized actuarial lossesâ€‹â€‹ (3,063)â€‹â€‹ 323â€‹â€‹ (3,001)â€‹â€‹ (69)Other comprehensive loss, net of taxâ€‹â€‹ (7,807)â€‹â€‹ (596)â€‹â€‹ (8,160)â€‹â€‹ (1,805)Comprehensive incomeâ€‹$ 83,881â€‹$ 97,341â€‹$ 372,741â€‹$ 422,527â€‹See notes to condensed consolidated financial statementsâ€‹3â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWSDOLLARS IN THOUSANDS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine Months Ended September 30, â€‹â€‹â€‹2024â€‹â€‹2023Cash Flows from Operating Activities:â€‹â€‹â€‹â€‹â€‹â€‹Net incomeâ€‹$ 380,901â€‹$ 424,332Items included in net income not affecting cash flows: â€‹â€‹â€‹â€‹â€‹â€‹Depreciation and amortization â€‹â€‹ 109,974â€‹â€‹ 95,356Amortization of debt discount and other deferred financing costsâ€‹â€‹ 3,093â€‹â€‹ 4,491Deferred financing costs write-offâ€‹â€‹ â€”â€‹â€‹ 1,952Stock compensationâ€‹â€‹ 5,736â€‹â€‹ 5,912Equity in results of affiliated companiesâ€‹â€‹ (42)â€‹â€‹ 20Other â€“ net â€‹â€‹ (519)â€‹â€‹ (2,140)Items included in net income related to investing and financing activities: â€‹â€‹â€‹â€‹â€‹â€‹Gain on disposal of vessels and other assets, netâ€‹â€‹ (41,402)â€‹â€‹ (10,648)Loss on extinguishment of debtâ€‹â€‹ â€”â€‹â€‹ 1,323Payments for drydocking â€‹â€‹ (43,855)â€‹â€‹ (27,622)Insurance claims proceeds related to vessel operationsâ€‹â€‹ 1,004â€‹â€‹ 2,858Changes in operating assets and liabilities: â€‹â€‹â€‹â€‹â€‹â€‹Decrease in receivablesâ€‹â€‹ 56,072â€‹â€‹ 69,948(Decrease)/increase in deferred revenueâ€‹â€‹ (5,273)â€‹â€‹ 911Purchase of insurance contract in connection with settlement of pension plan obligationsâ€‹â€‹ (3,649)â€‹â€‹ â€”Net change in inventories, prepaid expenses and other current assets, accounts â€‹â€‹â€‹â€‹â€‹â€‹payable, accrued expenses and other current and long-term liabilitiesâ€‹â€‹ (8,524)â€‹â€‹ (3,774)Net cash provided by operating activitiesâ€‹â€‹ 453,516â€‹â€‹ 562,919Cash Flows from Investing Activities:â€‹â€‹â€‹â€‹â€‹â€‹Expenditures for vessels, vessel improvements and vessels under constructionâ€‹â€‹ (216,589)â€‹â€‹ (192,218)Proceeds from disposal of vessels and other property, netâ€‹â€‹ 71,915â€‹â€‹ 20,036Expenditures for other property â€‹â€‹ (880)â€‹â€‹ (1,035)Investments in short-term time depositsâ€‹â€‹ (125,000)â€‹â€‹ (210,000)Proceeds from maturities of short-term time depositsâ€‹â€‹ 135,000â€‹â€‹ 215,000Pool working capital depositsâ€‹â€‹ (1,532)â€‹â€‹ (1,334)Net cash used in investing activitiesâ€‹â€‹ (137,086)â€‹â€‹ (169,551)Cash Flows from Financing Activities:â€‹â€‹â€‹â€‹â€‹â€‹Borrowings on revolving credit facilitiesâ€‹â€‹ 50,000â€‹â€‹ 50,000Repayments on revolving credit facilitiesâ€‹â€‹ (50,000)â€‹â€‹ â€”Repayments of debtâ€‹â€‹ (39,851)â€‹â€‹ (323,685)Proceeds from sale and leaseback financing, net of issuance and deferred financing costsâ€‹â€‹ â€”â€‹â€‹ 169,717Payments on sale and leaseback financing and finance leaseâ€‹â€‹ (36,831)â€‹â€‹ (123,732)Payments of deferred financing costsâ€‹â€‹ (5,759)â€‹â€‹ (3,006)Premium and fees on extinguishment of debtâ€‹â€‹ â€”â€‹â€‹ (1,323)Repurchase of common stockâ€‹â€‹ (25,000)â€‹â€‹ (13,948)Cash dividends paidâ€‹â€‹ (225,385)â€‹â€‹ (247,001)Cash paid to tax authority upon vesting or exercise of stock-based compensationâ€‹â€‹ (7,055)â€‹â€‹ (5,158)Net cash used in financing activitiesâ€‹â€‹ (339,881)â€‹â€‹ (498,136)Net decrease in cash and cash equivalentsâ€‹â€‹ (23,451)â€‹â€‹ (104,768)Cash and cash equivalents at beginning of yearâ€‹â€‹ 126,760â€‹â€‹ 243,744Cash and cash equivalents at end of period â€‹$ 103,309â€‹$ 138,976â€‹See notes to condensed consolidated financial statements4â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITYDOLLARS IN THOUSANDS(UNAUDITED)â€‹Retainedâ€‹Accumulatedâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Earnings /â€‹Other â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹ (Accumulatedâ€‹Comprehensiveâ€‹â€‹â€‹â€‹Capitalâ€‹Deficit)â€‹Income/(loss)â€‹TotalFor the nine months endedâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance at January 1, 2024â€‹$ 1,490,986â€‹$ 226,834â€‹$ (1,063)â€‹$ 1,716,757Net incomeâ€‹â€‹ â€”â€‹â€‹ 380,901â€‹â€‹ â€”â€‹â€‹ 380,901Other comprehensive lossâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (8,160)â€‹â€‹ (8,160)Dividends declared â€‹â€‹ â€”â€‹â€‹ (225,385)â€‹â€‹ â€”â€‹â€‹ (225,385)Forfeitures of vested restricted stock awards and exercised stock optionsâ€‹â€‹ (7,055)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (7,055)Compensation relating to restricted stock awardsâ€‹â€‹ 811â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 811Compensation relating to restricted stock units awardsâ€‹â€‹ 4,826â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 4,826Compensation relating to stock option awardsâ€‹â€‹ 99â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 99Equity consideration issued for purchase of vesselsâ€‹â€‹ 36,836â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 36,836Repurchase of common stockâ€‹â€‹ (25,000)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (25,000)Balance at September 30, 2024â€‹$ 1,501,503â€‹$ 382,350â€‹$ (9,223)â€‹$ 1,874,630â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance at January 1, 2023â€‹$ 1,502,235â€‹$ (21,447)â€‹$ 6,964â€‹$ 1,487,752Net incomeâ€‹â€‹ â€”â€‹â€‹ 424,332â€‹â€‹ â€”â€‹â€‹ 424,332Other comprehensive lossâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (1,805)â€‹â€‹ (1,805)Dividends declared â€‹â€‹ â€”â€‹â€‹ (247,008)â€‹â€‹ â€”â€‹â€‹ (247,008)Forfeitures of vested restricted stock awards and exercised stock optionsâ€‹â€‹ (5,158)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (5,158)Compensation relating to restricted stock awardsâ€‹â€‹ 768â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 768Compensation relating to restricted stock units awardsâ€‹â€‹ 4,688â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 4,688Compensation relating to stock option awardsâ€‹â€‹ 456â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 456Repurchase of common stockâ€‹â€‹ (13,948)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (13,948)Balance at September 30, 2023â€‹$ 1,489,041â€‹$ 155,877â€‹$ 5,159â€‹$ 1,650,077â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹For the three months endedâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance at July 1, 2024â€‹$ 1,524,400â€‹$ 364,452â€‹$ (1,416)â€‹$ 1,887,436Net incomeâ€‹â€‹ â€”â€‹â€‹ 91,688â€‹â€‹ â€”â€‹â€‹ 91,688Other comprehensive lossâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (7,807)â€‹â€‹ (7,807)Dividends declared â€‹â€‹ â€”â€‹â€‹ (73,790)â€‹â€‹ â€”â€‹â€‹ (73,790)Compensation relating to restricted stock awardsâ€‹â€‹ 291â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 291Compensation relating to restricted stock units awardsâ€‹â€‹ 1,812â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 1,812Repurchase of common stockâ€‹â€‹ (25,000)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (25,000)Balance at September 30, 2024â€‹$ 1,501,503â€‹$ 382,350â€‹$ (9,223)â€‹$ 1,874,630â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance at July 1, 2023â€‹$ 1,487,151â€‹$ 127,368â€‹$ 5,755â€‹$ 1,620,274Net incomeâ€‹â€‹ â€”â€‹â€‹ 97,937â€‹â€‹ â€”â€‹â€‹ 97,937Other comprehensive lossâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (596)â€‹â€‹ (596)Dividends declared â€‹â€‹â€‹â€‹â€‹â€‹ (69,428)â€‹â€‹ â€”â€‹â€‹ (69,428)Forfeitures of vested restricted stock awards and exercised stock optionsâ€‹â€‹ (149)â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ (149)Compensation relating to restricted stock awardsâ€‹â€‹ 277â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 277Compensation relating to restricted stock units awardsâ€‹â€‹ 1,645â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 1,645Compensation relating to stock option awardsâ€‹â€‹ 117â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 117Balance at September 30, 2023â€‹$ 1,489,041â€‹$ 155,877â€‹$ 5,159â€‹$ 1,650,077â€‹See notes to condensed consolidated financial statementsâ€‹5â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)â€‹NoteÂ 1Â â€” Basis of Presentation:â€‹The accompanying unaudited condensed consolidated financial statements include the accounts of International Seaways,Â Inc. (â€œINSWâ€), a Marshall Islands corporation, and its wholly owned subsidiaries. Unless the context indicates otherwise, references to â€œINSWâ€, the â€œCompanyâ€, â€œweâ€, â€œusâ€ or â€œourâ€, refer to International Seaways,Â Inc. and its subsidiaries. As of September 30, 2024, the Companyâ€™s operating fleet consisted of 76 wholly-owned or lease financed and time chartered-in oceangoing vessels, engaged primarily in the transportation of crude oil and refined petroleum products in the International Flag trade through its wholly owned subsidiaries. In addition to our operating fleet, six LR1 newbuilds are scheduled for delivery to the Company between the second half of 2025 and third quarter of 2026, bringing the total operating and newbuild fleet to 82 vessels. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to FormÂ 10-Q and ArticleÂ 10 of Regulation S-X. They do not include all of the information and notes required by generally accepted accounting principles in the United States. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results have been included. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for theÂ year ending DecemberÂ 31, 2024.â€‹The condensed consolidated balance sheet as of DecemberÂ 31, 2023 has been derived from the audited financial statements at that date but does not include all of the information and notes required by generally accepted accounting principles in the United States for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Companyâ€™s Annual Report on FormÂ 10-K for theÂ year ended DecemberÂ 31, 2023.â€‹All intercompany balances and transactions within INSW have been eliminated. Investments in 50% or less owned affiliated companies, in which INSW exercises significant influence, are accounted for by the equity method.â€‹â€‹Note 2 â€” Significant Accounting Policies:â€‹For a description of all of the Companyâ€™s material accounting policies, see NoteÂ 2, â€œSummary of Significant Accounting Policies,â€ to the Companyâ€™s consolidated financial statements as of and for theÂ year ended DecemberÂ 31, 2023 included in the Companyâ€™s Annual Report on FormÂ 10-K. The following is a summary of any changes or updates to the Companyâ€™s critical accounting policies for the current period:â€‹Concentration of Credit Risk â€” The allowance for credit losses is recognized as an allowance or contra-asset and reflects our best estimate of probable losses inherent in the voyage receivables balance. Activity for allowance for credit losses is summarized as follows:â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹â€‹Allowance for Credit Losses - Voyage ReceivablesBalance at December 31, 2023â€‹$ 191Reversal of expected credit lossesâ€‹â€‹ (1)Balance at September 30, 2024â€‹$ 190â€‹During the three and nine months ended September 30, 2024 and 2023, the Company did not have any individual customers who accounted for 10% or more of its revenues apart from the pools in which it participates. The pools in which the Company participates accounted in aggregate for 97% and 95% of consolidated voyage receivables at September 30, 2024 and December 31, 2023, respectively.â€‹Deferred finance charges â€” Finance charges, excluding original issue discount, incurred in the arrangement of new debt and/or amendments resulting in the modification of existing debt are deferred and amortized to interest expense on either an effective interest 6â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)method or straight-line basis over the term of the related debt. Unamortized deferred finance charges of $11.8 million and $4.5 million relating to the $500 Million Revolving Credit Facility and the $160 Million Revolving Credit Facility (See Note 8, â€œDebtâ€) as of September 30, 2024 and December 31, 2023, respectively, are included in other assets in the accompanying condensed consolidated balance sheets. Unamortized deferred financing charges of $6.8 million and $11.3 million as of September 30, 2024 and December 31, 2023, respectively, relating to the Companyâ€™s outstanding debt facilities, are included in long-term debt in the consolidated balance sheets. â€‹Interest expense relating to the amortization of deferred financing charges amounted to $0.8 million and $2.5 million for the three and nine months ended September 30, 2024, respectively, and $1.2 million and $3.8 million for the three and nine months ended September 30, 2023, respectively. â€‹Vessels construction in progress â€” Interest costs are capitalized to vessels during the period that vessels are under construction. Interest capitalized during the three and nine months ended September 30, 2024 totaled $0.3 million and $0.7 million, respectively, and nil and $2.3 million during the three and nine months ended September 30, 2023, respectively. Construction of the Companyâ€™s three dual-fuel LNG VLCCs was completed, and the vessels were delivered to the Company between March 2023 and May 2023. The Company has six LR1 newbuilds under construction that are scheduled for delivery to the Company between the second half of 2025 and third quarter of 2026. â€‹Recently Issued Accounting Standards â€” The Financial Accounting Standards Board (â€œFASBâ€) Accounting Standards Codification is the sole source of authoritative GAAP other than United States Securities and Exchange Commission (â€œSECâ€) issued rules and regulations that apply only to SEC registrants. The FASB issues Accounting Standards Updates (â€œASUâ€) to communicate changes to the codification. â€‹In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures. This guidance is expected to improve financial reporting by providing additional information about a public companyâ€™s significant segment expenses and more timely and detailed segment information reporting throughout the fiscal year. This guidance requires annual and interim period disclosure of significant segment expenses that are provided to the chief operating decision maker (â€œCODMâ€) as well as interim disclosures for all reportable segmentsâ€™ profit or loss. It also requires disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measures of segment profit or loss in assessing segment performance and deciding how to allocate resources. The amendments in ASU 2023-07 are effective for all public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 and will apply retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact of the new guidance on the disclosures to our consolidated financial statements. As the guidance requires only additional disclosure, there will be no effects of this standard on our financial position, results of operations or cash flows.â€‹In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses. This guidance will require additional disclosures and disaggregation of certain costs and expenses presented on the face of the income statement. The amendments are effective for annual reporting periods beginning after December 15, 2026 and interim reporting period beginning after December 15, 2027 with early adoption permitted. We are currently evaluating the impact of this new guidance on the disclosures to our consolidated financial statements.â€‹â€‹â€‹â€‹NoteÂ 3Â â€” Earnings per Common Share:â€‹Basic earnings per common share is computed by dividing earnings, after the deduction of dividends and undistributed earnings allocated to participating securities, by the weighted average number of common shares outstanding during the period.â€‹The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units not classified as participating securities. Participating securities are defined by ASC 260, Earnings Per Share, as 7â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents and are included in the computation of earnings per share pursuant to the two-class method.â€‹Weighted average shares of unvested restricted common stock considered to be participating securities totaled 20,198 and 23,302 for the three and nine months ended September 30, 2024, respectively, and 29,519 and 38,288 for the three and nine months ended September 30, 2023, respectively. Such participating securities are allocated a portion of income, but not losses under the two-class method. As of September 30, 2024, there were 419,215 shares of restricted stock units and 174,417 stock options outstanding and considered to be potentially dilutive securities.â€‹Reconciliations of the numerator of the basic and diluted earnings per share computations are as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Net income allocated to:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Common Stockholdersâ€‹$ 91,650â€‹$ 97,878â€‹$ 380,730â€‹$ 424,011Participating securitiesâ€‹â€‹ 38â€‹â€‹ 59â€‹â€‹ 171â€‹â€‹ 321â€‹â€‹$ 91,688â€‹$ 97,937â€‹$ 380,901â€‹$ 424,332â€‹For the three and nine months ended September 30, 2024 earnings per share calculations, there were 336,905 and 374,871 dilutive equity awards outstanding, respectively. For the three and nine months ended September 30, 2023 earnings per share calculations, there were 413,666 and 433,924 dilutive equity awards outstanding, respectively. Awards of 593,632 and 579,779 for the three and nine months ended September 30, 2024, respectively, and 774,957 and 804,199 for the three and nine months ended September 30, 2023, respectively, were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive. â€‹â€‹NoteÂ 4Â â€” Business and Segment Reporting:â€‹The Company has two reportable segments: Crude Tankers and Product Carriers. Adjusted income/(loss) from vessel operations for segment purposes is defined as income/(loss) from vessel operations before general and administrative expenses, other operating expenses, third-party debt modification fees and gain on disposal of vessels and assets, net. The accounting policies followed by the reportable segments are the same as those followed in the preparation of the Companyâ€™s condensed consolidated financial statements.â€‹Information about the Companyâ€™s reportable segments as of and for the three and nine months ended September 30, 2024 and 2023 follows:â€‹8â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Crudeâ€‹Productâ€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Tankersâ€‹Carriersâ€‹Otherâ€‹TotalsThree months ended September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shipping revenuesâ€‹$ 103,212â€‹$ 121,978â€‹$ â€”â€‹$ 225,190Time charter equivalent revenuesâ€‹â€‹ 98,821â€‹â€‹ 120,866â€‹â€‹ â€”â€‹â€‹ 219,687Depreciation and amortizationâ€‹â€‹ 20,536â€‹â€‹ 18,768â€‹â€‹ â€”â€‹â€‹ 39,304Gain on disposal of vessels and other assets, netâ€‹â€‹ (18)â€‹â€‹ (13,481)â€‹â€‹ â€”â€‹â€‹ (13,499)Adjusted income from vessel operationsâ€‹â€‹ 39,656â€‹â€‹ 62,213â€‹â€‹ â€”â€‹â€‹ 101,869Adjusted total assets at September 30, 2024â€‹â€‹ 1,453,559â€‹â€‹ 953,451â€‹â€‹ â€”â€‹â€‹ 2,407,010â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three months ended September 30, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shipping revenuesâ€‹$ 114,250â€‹$ 127,458â€‹$ â€”â€‹$ 241,708Time charter equivalent revenuesâ€‹â€‹ 110,766â€‹â€‹ 125,186â€‹â€‹ â€”â€‹â€‹ 235,952Depreciation and amortizationâ€‹â€‹ 20,039â€‹â€‹ 13,298â€‹â€‹ 26â€‹â€‹ 33,363Loss on disposal of vessels and other assetsâ€‹â€‹ 13â€‹â€‹ 61â€‹â€‹ â€”â€‹â€‹ 74Adjusted income/(loss) from vessel operationsâ€‹â€‹ 58,926â€‹â€‹ 67,796â€‹â€‹ (26)â€‹â€‹ 126,696Adjusted total assets at September 30, 2023â€‹â€‹ 1,520,485â€‹â€‹ 795,568â€‹â€‹ â€”â€‹â€‹ 2,316,053â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Crudeâ€‹Productâ€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Tankersâ€‹Carriersâ€‹Otherâ€‹TotalsNine months ended September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shipping revenuesâ€‹$ 355,458â€‹$ 401,542â€‹$ â€”â€‹$ 757,000Time charter equivalent revenuesâ€‹â€‹ 343,639â€‹â€‹ 398,824â€‹â€‹ â€”â€‹â€‹ 742,463Depreciation and amortizationâ€‹â€‹ 60,571â€‹â€‹ 49,403â€‹â€‹ â€”â€‹â€‹ 109,974Gain on disposal of vessels and other assets, netâ€‹â€‹ (20)â€‹â€‹ (41,382)â€‹â€‹ â€”â€‹â€‹ (41,402)Adjusted income from vessel operationsâ€‹â€‹ 176,696â€‹â€‹ 232,462â€‹â€‹ â€”â€‹â€‹ 409,158Expenditures for vessels and vessel improvementsâ€‹â€‹ 763â€‹â€‹ 215,826â€‹â€‹ â€”â€‹â€‹ 216,589Payments for drydockingâ€‹â€‹ 6,333â€‹â€‹ 37,522â€‹â€‹ â€”â€‹â€‹ 43,855â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine months ended September 30, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Shipping revenuesâ€‹$ 398,829â€‹$ 422,212â€‹$ â€”â€‹$ 821,041Time charter equivalent revenuesâ€‹â€‹ 388,963â€‹â€‹ 418,644â€‹â€‹ â€”â€‹â€‹ 807,607Depreciation and amortizationâ€‹â€‹ 56,583â€‹â€‹ 38,694â€‹â€‹ 79â€‹â€‹ 95,356Loss/(gain) on disposal of vessels and other assets, netâ€‹â€‹ 38â€‹â€‹ (10,686)â€‹â€‹ â€”â€‹â€‹ (10,648)Adjusted income/(loss) from vessel operationsâ€‹â€‹ 239,985â€‹â€‹ 253,230â€‹â€‹ (79)â€‹â€‹ 493,136Expenditures for vessels and vessel improvementsâ€‹â€‹ 184,515â€‹â€‹ 7,703â€‹â€‹ â€”â€‹â€‹ 192,218Payments for drydockingâ€‹â€‹ 4,364â€‹â€‹ 23,258â€‹â€‹ â€”â€‹â€‹ 27,622â€‹Reconciliations of time charter equivalent (â€œTCEâ€) revenues of the segments to shipping revenues as reported in the condensed statements of operations follow:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Time charter equivalent revenuesâ€‹$ 219,687â€‹$ 235,952â€‹$ 742,463â€‹$ 807,607Add: Voyage expensesâ€‹â€‹ 5,503â€‹â€‹ 5,756â€‹â€‹ 14,537â€‹â€‹ 13,434Shipping revenuesâ€‹$ 225,190â€‹$ 241,708â€‹$ 757,000â€‹$ 821,041â€‹Consistent with general practice in the shipping industry, the Company uses time charter equivalent revenues, which represent shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. Time charter equivalent revenues, a non-GAAP measure, provide additional meaningful information in conjunction 9â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)with shipping revenues, the most directly comparable GAAP measure, because it assists Company management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance.â€‹Reconciliations of total adjusted income from vessel operations of the segments to income before income taxes, as reported in the condensed consolidated statements of operations follow:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Total adjusted income from vessel operations of all segmentsâ€‹$ 101,869â€‹$ 126,696â€‹$ 409,158â€‹$ 493,136General and administrative expensesâ€‹â€‹ (13,411)â€‹â€‹ (12,314)â€‹â€‹ (37,494)â€‹â€‹ (35,082)Other operating expensesâ€‹â€‹ (985)â€‹â€‹ â€”â€‹â€‹ (2,715)â€‹â€‹ â€”Third-party debt modification feesâ€‹â€‹ â€”â€‹â€‹ (148)â€‹â€‹ (168)â€‹â€‹ (568)Gain/(loss) on disposal of vessels and other assets, netâ€‹â€‹ 13,499â€‹â€‹ (74)â€‹â€‹ 41,402â€‹â€‹ 10,648Consolidated income from vessel operationsâ€‹â€‹ 100,972â€‹â€‹ 114,160â€‹â€‹ 410,183â€‹â€‹ 468,134Other incomeâ€‹â€‹ 3,211â€‹â€‹ 646â€‹â€‹ 8,525â€‹â€‹ 8,308Interest expenseâ€‹â€‹ (12,496)â€‹â€‹ (16,817)â€‹â€‹ (37,808)â€‹â€‹ (51,678)Income before income taxesâ€‹$ 91,687â€‹$ 97,989â€‹$ 380,900â€‹$ 424,764â€‹â€‹â€‹Reconciliations of total assets of the segments to amounts included in the condensed consolidated balance sheets follow:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024â€‹ September 30, 2023Adjusted total assets of all segmentsâ€‹$ 2,407,010â€‹$ 2,316,053Corporate unrestricted cash and cash equivalentsâ€‹â€‹ 103,309â€‹â€‹ 138,976Short-term investmentsâ€‹â€‹ 50,000â€‹â€‹ 75,000Other unallocated amountsâ€‹â€‹ 27,527â€‹â€‹ 30,993Consolidated total assetsâ€‹$ 2,587,846â€‹$ 2,561,022â€‹â€‹â€‹â€‹NoteÂ 5Â â€” Vessels:â€‹Impairment of Vessels and Other Propertyâ€‹During the nine months ended September 30, 2024, the Company gave consideration as to whether events or changes in circumstances had occurred since December 31, 2023, that could indicate that the carrying amounts of the vessels in the Companyâ€™s fleet may not be recoverable. The Company determined that no held-for-sale or held-for-use impairment indicators existed for the Companyâ€™s vessels as of September 30, 2024. â€‹Vessel Acquisitions andÂ Construction Commitments â€‹On February 23, 2024, the Company entered into agreements to acquire two 2014-built and four 2015-built MR Product Carriers for an aggregate consideration of approximately $232 million, payable 85% in cash and 15% in shares of common stock of the Company. All six vessels were delivered during the second quarter of 2024 and are Collateral Vessels under the $500 Million Revolving Credit Facility (see Note 8, â€œDebtâ€). In total, for the acquisition of the vessels, the Company paid $198.3 million in cash, including $1.1 million for initial stores on board and directly related third-party professional fees, and also issued 623,778 shares of its common stock to the sellers. Such shares had an aggregate value of $36.8 million based upon the closing market price of the Companyâ€™s stock on each of the vessel delivery dates. â€‹10â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)An automatic shelf registration statement on Form S-3 was filed with the SEC on April 29, 2024 that, in connection with prospectus supplements filed during the second quarter of 2024, registered the aggregate 623,778 shares that were issued in conjunction with these vessel acquisitions and facilitated the sellerâ€™s ability to offer and sell or otherwise dispose of the shares of common stock issued to them under this transaction. â€‹In March 2024 the Company exercised options to build two additional dual-fuel ready LNG 73,600 dwt LR1s at the same shipyard from which its other four newbuild LR1s were ordered. The six LR1s are expected to be delivered beginning in the second half of 2025 through the third quarter of 2026 for an aggregate cost of approximately $359 million. The remaining commitments on the contracts for the construction of the LR1 newbuilds as of September 30, 2024 wasÂ $335.3 million, which will be paid for through a combination of long-term financing and available liquidity. â€‹Disposal/Sales of Vessels â€‹During the nine months ended September 30, 2024, the Company delivered one 2009-built and two 2008-built MRs to their buyers and recognized an aggregate gain of $41.4 million. â€‹During the nine months ended September 30, 2023, the Company delivered a 2008-built MR to its buyer and recognized a gain of $10.9 million. â€‹â€‹â€‹NoteÂ 6Â â€” Variable Interest Entities (â€œVIEsâ€):â€‹Unconsolidated VIEsâ€‹As of September 30, 2024, all of the seven commercial pools in which the Company participates were determined to be VIEs for which the Company is not considered a primary beneficiary.â€‹The following table presents the carrying amounts of assets and liabilities in the condensed consolidated balance sheet related to the unconsolidated VIEs as of September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹â€‹â€‹â€‹Condensed Consolidated Balance SheetPool working capital depositsâ€‹â€‹â€‹â€‹$ 33,794â€‹In accordance with accounting guidance, the Company evaluated its maximum exposure to loss related to these unconsolidated VIEs by assuming a complete loss of the Companyâ€™s investment in these VIEs. The table below compares the Companyâ€™s liability in the condensed consolidated balance sheet to the maximum exposure to loss at September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹â€‹Condensed Consolidated Balance Sheetâ€‹Maximum Exposure toLossOther Liabilitiesâ€‹$ â€”â€‹$ 33,794â€‹â€‹â€‹In addition, as of September 30, 2024, the Company had approximately $182.5 million of trade receivables from the pools that were determined to be a VIE. These trade receivables, which are included in voyage receivables in the accompanying condensed consolidated balance sheet, have been excluded from the above tables and the calculation of INSWâ€™s maximum exposure to loss. The Company does not record the maximum exposure to loss as a liability because it does not believe that such a loss is probable of occurring as of September 30, 2024.11â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)â€‹â€‹NoteÂ 7Â â€” Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures:â€‹The estimated fair values of the Companyâ€™s financial instruments, other than derivatives that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows: â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024â€‹December 31, 2023â€‹Fair Value Level Cash and cash equivalentsâ€‹$ 103,309â€‹$ 126,760â€‹â€‹Level 1Short-term investments (1)â€‹â€‹ 50,000â€‹â€‹ 60,000â€‹â€‹Level 1$500 Million Revolving Credit Facility(2)â€‹â€‹ (94,581)â€‹â€‹ (113,598)â€‹â€‹Level 2ING Credit Facility (2)â€‹â€‹ â€”â€‹â€‹ (20,833)â€‹â€‹Level 2Ocean Yield Lease Financing (2)â€‹â€‹ (289,987)â€‹â€‹ (311,907)â€‹â€‹Level 2BoComm Lease Financing (3)â€‹â€‹ (192,343)â€‹â€‹ (210,186)â€‹â€‹Level 2Toshin Lease Financing (3)â€‹â€‹ (12,149)â€‹â€‹ (13,566)â€‹â€‹Level 2Hyuga Lease Financing (3)â€‹â€‹ (12,127)â€‹â€‹ (13,643)â€‹â€‹Level 2Kaiyo Lease Financing (3)â€‹â€‹ (11,062)â€‹â€‹ (12,419)â€‹â€‹Level 2Kaisha Lease Financing (3)â€‹â€‹ (11,047)â€‹â€‹ (12,519)â€‹â€‹Level 2(1)Short-term investments consist of time deposits with original maturities of between 91 and 180 days.(2)Floating rate debt â€“ the fair value of floating rate debt has been determined using level 2 inputs and is considered to be equal to the carrying value since it bears a variable interest rate, which is reset every three months. (3)Fixed rate debt â€“ the fair value of fixed rate debt has been determined using level 2 inputs by discounting the expected cash flows of the outstanding debt. â€‹Derivativesâ€‹At September 30, 2024, the Company was party to amortizing interest rate swap agreements with major financial institutions participating in the $500 Million Revolving Credit Facility that effectively converts the Companyâ€™s interest rate exposure from a three-month SOFR floating rate to a fixed rate of 2.84% through the maturity date of February 22, 2027. The interest rate swap agreements, which contain no leverage features, are designated and qualify as cash flow hedges and have a remaining aggregate notional value of $255.6 million as of September 30, 2024, covering for accounting purposes, the $94.6 million principal balance outstanding under the $500 Million Revolving Credit Facility and $161.0 million outstanding under the Ocean Yield Lease Financing. Also, as of September 30, 2024, approximately $0.4 million in net gains from previously terminated interest rate swaps are expected to be amortized out of accumulated other comprehensive loss to earnings over the next 12 months.â€‹â€‹Derivatives are recorded on a net basis by counterparty when a legal right of offset exists. The Company had the following amounts recorded on a net basis by transaction in the accompanying unaudited condensed consolidated balance sheets related to the Companyâ€™s use of derivatives as of September 30, 2024 and DecemberÂ 31, 2023:â€‹12â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Current portion of derivative assetâ€‹Long-term derivative assetsâ€‹Other receivablesSeptember 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Derivatives designated as hedging instruments:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swapsâ€‹$ 2,087â€‹$ 214â€‹$ 710Total â€‹$ 2,087â€‹$ 214â€‹$ 710â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹December 31, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Derivatives designated as hedging instruments:â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swapsâ€‹$ 5,081â€‹$ 1,153â€‹$ 961Total â€‹$ 5,081â€‹$ 1,153â€‹$ 961â€‹The following tables present information with respect to gains and losses on derivative positions reflected in the condensed consolidated statements of operations or in the condensed consolidated statements of comprehensive income.â€‹The effect of cash flow hedging relationships recognized in other comprehensive income excluding amounts reclassified from accumulated other comprehensive income for the three and nine months ended September 30, 2024 and 2023 follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Derivatives designated as hedging instruments:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swapsâ€‹$ (2,383)â€‹$ 1,897â€‹$ 1,766â€‹$ 6,291Total other comprehensive (loss)/incomeâ€‹$ (2,383)â€‹$ 1,897â€‹$ 1,766â€‹$ 6,291â€‹The effect of the Companyâ€™s cash flow hedging relationships on the condensed consolidated statement of operations for the three and nine months ended September 30, 2024 and 2023 follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Derivatives designated as hedging instruments:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swapsâ€‹$ (1,734)â€‹$ (2,343)â€‹$ (5,699)â€‹$ (6,328)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Discontinued hedging instruments:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swapâ€‹â€‹ (160)â€‹â€‹ (522)â€‹â€‹ (769)â€‹â€‹ (1,688)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Total interest expenseâ€‹$ (1,894)â€‹$ (2,865)â€‹$ (6,468)â€‹$ (8,016)â€‹See NoteÂ 11, â€œAccumulated Other Comprehensive Loss,â€ for disclosures relating to the impact of derivative instruments on accumulated other comprehensive income/(loss).â€‹13â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)The following table presents the fair values, which are pre-tax, for assets and liabilities measured on a recurring basis:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024â€‹December 31, 2023â€‹Fair Value Level Derivative Assets (interest rate swaps)â€‹$ 3,011â€‹$ 7,195â€‹â€‹Level 2(1)(1)For the interest rate swaps, fair values are derived using valuation models that utilize the income valuation approach. These valuation models take into account contract terms such as maturity, as well as other inputs such as interest rate yield curves and creditworthiness of the counterparty and the Company.â€‹â€‹â€‹NoteÂ 8Â â€” Debt:â€‹Debt consists of the following:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024Â Â Â Â December 31, 2023$750 Million Facility Term Loan, due 2027, net of unamortized deferred finance costs of $3,124â€‹$ â€”â€‹$ 110,474$500 Million Revolving Credit Facility, due 2030â€‹â€‹ 94,581â€‹â€‹ â€”ING Credit Facility, due 2026, net of unamortized deferred finance costs of $295â€‹â€‹ â€”â€‹â€‹ 20,538Ocean Yield Lease Financing, due 2031, net of unamortized deferred finance costs of $2,276 and $2,656â€‹â€‹ 287,711â€‹â€‹ 309,250BoComm Lease Financing, due 2030, net of unamortized deferred finance costs of $3,620 and $4,166â€‹â€‹ 219,756â€‹â€‹ 229,583Toshin Lease Financing, due 2031, net of unamortized deferred finance costs of $257 and $302â€‹â€‹ 12,859â€‹â€‹ 13,903Hyuga Lease Financing, due 2031, net of unamortized deferred finance costs of $220 and $265â€‹â€‹ 12,629â€‹â€‹ 13,786Kaiyo Lease Financing, due 2030, net of unamortized deferred finance costs of $187 and $227â€‹â€‹ 11,433â€‹â€‹ 12,518Kaisha Lease Financing, due 2030, net of unamortized deferred finance costs of $196 and $238â€‹â€‹ 11,543â€‹â€‹ 12,624â€‹â€‹ 650,512â€‹â€‹ 722,676Less current portionâ€‹â€‹ (49,823)â€‹â€‹ (127,447)Long-term portionâ€‹$ 600,689â€‹$ 595,229â€‹Capitalized terms used hereafter have the meaning given in these condensed consolidated financial statements or in the respective transaction documents referred to below, including subsequent amendments thereto.â€‹ING Credit Facilityâ€‹On April 18, 2024, the Company prepaid the outstanding principal balance of $20.3 million and terminated the ING Credit Facility. â€‹$750 Million Credit Facilityâ€‹On April 26, 2024, the Company, International Seaways Operating Corporation (the â€œBorrowerâ€) and certain of their subsidiaries entered into a second amendment that amended and extended the $750 Million Credit Facility with Nordea Bank Abp, New York Branch (â€œNordeaâ€), BNP Paribas, CrÃ©dit Agricole Corporate & Investment Bank (â€œCA-CIBâ€), DNB Markets Inc., and Skandinaviska Enskilda Banken AB (PUBL) (or their respective affiliates), as mandated lead arrangers and bookrunners; ING Bank N.V., London Branch and Danish Ship Finance A/S (or their respective affiliates), as lead arrangers and National Australia Bank Limited, as co-arranger. Nordea is acting as administrative agent, collateral agent, coordinator and security trustee under the amended agreement, and CA-CIB is acting as sustainability coordinator.â€‹Immediately prior to the closing of the second amendment, the $750 Million Facility, had a remaining term loan balance of $94.6 million and undrawn revolver capacity of $257.4 million. The amended agreement consists of a $500 million revolving credit facility 14â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)(the â€œ$500 Million Revolving Credit Facilityâ€) that matures on January 31, 2030. That maturity date is subject to acceleration upon the occurrence of certain events (as described in the credit agreement). The $500 Million Revolving Credit Facility is secured by a first lien on certain of the Companyâ€™s vessels (the â€œCollateral Vesselsâ€), along with their earnings, insurances and certain other assets, as well as by liens on certain additional assets of the Borrower. Under the terms of the $500 Million Revolving Credit Facility capacity is reduced on a quarterly basis by approximately $12.8 million, based on a 20-year age-adjusted profile of the Collateral Vessels. The $500 Million Revolving Credit Facility bears an interest rate based on term SOFR plus the Applicable Margin (each as defined in the credit agreement). The Applicable Margin is 1.85% and is subject to similar sustainability-linked features as included in the $750 Million Credit Facility, that are aimed at reducing the carbon footprint, targeting expenditures toward energy efficiency improvements and maintaining a safety record above the industry average. The Companyâ€™s performance against these sustainability measures could impact the margin by five basis points. At the time of closing, $94.6 million was drawn on the $500 Million Revolving Credit Facility. An additional $50 million was drawn in June 2024, and subsequently repaid during the three months ended September 30, 2024. â€‹An aggregate of $94.6 million was outstanding as of September 30, 2024, leaving us an undrawn revolver capacity of $392.6 million on this facility. â€‹The $500 Million Revolving Credit Facility also contains customary representations, warranties, restrictions and covenants applicable to the Company, the Borrower and the subsidiary guarantors (and in certain cases, other subsidiaries), including financial covenants that are consistent with existing financial covenants in the $750 Million Credit Facility and require the Company (i) to maintain a minimum liquidity level of the greater of $50 million and 5% of the Companyâ€™s Consolidated Indebtedness; (ii) to ensure the Companyâ€™s and its consolidated subsidiariesâ€™ Maximum Leverage Ratio will not exceed 0.60 to 1.00 at any time; (iii) to ensure that Current Assets exceeds Current Liabilities (which is defined to exclude the current potion of Consolidated Indebtedness); and (iv) to ensure the aggregate Fair Market Value of the Collateral Vessels will not be less than 135% of the aggregate outstanding principal amount of the $500 Million Revolving Credit Facility. â€‹Debt Covenantsâ€‹The Company was in compliance with the financial and non-financial covenants under all of its financing arrangements as of September 30, 2024.â€‹Interest Expenseâ€‹Total interest expense before the impact of capitalized interest, including amortization of issuance and deferred financing costs, commitment, administrative and other fees for all of the Companyâ€™s debt facilities for the three and nine months ended September 30, 2024 was $12.6 million and $37.8 million, respectively, and for the three and nine months ended September 30, 2023 was $16.7 million and $53.2 million, respectively. Interest paid for the Companyâ€™s debt facilities for the three and nine months ended September 30, 2024 was $11.3 million and $34.5 million, respectively, and for the three and nine months ended September 30, 2023 was $16.8 million and $52.8 million, respectively. Interest paid for the nine months ended September 30, 2023 also included $2.0 million of the pre-delivery interest expense paid for the three dual-fuel LNG VLCC newbuilds. â€‹NoteÂ 9Â â€” Taxes:â€‹As of September 30, 2024, the Company qualifies for an exemption from U.S. federal income taxes under Section 883 of the U.S. Internal Revenue Code of 1986, as amended (the â€œCodeâ€) and U.S. Treasury Department regulations for the 2024 calendar year, as less than 50 percent of the total value of the Companyâ€™s stock was held by one or more shareholders who own 5% or more of the Companyâ€™s stock for more than half of the days of 2024.â€‹The Company reviews its provisions for uncertain tax positions relating to freight taxes in various tax jurisdictions on a regular basis and may update its assessment of its tax positions based on available information at that time. Such information may include additional legal advice as to the applicability of freight taxes in relevant jurisdictions. Freight tax regulations are subject to change and interpretation; therefore, the amounts recorded by the Company may change accordingly. There were no changes in such reserve recorded during the three and nine months ended September 30, 2024 and 2023. â€‹15â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)Additionally, a number of countries, including some in which certain of the Companyâ€™s subsidiaries are domiciled, have drafted or are actively considering drafting legislation to implement the Organization for Economic Cooperation and Development's (â€œOECDâ€) international tax framework, including theÂ Pillar Two Model Rules. TheseÂ model rules call for a minimum global tax of 15% on large multinational enterprises with possible application from January 1, 2024 or later, depending on implementation by the individual countries in which the Company is domiciled. As currently enacted, the Pillar Two Model Rules have no impact on the Companyâ€™s consolidated financial statements in 2024, however, the Company is monitoring these developments and evaluating the necessary steps it can take to minimize the impact, if any, to the Companyâ€™s consolidated financial statements and operations going forward. â€‹â€‹â€‹NoteÂ 10Â â€” Capital Stock and Stock Compensation:â€‹The Company accounts for stock-based compensation expense in accordance with the fair value method required by ASC 718, CompensationÂ â€" Stock Compensation. Such fair value method requires share-based payment transactions to be measured according to the fair value of the equity instruments issued. â€‹Director Compensation â€" Restricted Common StockOn February 19, 2024, Mr. Nadim Qureshi resigned from the Board of Directors of the Company. Mr. Qureshiâ€™s resignation was not the result of any disagreement with the Company or the Board on any matter relating to the Companyâ€™s operations, policies or practices. In connection with his resignation,Â the Board approved the accelerated vesting of theÂ 2,635Â restricted shares of INSW common stock previously granted to Mr. Qureshi in June 2023 (valued at approximately $0.1Â million) and the Company did not seek reimbursement of any cash director fees paid to Mr. Qureshi in advance for the first quarter of 2024. In consideration of this action, Mr. Qureshi entered into a one-year agreement not to compete with the Companyâ€™s crude and product tanker operations.â€‹In June 2024, the Company awarded a total ofÂ 20,198Â restricted common stock shares to its non-employee directors. The weighted average fair market value of INSWâ€™s stock on the measurement date of such awards was $57.17Â per share. Such restricted share awards vest in full on the earlier of the next annual meeting of the stockholders or June 13, 2025, subject to each director continuing to provide services to INSW through such date. The restricted share awards granted may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Prior to the vesting date, a holder of restricted share awards otherwise has all the rights of a shareholder of INSW, including the right to vote such shares and the right to receive dividends paid with respect to such shares at the same time as common shareholders generally.Management Compensation â€‹Stock Optionsâ€‹There were no stock options granted during the three and nine months ended September 30, 2024 and 2023. A total of 65,179 and 25,937 stock options were exercised during the nine months ended September 30, 2024 and 2023, respectively, by certain senior officers and employees of the Company at an average exercise price of $21.74 and $22.11 per share, respectively. After withholdings for taxes and costs, the Company issued a total of 18,765 and 6,843 shares, during the nine months ended September 30, 2024 and 2023, respectively, in conjunction with these exercises.â€‹Restricted Stock Units â€‹During the nine months ended September 30, 2024, the Company grantedÂ 82,076Â time-based restricted stock units (â€œRSUsâ€) to certain of its senior officers and employees. The weighted average grant date fair value of these awards was $52.99Â per RSU. Each RSU represents a contingent right to receiveÂ oneÂ share of INSW common stock upon vesting. 48,078 of the RSUs awarded will vest in equal installments on each of the first three anniversaries of the grant date and 33,998 of the RSUs awarded will cliff vest on October 24, 2025.â€‹16â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)During the nine months ended September 30, 2024, the Company also grantedÂ 48,080Â performance-based RSUs to certain of its senior officers. Each performance stock unit represents a contingent right to receive RSUs based upon the covered employees being continuously employed through the end of the period over which the performance goals are measured and shall vest as follows: (i)Â one-half of the target RSUs shall vest on December 31, 2026, subject to INSWâ€™s return on invested capital (â€œROICâ€) performance in theÂ three-yearÂ ROIC performance period relative to a target rate (the â€œROIC Targetâ€) set forth in the award agreements; and (ii)Â one-half of the target RSUs shall vest on December 31, 2026, subject to INSWâ€™sÂ three-yearÂ total shareholder return (â€œTSRâ€) performance relative to that of a performance peer group over aÂ three-yearÂ performance period (â€œTSR Targetâ€). Vesting is subject in each case to the Human Resources and Compensation Committee of the Companyâ€™s Board of Directorsâ€™ certification of achievement of the performance measures and targets no later than March 15, 2027. The weighted average grant date fair value of the awards with performance conditions was determined to be $52.57Â per RSU. The weighted average grant date fair value of the TSR based performance awards which have a market condition was estimated using a Monte Carlo probability model and determined to be $41.08Â per RSU.â€‹Dividendsâ€‹During 2024, the Companyâ€™s Board of Directors have declared and paid the following regular quarterly and supplemental dividends: â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Declaration Date Record DatePayment Dateâ€‹â€‹Regular Quarterly Dividend per Shareâ€‹â€‹Supplemental Dividend per Shareâ€‹â€‹Total Dividends Paid (Dollars in Thousands)February 28, 2024March 14, 2024March 28, 2024â€‹$0.12â€‹$1.20â€‹$64,665 May 7, 2024June 12, 2024June 26, 2024â€‹$0.12â€‹$1.63â€‹$86,930 August 6, 2024September 11, 2024September 25, 2024â€‹$0.12â€‹$1.38â€‹$73,789 â€‹â€‹On November 6, 2024, the Companyâ€™s Board of Directors declared a regular quarterly cash dividend of $0.12 per share of common stock and a supplemental dividend of $1.08 per share of common stock. Both dividends will be paid on December 27, 2024 to stockholders of record as of December 13, 2024.â€‹â€‹Share Repurchasesâ€‹During the nine months ended September 30, 2024, the Company repurchased and retired 501,646 shares of its common stock in open-market purchases, at an average price of $49.81 per share, for a total cost of $25.0 million. During the nine months ended September 30, 2023, the Company repurchased and retired 366,483 shares of its common stock in open-market purchases, at an average price of $38.03 per share, for a total cost of $13.9 million. As of September 30, 2024, the remaining buyback authorization under the Companyâ€™s $50.0 million stock repurchase program expiring in December 2025 was $25.0 million. In November 2024, the Companyâ€™s Board of Directors authorized an increase in the share repurchase program to $50.0 million from $25 million. â€‹In connection with the settlement of vested restricted stock units and the exercise of stock options, the Company repurchased 158,591 shares of common stock during the nine months ended September 30, 2024, at an average cost of $53.42 per share (based on the closing market prices on the dates of vesting or exercise) from employees and certain members of management to cover withholding taxes. Similarly, the Company repurchased 9,473 and 130,810 shares of common stock during the three and nine months ended September 30, 2023, respectively, at an average cost of $45.50 and $43.81, respectively, per share. â€‹Shares issued relating to Vessel Acquisitionsâ€‹Refer to Note 5, â€œVesselsâ€ for further details. â€‹17â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)NoteÂ 11Â â€” Accumulated Other Comprehensive Loss:â€‹The components of accumulated other comprehensive loss, net of related taxes, in the condensed consolidated balance sheets follow:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024Â Â Â Â December 31, 2023Unrealized gains on derivative instrumentsâ€‹$ 4,647â€‹$ 9,349Items not yet recognized as a component of net periodic benefit cost (pension plans)â€‹â€‹ (13,870)â€‹â€‹ (10,412) â€‹â€‹$ (9,223)â€‹$ (1,063)â€‹â€‹The changes in the balances of each component of accumulated other comprehensive income/(loss), net of related taxes, during the three and nine months ended September 30, 2024 and 2023 follow:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Unrealized gains/(losses) on cash flow hedgesâ€‹Items not yet recognized as a component of net periodic benefit costâ€‹TotalBalance as of June 30, 2024â€‹$ 8,924â€‹$ (10,340)â€‹$ (1,416)Current period change, excluding amounts reclassified â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹from accumulated other comprehensive lossâ€‹â€‹ (2,383)â€‹â€‹ (3,530)â€‹â€‹ (5,913)Amounts reclassified from accumulated other comprehensive lossâ€‹â€‹ (1,894)â€‹â€‹ â€"â€‹â€‹ (1,894)Balance as of September 30, 2024â€‹$ 4,647â€‹$ (13,870)â€‹$ (9,223)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance as of June 30, 2023â€‹$ 16,155â€‹$ (10,400)â€‹$ 5,755Current period change, excluding amounts reclassified â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹from accumulated other comprehensive incomeâ€‹â€‹ 1,897â€‹â€‹ 372â€‹â€‹ 2,269Amounts reclassified from accumulated other comprehensive incomeâ€‹â€‹ (2,865)â€‹â€‹ â€"â€‹â€‹ (2,865)Balance as of September 30, 2023â€‹$ 15,187â€‹$ (10,028)â€‹$ 5,159â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Unrealized losses on cash flow hedgesâ€‹Items not yet recognized as a component of net periodic benefit costâ€‹TotalBalance as of December 31, 2023â€‹$ 9,349â€‹$ (10,412)â€‹$ (1,063)Current period change, excluding amounts reclassified â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹from accumulated other comprehensive lossâ€‹â€‹ 1,766â€‹â€‹ (3,458)â€‹â€‹ (1,692)Amounts reclassified from accumulated other comprehensive lossâ€‹â€‹ (6,468)â€‹â€‹ â€”â€‹â€‹ (6,468)Balance as of September 30, 2024â€‹$ 4,647â€‹$ (13,870)â€‹$ (9,223)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Balance as of December 31, 2022â€‹$ 16,912â€‹â€‹ (9,948)â€‹$ 6,964Current period change, excluding amounts reclassified â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹from accumulated other comprehensive incomeâ€‹â€‹ 6,291â€‹â€‹ (80)â€‹â€‹ 6,211Amounts reclassified from accumulated other comprehensive incomeâ€‹â€‹ (8,016)â€‹â€‹ â€”â€‹â€‹ (8,016)Balance as of September 30, 2023â€‹$ 15,187â€‹$ (10,028)â€‹$ 5,159â€‹â€‹18â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)â€‹Amounts reclassified out of each component of accumulated other comprehensive income/(loss) follow:â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, â€‹â€‹(Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023â€‹Statement of Operations Line ItemReclassifications of (gains)/losses on cash flow hedges:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swaps entered into by the Company's subsidiariesâ€‹$ (1,734)â€‹$ (2,343)â€‹$ (5,699)â€‹$ (6,328)â€‹Interest expenseâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Reclassifications of losses on discontinued hedging instrumentsâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Interest rate swap entered into by the Company's subsidiariesâ€‹â€‹ (160)â€‹â€‹ (522)â€‹â€‹ (769)â€‹â€‹ (1,688)â€‹Interest expenseTotal before and net of taxâ€‹$ (1,894)â€‹$ (2,865)â€‹$ (6,468)â€‹$ (8,016)â€‹â€‹â€‹At September 30, 2024, the Company expects that it will reclassify $2.1 million (gross and net of tax) of net gain on derivative instruments from accumulated other comprehensive income to earnings during the next twelve months attributable to interest rate swaps held by the Company.â€‹See Note 7, â€œFair Value of Financial Instruments, Derivatives and Fair Value Disclosures,â€ for additional disclosures relating to derivative instruments.â€‹â€‹NoteÂ 12Â â€” Revenue:â€‹Revenue Recognitionâ€‹The majority of the Companyâ€™s contracts for pool revenues, time charter revenues, and voyage charter revenues are accounted for as lease revenue under ASC 842. The Companyâ€™s contracts with pools are short term which are cancellable with up to 90 daysâ€™ notice. As of September 30, 2024, the Company is a party to time charter out contracts with customers on three VLCCs, two Suezmaxes, one Aframax, one LR2, and eight MRs with expiry dates ranging from November 2024 to April 2030. The Companyâ€™s contracts with customers for voyage charters are short term and vary in length based upon the duration of each voyage. Lease revenue for non-variable lease payments is recognized over the lease term on a straight-line basis and lease revenue for variable lease payments (e.g., demurrage) is recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. â€‹Lightering services provided by the Companyâ€™s Crude Tanker Lightering Business, and voyage charter contracts that do not meet the definition of a lease are accounted for as service revenues under ASC 606. In accordance with ASC 606, revenue is recognized when a customer obtains control of or consumes promised services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services. â€‹19â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)The following tables present the Companyâ€™s revenues from leases accounted for under ASC 842 and revenues from services accounted for under ASC 606 for the three and nine months ended September 30, 2024 and 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Crudeâ€‹Productâ€‹â€‹â€‹(Dollars in thousands)â€‹Tankersâ€‹Carriersâ€‹TotalsThree months ended September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Revenues from leases â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Pool revenuesâ€‹$ 67,674â€‹$ 102,333â€‹$ 170,007Time charter revenuesâ€‹â€‹ 18,595â€‹â€‹ 18,247â€‹â€‹ 36,842Voyage charter revenues from non-variable lease paymentsâ€‹â€‹ 2,525â€‹â€‹ 1,398â€‹â€‹ 3,923Revenues from services â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage charter revenues from lightering services â€‹â€‹ 14,418â€‹â€‹ â€”â€‹â€‹ 14,418Total shipping revenuesâ€‹$ 103,212â€‹$ 121,978â€‹$ 225,190â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three months ended September 30, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Revenues from leases â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Pool revenuesâ€‹$ 80,562â€‹$ 113,903â€‹$ 194,465Time charter revenuesâ€‹â€‹ 19,319â€‹â€‹ 8,268â€‹â€‹ 27,587Voyage charter revenues from non-variable lease paymentsâ€‹â€‹ 1,669â€‹â€‹ 4,958â€‹â€‹ 6,627Voyage charter revenues from variable lease paymentsâ€‹â€‹ â€”â€‹â€‹ 329â€‹â€‹ 329Revenues from services â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage charter revenues from lightering services â€‹â€‹ 12,700â€‹â€‹ â€”â€‹â€‹ 12,700Total shipping revenuesâ€‹$ 114,250â€‹$ 127,458â€‹$ 241,708â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Crudeâ€‹Productâ€‹â€‹â€‹(Dollars in thousands)â€‹Tankersâ€‹Carriersâ€‹TotalsNine months ended September 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Revenues from leases â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Pool revenuesâ€‹$ 246,979â€‹$ 356,991â€‹$ 603,970Time and bareboat charter revenuesâ€‹â€‹ 59,291â€‹â€‹ 39,739â€‹â€‹ 99,030Voyage charter revenues from non-variable lease paymentsâ€‹â€‹ 4,550â€‹â€‹ 4,812â€‹â€‹ 9,362Revenues from services â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage charter revenues from lightering services â€‹â€‹ 44,638â€‹â€‹ â€”â€‹â€‹ 44,638Total shipping revenuesâ€‹$ 355,458â€‹$ 401,542â€‹$ 757,000â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine months ended September 30, 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Revenues from leases â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Pool revenuesâ€‹$ 309,000â€‹$ 392,634â€‹$ 701,634Time and bareboat charter revenuesâ€‹â€‹ 47,575â€‹â€‹ 19,274â€‹â€‹ 66,849Voyage charter revenues from non-variable lease paymentsâ€‹â€‹ 5,324â€‹â€‹ 9,825â€‹â€‹ 15,149Voyage charter revenues from variable lease paymentsâ€‹â€‹ 66â€‹â€‹ 479â€‹â€‹ 545Revenues from services â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage charter revenues from lightering services â€‹â€‹ 36,864â€‹â€‹ â€”â€‹â€‹ 36,864Total shipping revenuesâ€‹$ 398,829â€‹$ 422,212â€‹$ 821,041â€‹Contract Balancesâ€‹The following table provides information about receivables, contract assets and contract liabilities from contracts with customers, and significant changes in contract assets and liabilities balances, associated with revenue from services accounted for under ASC 606. 20â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)Balances related to revenues from leases accounted for under ASC 842 are excluded from the table below. â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Voyage receivables - Billed receivablesâ€‹Contract assets (Unbilled voyage receivables)â€‹Contract liabilities (Deferred revenues and off hires)Opening balance as of January 1, 2024â€‹$ 6,512â€‹$ 1,029â€‹$ â€”Closing balance as of September 30, 2024â€‹â€‹ 4,665â€‹â€‹ 184â€‹â€‹ â€”â€‹We receive payments from customers based on the schedule established in our contracts. Contract assets relate to our conditional right to consideration for our completed performance obligations under contracts and decrease when the right to consideration becomes unconditional or payments are received. Contract liabilities include payments received in advance of performance under contracts and are recognized when performance under the respective contract has been completed. Deferred revenues allocated to unsatisfied performance obligations will be recognized over time as the services are performed.â€‹Performance Obligationsâ€‹All of the Companyâ€™s performance obligations are generally transferred to customers over time. The expected duration of services is less than one year. There were no material adjustments in revenues from performance obligations satisfied in previous periods recognized during the three and nine months ended September 30, 2024 and 2023, respectively. â€‹Costs to Obtain or Fulfill a Contractâ€‹As of September 30, 2024, there were no unamortized deferred costs of obtaining or fulfilling a contract.â€‹European Unionâ€™s Emissions Trading Systemâ€‹Commencing January 1, 2024, the European Unionâ€™s Emissions Trading System (â€œEU ETSâ€) was extended to cover Carbon dioxide (â€œCO2â€) emissions from ships over 5,000 gross tons entering EU ports. The EU ETS covers (a) 50% of emissions from voyages either starting in or ending in an EU port, and (b) 100% of emissions from voyages between two EU ports or emissions generated while a ship is within an EU port.â€‹Shipping companies will have to surrender EU ETS emissions allowances (â€œEUAâ€) for each ton of reported CO2 emissions in the scope of the EU ETS. There is a phase-in period for the regulations, as allowances will have to be submitted for 40% of 2024 emissions, 70% of 2025 emissions and 100% of emissions for 2026 and subsequent years. Beginning in 2026, the scope of the EU ETS will also be expanded to include Methane (â€œCH4â€) and Nitrous oxide (â€œN2Oâ€).â€‹EUAs are valued based upon a market approach utilizing prices published on an EUA market index. The value of the EUAs to be provided to the Company pursuant to the terms of its agreements with the charterers of its vessels and the commercial pools in which it participates is included in shipping revenues in the condensed consolidated statements of operations. The value of the EUA obligations incurred by the Company under the EU ETS while its vessels are on-hire is included in voyage expenses, or in vessel expenses while its vessels are off-hire, in the condensed consolidated statements of operations. â€‹EUAs held by the Company are intended to be used to settle its EUA obligations and are accounted for as intangible assets. The Company did not hold any EUAs as of September 30, 2024. EUAs relating to 2024 emissions are required to be surrendered to the EU authorities in September 2025. â€‹21â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)The following table presents the components of the non-cash revenues and expenses recognized for EUAs earned and incurred during the three and nine months ended September 30, 2024 and 2023:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30,â€‹Nine Months Ended September 30,(Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Pool revenuesâ€‹$ 910â€‹$ â€”â€‹$ 2,954â€‹$ â€”Time charter revenues â€‹â€‹ 455â€‹â€‹ â€”â€‹â€‹ 946â€‹â€‹ â€”Total shipping revenuesâ€‹$ 1,365â€‹$ â€”â€‹$ 3,900â€‹$ â€”â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Voyage expenses â€‹$ 1,365â€‹$ â€”â€‹$ 3,900â€‹$ â€”â€‹â€‹The value of EUAs due to the Company from its charterers or commercial pools in which it participates, and the value of the EUAs the Company is obligated to surrender to the EU authorities is $3.9 million as of September 30, 2024 and is included in other receivables and other current liabilities, respectively, in the condensed consolidated balance sheet. â€‹NoteÂ 13Â â€” Leases:â€‹As permitted under ASC 842, the Company has elected not to apply the provisions of ASC 842 to short term leases, which include: (i) tanker vessels chartered-in where the duration of the charter was one year or less at lease commencement; (ii) workboats employed in the Crude Tankers Lightering business which have a lease term of 12-months or less; and (iii) short term leases of office and other space.â€‹â€‹Contracts under which the Company is a Lesseeâ€‹The Company currently has two major categories of leases â€“ chartered-in vessel and leased office and other space. The expenses recognized during the three and nine months ended September 30, 2024 and 2023 for the lease component of these leases are as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30,â€‹Nine Months EndedSeptember 30,(Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Operating lease costâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Vessel assetsâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Charter hire expensesâ€‹$ 2,393â€‹$ 2,092â€‹$ 7,127â€‹$ 3,837â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Finance lease costâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Vessel assetsâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Amortization of right-of-use assetsâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 731Interest on lease liabilitiesâ€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 124â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Office and other spaceâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹General and administrative â€‹â€‹ 226â€‹â€‹ 203â€‹â€‹ 678â€‹â€‹ 659Voyage expensesâ€‹â€‹ 45â€‹â€‹ 45â€‹â€‹ 135â€‹â€‹ 135â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Short-term lease costâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Vessel assets (1)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Charter hire expensesâ€‹â€‹ 1,173â€‹â€‹ 5,881â€‹â€‹ 3,671â€‹â€‹ 15,304Total lease costâ€‹$ 3,837â€‹$ 8,221â€‹$ 11,611â€‹$ 20,79022â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)(1)Excludes vessels spot chartered-in under operating leases and employed in the Crude Tankers Lightering business for periods of less than one month each, totalingÂ $1.8 million andÂ $3.9 million for the three and nine months ended September 30, 2024, respectively, compared with $0.3 million and $2.0 million for the three and nine months ended September 30, 2023, respectively, including both lease and non-lease components.â€‹Supplemental cash flow information related to leases was as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023Cash paid for amounts included in the measurement of lease liabilitiesâ€‹â€‹â€‹â€‹â€‹â€‹Operating cash flows used for operating leasesâ€‹$ 8,072â€‹$ 3,822Finance cash flows used for finance leasesâ€‹â€‹ â€”â€‹â€‹ 42,284â€‹Supplemental balance sheet information related to leases was as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹ September 30, 2024â€‹December 31, 2023Operating lease right-of-use assetsâ€‹$ 12,295â€‹$ 20,391â€‹â€‹â€‹â€‹â€‹â€‹Current portion of operating lease liabilitiesâ€‹$ (7,673)â€‹$ (10,223)Long-term operating lease liabilitiesâ€‹â€‹ (6,773)â€‹â€‹ (11,631)Total operating and finance lease liabilitiesâ€‹$ (14,446)â€‹$ (21,854)â€‹â€‹â€‹â€‹â€‹â€‹Weighted average remaining lease term - operating leasesâ€‹â€‹4.92 yearsâ€‹â€‹4.42 yearsWeighted average discount rate - operating leasesâ€‹â€‹5.54%â€‹â€‹5.90%â€‹â€‹1. Charters-in of vessel assets:â€‹As of September 30, 2024, the Company has commitments to time charter-in two LR1s through to June 2025 and March 2026, respectively. The 18-month charter-in lease period of one of the LR1s did not commence until the vessel was delivered in October 2024. Accordingly, the associated operating lease liability and right of use asset were not recognized as of September 30, 2024. The minimum lease payments (including both lease and non-lease components) due under this time charter-in will be $3,240, $12,994, and $2,563 in 2024, 2025, and 2026, respectively. â€‹The remaining minimum lease payments and related number of operating days under the operating lease that commenced prior to September 30, 2024 are as follows: â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Amountâ€‹Operating Days2024â€‹$ 2,427â€‹ 922025â€‹â€‹ 4,301â€‹ 163Total lease payments (lease component only)â€‹â€‹ 6,728â€‹ 255less imputed interestâ€‹â€‹ (142)â€‹â€‹Total operating lease liabilitiesâ€‹$ 6,586â€‹â€‹â€‹ 2. Office and other space:â€‹The Company has operating leases for offices and a lightering workboat dock space. These leases have expiry dates ranging from December 2024 to May 2033. The lease for the workboat dock space contains renewal options executable by the Company for periods through December 2027. We have determined that the options through December 2024 are reasonably certain to be executed by the Company, and accordingly the options are included in the lease liability and right of use asset calculations for such lease.â€‹23â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)Payments of lease liabilities for office and other space as of September 30, 2024 are as follows:â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹â€‹Amount2024â€‹$ 3182025â€‹â€‹ 1,0932026â€‹â€‹ 1,1132027â€‹â€‹ 1,0772028â€‹â€‹ 1,077Thereafterâ€‹â€‹ 4,754Total lease paymentsâ€‹â€‹ 9,432less imputed interestâ€‹â€‹ (1,572)Total operating lease liabilitiesâ€‹$ 7,860â€‹Contracts under which the Company is a Lessorâ€‹See Note 12, â€œRevenue,â€ for discussion on the Companyâ€™s revenues from operating leases accounted for under ASC 842. â€‹The future minimum contracted revenues, before the deduction of brokerage commissions, expected to be received on non-cancelable time charters for three VLCCs, two Suezmaxes, one Aframax, one LR2, and eight MRs, and the related revenue days as of September 30, 2024 are as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹(Dollars in thousands)â€‹Amountâ€‹Revenue Days2024â€‹$ 36,528â€‹ 1,3322025â€‹â€‹ 114,169â€‹ 4,1122026â€‹â€‹ 79,611â€‹ 2,6992027â€‹â€‹ 39,433â€‹ 1,2592028â€‹â€‹ 34,038â€‹ 1,098Thereafterâ€‹â€‹ 41,013â€‹ 1,323Future minimum revenuesâ€‹$ 344,791â€‹ 11,823â€‹Future minimum contracted revenues do not include the Companyâ€™s share of time charters entered into by the pools in which it participates or profit-sharing above the base rate on the newbuild dual-fuel LNG VLCCs. Revenues from a time charter are not generally received when a vessel is off-hire, including time required for normal periodic maintenance of the vessel. In arriving at the minimum future charter revenues, an estimated time off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.â€‹NoteÂ 14Â â€" Other Operating Expensesâ€‹Other operating expenses consist of the following expenses: â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30,â€‹Nine Months Ended September 30,(Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Settlement of multi-employer pension plan obligationsâ€‹$44â€‹$ â€"â€‹$ 1,019â€‹$ â€"Legal and consulting fees associated with settlement of pension plan obligations â€‹â€‹941â€‹â€‹ â€"â€‹â€‹ 1,696â€‹â€‹ â€"Total other operating expensesâ€‹$ 985â€‹$ â€"â€‹$ 2,715â€‹$ â€"â€‹24â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)See Note 15, â€œPension and Other Postretirement Benefit Plans,â€ for additional information on the Companyâ€™s defined benefit pension plan obligations.Note 15 â€" Pension and Other Postretirement Benefit Plans â€‹Defined Benefit Pension Plan â€‹In September 2024, the Company contributed $3.6 million into the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the â€œPlanâ€) to allow the Trustee of the Plan to purchase a $21.0 million insurance contract tailored to match the full value of future Plan benefits payable from the Plan. In this arrangement, the Companyâ€™s pension benefit obligation and related risks and rewards are not transferred to the insurance company, and as a result, the Company continues to be responsible for paying the benefits. However, this arrangement generally constitutes an economic settlement of the liability by eliminating relevant risks associated with changes to the obligation, including investment, interest rate and longevity risk. The contract is accounted for as a plan asset in the accompanying condensed consolidated balance sheet as of September 30, 2024. As this arrangement does not qualify for settlement accounting under ASC 715, Compensation â€" Retirement Benefits, the corresponding obligation is netted against the plan asset in the accompanying condensed consolidated balance sheet at an equal amount. â€‹The Company expects the benefits due to the participants under the Plan to be transferred to the insurance company at the completion of their standard review of the Planâ€™s underlying data with minimal or no additional cost to the Company. At such time, the Company believes the arrangement will qualify for the settlement accounting. Multi-Employer PlansThe Merchant Navy Officers Pension Fund (â€œMNOPFâ€) is a multi-employer defined benefit pension plan covering British crew members that served as officers on board INSWâ€™s vessels (as well as vessels of other owners). The Trustees of the MNOPF have indicated that, under the terms of the High Court ruling in 2005, which established the liability of past employers to fund the deficit on the Post 1978 section of MNOPF, calls for further contributions may be required if additional actuarial deficits arise or if other employers liable for contributions are not able to pay their share in the future. On July 11, 2024, the Company and the Trustees of the MNOPF entered into an agreement pursuant to which the Company paid $0.1 million and the Trustees of the MNOPF agreed not to seek any future contributions from the Company. The Merchant Navy Ratings Pension Fund (â€œMNRPFâ€) is a multi-employer defined benefit pension plan covering British crew members that served as ratings (seamen) on board INSWâ€™s vessels (as well as vessels of other owners) more than 20 years ago. Based on a High Court ruling in 2015, the Trustees of the MNRPF levied assessments to recover the significant deficit in the plan from participating employers. Participating employers include current employers, historic employers that have made voluntary contributions, and historic employers such as INSW that have made no deficit contributions. In September 2024, the Company entered into an agreement with the Trustees of the MNRPF to release the Company from any future obligation to fund deficits in the plan in exchange for the Companyâ€™s payment of $0.8 million. The Company also made payments totaling $0.1 million to reimburse the Trustees of the MNOPF and MNRPF for costs incurred in connection with the agreements entered into with the Company.NoteÂ 16Â â€" Contingencies:INSWâ€™s policy for recording legal costs related to contingencies is to expense such legal costs as incurred. Legal Proceedings Arising in the Ordinary Course of Businessâ€‹The Company is a party, as plaintiff or defendant, to various suits in the ordinary course of business for monetary relief arising principally from personal injuries, wrongful death, collision or other casualty and to claims arising under charter parties and other contract disputes. A substantial majority of such personal injury, wrongful death, collision or other casualty claims against the 25â€‹INTERNATIONAL SEAWAYS, INC.NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(UNAUDITED)Company are covered by insurance (subject to deductibles not material in amount). Each of the claims involves an amount which, in the opinion of management, should not be material to the Companyâ€™s financial position, results of operations and cash flows.â€‹In late July 2023, one of the Companyâ€™s vessels was arrested in connection with a commercial dispute arising earlier in 2023. Although the vessel was subsequently released, the arresting parties continue to seek approximately $25 million in security. The underlying commercial dispute is in arbitration in England. The Company is defending itself vigorously against the arrest and the allegations in the underlying dispute. The Company is currently unable to predict the outcome of this matter, and no estimate of liability has been accrued at this time.â€‹â€‹26â€‹INTERNATIONAL SEAWAYS, INC.ITEM 2. MANAGEMENTâ€™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSFORWARD-LOOKING STATEMENTS â€‹This Quarterly Report on FormÂ 10-Q contains forward-looking statements. Such forward-looking statements represent the Companyâ€™s reasonable expectation with respect to future events or circumstances based on various factors and are subject to various risks and uncertainties and assumptions relating to the Companyâ€™s operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors, many of which are beyond the control of the Company, that could cause the Companyâ€™s actual results to differ materially from those indicated in these statements. Undue reliance should not be placed on any forward-looking statements and consideration should be given to the following factors when reviewing any such statement. Such factors include, but are not limited to:â€‹â—the highly cyclical nature of INSWâ€™s industry;â—fluctuations in the market value of vessels;â—declines in charter rates, including spot charter rates or other market deterioration;â—an increase in the supply of vessels without a commensurate increase in demand;â—the impact of adverse weather and natural disasters, including the continuing drought in Panama, reducing water levels in the Panama Canal and thereby decreasing the daily number of vessels permitted to transit the canal, resulting in delays crossing the canal or extending their voyages by going around Cape Horn;â—the adequacy of INSWâ€™s insurance to cover its losses, including in connection with maritime accidents or spill events;â—constraints on capital availability;â—changing economic, political and governmental conditions in the United States and/or abroad and general conditions in the oil and natural gas industry;â—the impact of changes in fuel prices;â—acts of piracy on ocean-going vessels;â—terrorist attacks and international hostilities and instability, including attacks against merchant vessels in the Red Sea and the Gulf of Aden by Iran-backed Houthi militants based in Yemen;â—the war between Russia and Ukraine could adversely affect INSWâ€™s business;â—the impact of public health threats and outbreaks of other highly communicable diseases, including COVID-19;â—the effect of the Companyâ€™s indebtedness on its ability to finance operations, pursue desirable business opportunities and successfully run its business in the future;â—an event occurs that causes the rights issued under the A&R Rights Agreement adopted by the Company on April 11, 2023 to become exercisable;â—the Companyâ€™s ability to generate sufficient cash to service its indebtedness and to comply with debt covenants;â—the Companyâ€™s ability to make capital expenditures to expand the number of vessels in its fleet, and to maintain all of its vessels and to comply with existing and new regulatory standards;â—the availability and cost of third-party service providers for technical and commercial management of the Companyâ€™s fleet;â—the Companyâ€™s ability to renew its time charters when they expire or to enter into new time charters;â—termination or change in the nature of the Companyâ€™s relationship with any of the commercial pools in which it participates and the ability of such commercial pools to pursue a profitable chartering strategy;â—competition within the Companyâ€™s industry and INSWâ€™s ability to compete effectively for charters with companies with greater resources;â—the loss of a large customer or significant business relationship;â—the Companyâ€™s ability to realize benefits from its past acquisitions or acquisitions or other strategic transactions it may make in the future;â—increasing operating costs and capital expenses as the Companyâ€™s vessels age, including increases due to limited shipbuilder warranties or the consolidation of suppliers;â—the Companyâ€™s ability to replace its operating leases on favorable terms, or at all;â—changes in credit risk with respect to the Companyâ€™s counterparties on contracts;27INTERNATIONAL SEAWAYS, INC.â—the failure of contract counterparties to meet their obligations;â—the Companyâ€™s ability to attract, retain and motivate key employees;â—work stoppages or other labor disruptions by employees of INSW or other companies in related industries;â—unexpected drydock costs;â—the potential for technological innovation to reduce the value of the Companyâ€™s vessels and charter income derived therefrom;â—the impact of an interruption in or failure of the Companyâ€™s information technology and communication systems upon the Companyâ€™s ability to operate;â—seasonal variations in INSWâ€™s revenues;â—government requisition of the Companyâ€™s vessels during a period of war or emergency;â—the Companyâ€™s compliance with complex laws, regulations and in particular, environmental laws and regulations, including those relating to ballast water treatment and the emission of greenhouse gases and air contaminants, including from marine engines;â—legal, regulatory or market measures to address climate change, including proposals to restrict emissions of greenhouse gases (â€œGHGsâ€) and other sustainability initiatives, could have an adverse impact on the Companyâ€™s business and results of operations;â—increasing scrutiny and changing expectations from investors, lenders, and other market participants with respect to our Environmental, Social and Governance policies; â—any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 or other applicable regulations relating to bribery or corruption;â—the impact of litigation, government inquiries and investigations;â—governmental claims against the Company;â—the arrest of INSWâ€™s vessels by maritime claimants;â—changes in laws, including governing tax laws, treaties or regulations, including those relating to environmental and security matters; â—changes in worldwide trading conditions, including the impact of tariffs, trade sanctions, boycotts and other restrictions on trade; andâ—Pending and future tax law changes may result in significant additional taxes to INSW.â€‹The Company assumes no obligation to update or revise any forward-looking statements. Forward-looking statements in this Quarterly Report on FormÂ 10-Q and written and oral forward-looking statements attributable to the Company or its representatives after the date of this Quarterly Report on FormÂ 10-Q are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by the Company with the Securities and Exchange Commission.â€‹â€‹INTRODUCTIONâ€‹This Managementâ€™s Discussion and Analysis, which should be read in conjunction with our accompanying condensed consolidated financial statements and notes thereto, provides a discussion and analysis of our business, current developments, financial condition, cash flows and results of operations as of September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023. It is organized as follows: â€‹â—General. This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial condition and potential future trends.â€‹â—Operations & Oil Tanker Markets. This section provides an overview of industry operations and dynamics that have an impact on the Companyâ€™s financial position and results of operations.â€‹â€‹28INTERNATIONAL SEAWAYS, INC.â—Critical Accounting Estimates and Policies. This section identifies any updates to those accounting policies that are considered important to our results of operations and financial condition, require significant judgment and involve significant management estimates. â€‹â—Results from Vessel Operations. This section provides an analysis of our results of operations presented on a business segment basis. In addition, a brief description of significant transactions and other items that affect the comparability of the results is provided, if applicable. â€‹â—Liquidity and Sources of Capital. This section provides an analysis of our cash flows, outstanding debt and commitments. Included in the analysis of our outstanding debt is a discussion of the amount of financial capacity available to fund our ongoing operations and future commitments as well as a discussion of the Companyâ€™s planned and/or already executed capital allocation activities. â€‹â—Risk Management. This section provides a general overview of how the interest rate, currency and fuel price volatility risks are managed by the Company.â€‹This Quarterly Report on Form 10-Q includes industry data and forecasts that we have prepared based, in part, on information obtained from industry publications and surveys. Third-party industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. In addition, certain statements regarding our market position in this report are based on information derived from internal market studies and research reports. Unless we state otherwise, statements about the Companyâ€™s relative competitive position in this report are based on our managementâ€™s beliefs, internal studies and managementâ€™s knowledge of industry trends.General:â€‹We are a provider of ocean transportation services for crude oil and refined petroleum products. We operate our vessels in the International Flag market. Our business includes two reportable segments: Crude Tankers and Product Carriers. For the three and nine months ended September 30, 2024 we derived 55% and 54%, respectively, of our TCE revenues from our Product Carriers segment compared with 53% and 52% for the three and nine months ended September 30, 2023, respectively. Revenues from our Crude Tankers segment constituted the balance of our TCE revenues in the 2024 and 2023 periods.â€‹As of September 30, 2024, the Companyâ€™s operating fleet consisted of 76 wholly-owned or lease financed and time chartered-in vessels aggregating 9.0 million deadweight tons (â€œdwtâ€). In addition to our operating fleet of 76 vessels, six LR1 newbuilds are scheduled for delivery to the Company between the second half of 2025 and third quarter of 2026, bringing the total operating and newbuild fleet to 82 vessels. Our fleet includes VLCC, Suezmax and Aframax crude tankers and LR2, LR1 and MR product carriers. â€‹The Companyâ€™s revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by the Company and the trades in which those vessels operate. Rates for the transportation of crude oil and refined petroleum products from which the Company earns a substantial majority of its revenues are determined by market forces such as the supply and demand for oil, the distance that cargoes must be transported, and the number of vessels expected to be available at the time such cargoes need to be transported. The demand for oil shipments is significantly affected by the state of the global economy, levels of U.S. domestic and international production and OPEC exports. The number of vessels available to transport cargo is affected by newbuilding deliveries and by the removal of existing vessels from service, principally through storage, recycling or conversions. The Companyâ€™s revenues are also affected by its vessel employment strategy, which seeks to achieve the optimal mix of spot (voyage charter) and long-term (time or bareboat charter) charters. Because shipping revenues and voyage expenses are significantly affected by the mix between voyage charters and time charters, the Company measures the performance of its fleet of vessels based on TCE revenues. Management makes economic decisions based on anticipated TCE rates and evaluates financial performance based on TCE rates achieved. In order to take advantage of market conditions and optimize economic performance, management employs all of the Companyâ€™s LR1 product carriers, which currently participate in the Panamax International Pool, in the transportation of crude oil cargoes.â€‹29INTERNATIONAL SEAWAYS, INC.Our revenues are derived primarily from spot market voyage charters and our vessels are predominantly employed in the spot market via market-leading commercial pools. We derived approximately 84% and 87% of our total TCE revenues in the spot market for the three and nine months ended September 30, 2024, respectively, compared with 89% and 92% for the three and nine months ended September 30, 2023, respectively. The future minimum revenues, before reduction for brokerage commissions, expected to be received on non-cancelable time charters for three VLCCs, two Suezmaxes, one Aframax, one LR2, and eight MRs, as of September 30, 2024 are as follows:â€‹â€‹â€‹â€‹(Dollars in millions)â€‹Amount(1)2024â€‹$ 36.52025â€‹â€‹ 114.22026â€‹â€‹ 79.62027â€‹â€‹ 39.42028â€‹â€‹ 34.0Thereafterâ€‹â€‹ 41.0Future minimum revenuesâ€‹$ 344.8â€‹(1)Future minimum contracted revenues do not include the Companyâ€™s share of time charters entered into by the pools in which it participates or profit-sharing above the base rate on the newbuild dual-fuel LNG VLCCs. In arriving at the minimum future charter revenues, an estimated time off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.â€‹ â€‹â€‹â€‹â€‹30INTERNATIONAL SEAWAYS, INC.â€‹Operations and Oil Tanker Markets: â€‹The International Energy Agency (â€œIEAâ€) estimates global oil consumption for the third quarter of 2024 at 103.6 million barrels per day (â€œb/dâ€), up 0.7% from the same quarter in 2023. The estimate for global oil consumption for 2024 is 102.8 million b/d, an increase of 0.8% over the 2023 estimate of 102.0 million b/d. OECD demand in 2024 is estimated to remain unchanged at 45.6 million b/d, while non-OECD demand is estimated to increase by 1.6% to 57.2 million b/d.â€‹Global oil production in the third quarter of 2024 was 102.6 million b/d, a decrease of 0.1 million b/d from the third quarter of 2023. OPEC crude oil production averaged 26.5 million b/d in the third quarter of 2024, down 0.1 million b/d from the second quarter of 2024, and a decrease of 1.0 million b/d from the third quarter of 2023. Non-OPEC production increased by 0.8 million b/d to 70.5 million b/d in the third quarter of 2024 compared with the third quarter of 2023. Oil production in the U.S. of 13.2 million b/d in the third quarter of 2024 remained unchanged from the second quarter of 2024 and increased by 2.1% from the third quarter of 2023.â€‹U.S. refinery throughput increased by 0.5 million b/d to 16.9 million b/d in the third quarter of 2024 compared with the second quarter of 2024. U.S. crude oil imports in the third quarter of 2024 increased by 0.8 million b/d to 7.1 million b/d compared with the third quarter of 2023, with imports from OPEC countries increasing by 0.1 million b/d and imports from non-OPEC countries increasing by 0.7 million b/d.â€‹Chinaâ€™s crude oil imports for the first three quarters of 2024 decreased 2.8%, or 0.3 million b/d, to 11.0 million b/d, compared with the same period in 2023.â€‹Total OECD commercial inventories ended the third quarter of 2024 down 1.3% or 18 million barrels of crude and up 1.5% or 23 million barrels of products, compared with the third quarter of 2023.â€‹During the third quarter of 2024, the tanker fleet of vessels over 10,000 dwt increased, net of vessels recycled, by 1.5 million dwt as the crude fleet increased by 0.8 million dwt, split between Suezmaxes and Aframaxes. The product carrier fleet increased by 0.6 million dwt, all in the MR fleet. Year-over-year, the size of the tanker fleet increased by 5.5 million dwt with the VLCCs, Suezmaxes, Aframaxes, and MRs increasing by 0.6 million dwt, 0.3 million dwt, 2.3 million dwt, and 2.3 million dwt, respectively. The LR1/Panamax fleet remained unchanged.â€‹During the third quarter of 2024, the tanker orderbook increased by 3.0 million dwt overall compared with the second quarter of 2024. The crude tanker orderbook increased by 1.9 million dwt. The VLCC orderbook increased by 1.5 million dwt and the Aframax orderbook increased by 0.3 million dwt. The product carrier orderbook increased by 1.1 million dwt, with increases in the LR1 and MR sectors of 0.3 million dwt and 0.8 million dwt respectively. Year-over-year, the total tanker orderbook increased by 44.8 million dwt, with increases in VLCC, Suezmaxes, Aframaxes, Panamaxes and LR1s of 15.2 million dwt, 7.9 million dwt, 9.1 million dwt, 2.7 million dwt and 10.0 million dwt, respectively.â€‹While VLCC rates held steady during the third quarter, smaller vessel segments experienced decreases from the higher levels achieved during the first and second quarters of 2024. The weaker Chinese economy remains an impediment to stronger rates. Even so, rates remain significantly over 10-year average rates and cash breakeven levels, reflecting the continuing impact of the disruptions in trade flows on tanker demand. â€‹â€‹Update on Critical Accounting Estimates and Policies:â€‹The Companyâ€™s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the Company to make estimates in the application of its accounting policies based on the best assumptions, judgments and opinions of management. For a description of all of the Companyâ€™s material accounting policies, see NoteÂ 3, â€œSummary of Significant Accounting Policies,â€ to the Companyâ€™s consolidated financial statements as of and for theÂ year ended DecemberÂ 31, 2023 included in the Companyâ€™s Annual Report on FormÂ 10-K. See NoteÂ 2, â€œSignificant Accounting Policies,â€ to 31INTERNATIONAL SEAWAYS, INC.the accompanying condensed consolidated financial statements for any changes or updates to the Companyâ€™s critical accounting policies for the current period.â€‹â€‹Results from Vessel Operations:â€‹During the third quarter of 2024, income from vessel operations decreased by $13.2 million to $101.0 million from $114.2 million in the third quarter of 2023. Such decrease resulted principally from a quarter-over-quarter decrease in TCE revenues and increased vessel expenses and depreciation and amortization in the current quarter, partially offset by a $13.5 million gain on the sale of a vessel recognized in the current quarter. â€‹TCE revenues in the third quarter of 2024 decreased by $16.3 million, or 7%, to $219.7 million from $236.0 million in the third quarter of 2023. This decrease reflects (i) an aggregate $17.6 million rates-based decline resulting from lower average daily rates earned in each of INSWâ€™s Crude tanker fleet sectors and the LR1 fleet, (ii) a $9.5 million days-based decline in the LR1 fleet due to a smaller time chartered-in portfolio and 41 more off-hire days during the current quarter, partially offset by (iii) a $6.0 million aggregate rates-based increase in the MR and LR2 sectors, and (iv) a $1.2 million increase attributable to the Companyâ€™s Lightering business. â€‹During the first nine months of 2024, income from vessel operations decreased by $58.0 million to $410.2 million from $468.1 million in the first nine months of 2023. Such decrease resulted principally from a $65.1 million decrease in TCE revenues and increased depreciation and amortization and vessel expenses in the current period, partially offset by higher gains on the sale of three vessels recognized in the first nine months of 2024 compared to one vessel sold in the first nine months of 2023.â€‹The decrease in TCE revenues in the first nine months of 2024 of $65.1 million, or 8%, to $742.5 million from $807.6 million in the first nine months of 2023 reflects (i) a $41.2 million days-based decline in the LR1 sector, which was driven by factors similar to those discussed above for the quarter-over-quarter period, and (ii) a net rates-based decrease of $36.3 million resulting from lower average daily rates in the Crude tanker and LR1 fleets, partially offset by strengthened rates in the MR and LR2 sectors. Such decreases were partially offset by (iii) a $11.5 million days-based increase in the VLCC fleet resulting from the delivery of three dual-fuel LNG VLCC newbuilds between March 2023 and May 2023â€‹â€‹See Note 4, â€œBusiness and Segment Reporting,â€ to the accompanying condensed consolidated financial statements for additional information on the Companyâ€™s segments, including reconciliations of (i) time charter equivalent revenues to shipping revenues and (ii) adjusted income from vessel operations for the segments to income before income taxes, as reported in the condensed consolidated statements of operations.â€‹â€‹32INTERNATIONAL SEAWAYS, INC.Crude Tankersâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands, except daily rate amounts)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023TCE revenuesâ€‹$ 98,821â€‹$ 110,766â€‹$ 343,639â€‹$ 388,963Vessel expensesâ€‹â€‹ (34,218)â€‹â€‹ (29,111)â€‹â€‹ (94,643)â€‹â€‹ (83,156)Charter hire expensesâ€‹â€‹ (4,411)â€‹â€‹ (2,690)â€‹â€‹ (11,728)â€‹â€‹ (9,239)Depreciation and amortizationâ€‹â€‹ (20,536)â€‹â€‹ (20,039)â€‹â€‹ (60,571)â€‹â€‹ (56,583)Adjusted income from vessel operations (a)â€‹$ 39,656â€‹$ 58,926â€‹$ 176,696â€‹$ 239,985Average daily TCE rate â€‹$ 36,587â€‹$ 41,470â€‹$ 43,350â€‹$ 50,699Average number of owned vessels (b)â€‹â€‹ 21.0â€‹â€‹ 21.0â€‹â€‹ 21.0â€‹â€‹ 19.7Average number of vessels chartered-in â€‹â€‹ 9.2â€‹â€‹ 9.1â€‹â€‹ 9.2â€‹â€‹ 9.3Number of revenue days (c)â€‹â€‹ 2,701â€‹â€‹ 2,671â€‹â€‹ 7,927â€‹â€‹ 7,672Number of ship-operating days: (d)â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Owned vesselsâ€‹â€‹ 1,932â€‹â€‹ 1,930â€‹â€‹ 5,754â€‹â€‹ 5,368Vessels bareboat chartered-in under leases (e)â€‹â€‹ 828â€‹â€‹ 830â€‹â€‹ 2,466â€‹â€‹ 2,509Vessels spot chartered-in under leases (f)â€‹â€‹ 18â€‹â€‹ 4â€‹â€‹ 49â€‹â€‹ 19(a)Adjusted income from vessel operations by segment is before general and administrative expenses, other operating expenses, third-party debt modification fees and gain on disposal of vessels and other property, net.(b)The average is calculated to reflect the addition and disposal of vessels during the period.(c)RevenueÂ days represent ship-operatingÂ days lessÂ days that vessels were not available for employment due to repairs, drydock or lay-up. RevenueÂ days are weighted to reflect the Companyâ€™s interest in chartered-in vessels.(d)Ship-operatingÂ days represent calendarÂ days.(e)Represents VLCCs and Aframaxes that secured lease financing arrangements during the periods presented. Between March and July 2023 the Company purchased the three remaining Aframaxes that it had been bareboat chartering-in under the purchase options contained in such charters, and accordingly, such vessels are not included in this category for the 2024 periods.(f)Represents vessels spot chartered-in by the Companyâ€™s Crude Tankers Lightering business for full service lightering jobs.â€‹â€‹â€‹33INTERNATIONAL SEAWAYS, INC.The following tables provide a breakdown of TCE rates achieved for the three and nine months ended September 30, 2024 and 2023, between spot and fixed earnings and the related revenue days. The information in this table is based, in part, on information provided by the commercial pools in which the segmentâ€™s vessels participate and excludes commercial pool fees/commissions averaging approximately $1,132 and $1,022 per day for the three months ended September 30, 2024 and 2023, respectively, and $1,055 and $992 per day for the nine months ended September 30, 2024 and 2023, respectively, as well as activity in the Crude Tankers Lightering business and revenue and revenue days for which recoveries were recorded by the Company under its loss of hire insurance policies. The fixed earnings rates in the table are net of broker/address commissions.â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹2024â€‹2023â€‹â€‹Spot Earningsâ€‹Fixed Earningsâ€‹Spot Earningsâ€‹Fixed EarningsThree Months Ended September 30, â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹VLCC:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 29,711â€‹$ 31,903â€‹$ 40,961â€‹$ 35,319Revenue daysâ€‹â€‹ 881â€‹â€‹ 276â€‹â€‹ 870â€‹â€‹ 297Suezmax:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 38,044â€‹$ 30,979â€‹$ 38,708â€‹$ 30,973Revenue daysâ€‹â€‹ 1,014â€‹â€‹ 183â€‹â€‹ 1,012â€‹â€‹ 184Aframax(1):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 25,119â€‹$ 38,574â€‹$ 34,046â€‹$ 38,652Revenue daysâ€‹â€‹ 186â€‹â€‹ 91â€‹â€‹ 232â€‹â€‹ 73â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine Months Ended September 30, â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹VLCC:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 40,111â€‹$ 36,702â€‹$ 46,342â€‹$ 40,597Revenue daysâ€‹â€‹ 2,572â€‹â€‹ 822â€‹â€‹ 2,431â€‹â€‹ 703Suezmax:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 42,564â€‹$ 31,003â€‹$ 52,627â€‹$ 31,093Revenue daysâ€‹â€‹ 3,013â€‹â€‹ 548â€‹â€‹ 2,996â€‹â€‹ 496Aframax(1):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 32,997â€‹$ 38,524â€‹$ 47,640â€‹$ 38,652Revenue daysâ€‹â€‹ 597â€‹â€‹ 273â€‹â€‹ 926â€‹â€‹ 73(1)During the three and nine months ended September 30, 2024, one Aframax was employed on a transitional voyage in the spot market outside of its ordinary course operations in the Aframax International pool. Additionally, during the nine months ended September 30, 2023, one Aframax was employed on a transitional voyage outside of the Dakota Tankersâ€™ Aframax Pool. Such transitional voyages are excluded from the table above.â€‹During the third quarter of 2024, TCE revenues for the Crude Tankers segment decreased by $11.9 million, or 11%, to $98.8 million from $110.8 million in the third quarter of 2023. Such decrease principally resulted from (i) an aggregate rates-based decrease in the VLCC, Suezmax and Aframax fleets of $13.6 million due to lower average daily blended rates in these sectors. This decrease was partially offset by (ii) a $1.2 million increase in the Crude Tankers Lightering business, and (iii) a $0.9 million days-based increase in the Aframax fleet, which reflected 25 fewer off-hire days in the current quarter. â€‹â€‹Vessel expenses increased by $5.1 million to $34.2 million in the third quarter of 2024 from $29.1 million in the third quarter of 2023. Such increase primarily reflects increased costs for repairs and renewals, off-hire fuel, transportation and crew. Charter hire expenses increased by $1.7 million quarter-over-quarter due to increased charter hire expense in the Crude Tankers Lightering business, which primarily reflects incremental chartered-in Aframax days for full-service jobs. â€‹Excluding depreciation and amortization and general and administrative expenses, operating income for the Crude Tankers Lightering business was $5.5 million for the third quarter of 2024 compared with $6.5 million for the third quarter of 2023. The decrease reflects lower service support only activity levels period-over-period, with 106 service support only lighterings being performed during the 34INTERNATIONAL SEAWAYS, INC.three months ended September 30, 2024 compared to 114 in the prior yearâ€™s period. The decrease was partially offset by an increase in full service jobs, from one in the three months ended September 30, 2023, to three in the current quarter. â€‹During the first nine months of 2024, TCE revenues for the Crude Tankers segment decreased by $45.3 million, or 12%, to $343.6 million from $389.0 million in the first nine months of 2023. Such decrease principally resulted from (i) an aggregate rates-based decrease in the VLCC, Suezmax and Aframax fleets of $62.3 million due to lower average daily blended rates in these sectors and (ii) a $4.7 million days-based decline in the Aframax fleet, which reflected 107 more off-hire days in the current period. These decreases were offset by (iii) a $11.5 million days-based increase in the VLCC fleet, which reflected the delivery of three dual-fuel LNG VLCC newbuilds during the first half of 2023, partially offset by 66 more off-hire days in the current period, (iv) a $6.9 million increase in the

Crude Tankers Lightering business, and (v) a $3.3 million days-based increase in the Suezmax sector resulting from 56 fewer off-hire days in the current period. â€‹â€‹Vessel expenses increased by $11.5 million to $94.6 million in the first nine months of 2024 from $83.2 million in the first nine months of 2023. The VLCC newbuild deliveries described above resulted in $3.2 million of incremental vessel expense in the current yearâ€™s period. The remainder of the increase was driven by factors consistent with the quarter-of-quarter variance described above, along with the timing of the delivery of stores and spare parts. Charter hire expenses increased by $2.5 million in the current yearâ€™s period due to increased charter hire expense in the Crude Tankers Lightering business, which primarily reflects incremental chartered-in Aframax days for full-service jobs and an increased daily rate on two of the workboats being chartered-in. Depreciation and amortization increased by $4.0 million to $60.6 million in the nine months ended September 30, 2024 from $56.6 million in the prior yearâ€™s comparable period principally as a result of the commencement of depreciation on the Companyâ€™s three dual-fuel LNG VLCC newbuilds. â€‹Excluding depreciation and amortization and general and administrative expenses, operating income for the Crude Tankers Lightering business was $20.4 million for the first nine months of 2024 compared to $17.7 million for the first nine months of 2023. The increase reflects increased activity levels period-over-period, with 368 service support only lighterings and six full-service lightering jobs being completed during the first nine months of 2024 compared with 339 service support only lighterings and two full-service job during the first nine months of 2023. â€‹â€‹Product Carriersâ€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands, except daily rate amounts)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023TCE revenuesâ€‹$ 120,866â€‹$ 125,186â€‹$ 398,824â€‹$ 418,644Vessel expensesâ€‹â€‹ (37,051)â€‹â€‹ (35,484)â€‹â€‹ (107,846)â€‹â€‹ (105,360)Charter hire expensesâ€‹â€‹ (2,834)â€‹â€‹ (8,608)â€‹â€‹ (9,113)â€‹â€‹ (21,360)Depreciation and amortizationâ€‹â€‹ (18,768)â€‹â€‹ (13,298)â€‹â€‹ (49,403)â€‹â€‹ (38,694)Adjusted income from vessel operationsâ€‹$ 62,213â€‹$ 67,796â€‹$ 232,462â€‹$ 253,230Average daily TCE rateâ€‹$ 29,880â€‹$ 30,645â€‹$ 34,695â€‹$ 33,956Average number of owned vesselsâ€‹â€‹ 41.2â€‹â€‹ 40.0â€‹â€‹ 39.9â€‹â€‹ 39.6Average number of vessels chartered-in â€‹â€‹ 5.0â€‹â€‹ 6.5â€‹â€‹ 5.0â€‹â€‹ 7.3Number of revenue daysâ€‹â€‹ 4,045â€‹â€‹ 4,085â€‹â€‹ 11,495â€‹â€‹ 12,329Number of ship-operating days:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Owned vesselsâ€‹â€‹ 3,786â€‹â€‹ 3,678â€‹â€‹ 10,940â€‹â€‹ 10,809Vessels bareboat chartered-in under leases (a)â€‹â€‹ 368â€‹â€‹ 371â€‹â€‹ 1,096â€‹â€‹ 1,276Vessels time chartered-in under leasesâ€‹â€‹ 92â€‹â€‹ 231â€‹â€‹ 274â€‹â€‹ 729(a)Represents MRs that secured lease financing arrangements during the 2024 periods and an LR2 and MRs that secured lease financing arrangements during the 2023 periods. â€‹â€‹35INTERNATIONAL SEAWAYS, INC.The following table provides a breakdown of TCE rates achieved for the three and nine months ended September 30, 2024 and 2023, between spot and fixed earnings and the related revenue days. The information in this table is based, in part, on information provided by the commercial pools in which the segmentâ€™s vessels participate and excludes commercial pool fees/commissions averaging approximately $841 and $786 per day for the three months ended September 30, 2024 and 2023, respectively,Â and $879 and $792 per day for the nine months ended September 30, 2024 and 2023, respectively, as well as revenue and revenue days for which recoveries were recorded by the Company under its loss of hire insurance policies. The fixed earnings rates in the table are net of broker/address commissions.â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹2024â€‹2023â€‹â€‹Spot Earningsâ€‹Fixed Earningsâ€‹Spot Earningsâ€‹Fixed EarningsThree Months Ended September 30, â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹LR2(1):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ â€"â€‹$ 39,498â€‹$ 32,603â€‹$ â€"Revenue daysâ€‹â€‹ â€"â€‹â€‹ 69â€‹â€‹ 92â€‹â€‹ â€"LR1(2):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 46,899â€‹$ â€"â€‹$ 56,295â€‹$ â€"Revenue daysâ€‹â€‹ 594â€‹â€‹ â€"â€‹â€‹ 685â€‹â€‹ â€"MR(3):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 29,006â€‹$ 21,920â€‹$ 26,563â€‹$ 21,200Revenue daysâ€‹â€‹ 2,685â€‹â€‹ 692â€‹â€‹ 2,836â€‹â€‹ 382â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Nine Months Ended September 30, â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹LR2(1):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 53,172â€‹$ 39,498â€‹$ 30,436â€‹$ 18,588Revenue daysâ€‹â€‹ 149â€‹â€‹ 69â€‹â€‹ 133â€‹â€‹ 140LR1(2):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 55,397â€‹$ â€"â€‹$ 63,950â€‹$ â€"Revenue daysâ€‹â€‹ 1,671â€‹â€‹ â€"â€‹â€‹ 2,265â€‹â€‹ â€"MR(3):â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Average rateâ€‹$ 33,912â€‹$ 21,745â€‹$ 28,857â€‹$ 20,732Revenue daysâ€‹â€‹ 7,828â€‹â€‹ 1,665â€‹â€‹ 8,877â€‹â€‹ 781(1)During the three and nine months ended September 30, 2023, the Companyâ€™s LR2 was employed on a transitional voyage in the spot market subsequent to the May 2023 expiry of its time charter and prior to joining the Hafnia LR2 Pool in July 2023.(2)In order to take advantage of market conditions and optimize economic performance, during the 2024 and 2023 periods, management employed all of the Companyâ€™s LR1 product carriers, which operate in the Panamax International pool, exclusively in the transportation of crude oil cargoes. During the nine months ended September 30, 2024, one LR1 was employed on a transitional voyage in the spot market outside of its ordinary course operations in the Panamax International pool. Additionally, during the three and nine months ended September 30, 2023, two LR1s were employed on transitional voyages. Such transitional voyages are excluded from the table above.(3)During the three and nine months ended September 30, 2024 and the three and nine months ended September 30, 2023, certain of the Companyâ€™s MRs were employed on transitional voyages in the spot market outside of their ordinary course operations in commercial pools. Such transitional voyages are excluded from the table above. â€‹During the third quarter of 2024, TCE revenues for the Product Carriers segment decreased by $4.3 million, or 3%, to $120.9 million from $125.2 million in the third quarter of 2023. The reduction in TCE revenues was primarily as a result of (i) a $9.5 million days-based decrease in the LR1 fleet sector which reflects the impacts of a 139-day net decrease in time-chartered in days and an increase of 41 off-hire days in the current period and (ii) a $4.1 million rates-based decrease in the LR1 sector due to lower average daily rates earned in the current quarter. Partially offsetting these decreases were (iii) a $5.5 million rates-based increase in MR fleet due to higher average blended rates earned in the current quarter, and (iv) a $4.1 million days-based increase in the MR sector, which reflects a 106-day increase in owned vessel days and 58 less off-hire days in the current period. The increase in owned vessel days resulted 36INTERNATIONAL SEAWAYS, INC.from the Companyâ€™s acquisition of six MRs between April 2024 and May 2024, partially offset by the sales of five MRs between October 2023 and July 2024. â€‹Vessel expenses increased by $1.6 million to $37.1 million in the third quarter of 2024 from $35.5 million in the third quarter of 2023. Such increase principally reflects higher drydock deviation costs in the LR1 sector. Charter hire expenses decreased by $5.8 million to $2.8 million in the current quarter from $8.6 million in the third quarter of 2023, primarily as a result of the quarter-over-quarter decrease in time chartered-in LR1 days described above. Depreciation and amortization increased by $5.5 million to $18.8 million in the current quarter from $13.3 million in the prior yearâ€™s quarter. Such increase resulted primarily from increased drydock amortization and the MR purchases and sales referenced above, as the acquired vessels have higher cost bases than the older vessels that were sold.â€‹During the first nine months of 2024, TCE revenues for the Product Carriers segment decreased by $19.8 million, or 5%, to $398.8 million from $418.6 million in the first nine months of 2023. The reduction in TCE revenues was primarily as a result of (i) a $41.2 million days-based decrease in the LR1 fleet sector which reflects the impacts of a 455-day net decrease in time-chartered in days and an increase of 215 off-hire days in the current yearâ€™s period, (ii) a $13.1 million rates-based decrease in the LR1 sector due to lower average daily rates earned in the current period, and (iii) a $3.1 million days-based decline in the MR sector, which reflects 55 fewer owned vessel days and 59 more off-hire days in the current period. The decrease in owned vessel days reflects the sale of six MRs between March 2023 and July 2024, partially offset by the six MR acquisitions during the second quarter of 2024 described above. Partially offsetting the TCE revenue decreases described above was (iv) a $39.1 million aggregate rates-based increase in the MR and LR2 sectors due to higher average daily blended rates earned in the current period. â€‹Vessel expenses increased by $2.5 million to $107.9 million in the first nine months of 2024 from $105.4 million in the first nine months of 2023. Such increase principally reflects higher LR1 drydock deviation costs, partially offset by the impacts of the reduction in owned MR days noted above. Charter hire expenses decreased by $12.2 million to $9.1 million in the current period from $21.4 million in the first nine months of 2023, primarily as a result of the period-over-period decrease in time chartered-in LR1 days described above. Depreciation and amortization increased by $10.7 million to $49.4 million in the first nine months of 2024 from $38.7 million in the prior yearâ€™s period. The drivers of this increase were consistent with the quarter-over-quarter increase described above.â€‹General and Administrative Expensesâ€‹During the third quarter of 2024, general and administrative expenses increased by $1.1 million to $13.4 million from $12.3 million in the third quarter of 2023. The primary drivers for the increase were higher legal and consultancy fees of $0.3 million and an increase in compensation and benefits costs of $0.3 million.â€‹For the nine months ended September 30, 2024, general and administrative expenses increased by $2.4 million to $37.5 million from $35.1 million for the same period in 2023. The increase principally relates to increased compensation and benefits costs of $0.7 million and higher legal fees of $0.8 million, principally incurred in connection with a commercial dispute. See Note 16, â€œContingencies,â€ to the accompanying condensed consolidated financial statements for additional information. â€‹Other Operating Expensesâ€‹See Note 14, â€œOther Operating Expenses,â€ to the accompanying condensed consolidated financial statements for additional information on these expenses. â€‹â€‹Other Incomeâ€‹Other income was $3.2 million and $8.5 million for the three and nine months ended September 30, 2024, respectively, compared with $0.6 million and $8.3 million of other income for the three and nine months ended September 30, 2023. Other income for the current 2024 periods includes $2.6 million and $7.9 million, respectively, of interest income earned on invested cash, compared to $3.6 million and $11.3 million of interest income earned for the three and nine months ended September 30, 2023, respectively. The 37INTERNATIONAL SEAWAYS, INC.decrease in interest income reflects the impact of a lower average balance of invested cash during the three and nine months ended September 30, 2024, attributable to the significant deleveraging initiatives completed during 2023 as well as a decrease in interest rates in anticipation of the Federal Reserveâ€™s move to cut rates at the end of third quarter of 2024. â€‹â€‹Interest Expenseâ€‹The components of interest expense are as follows:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Interest before items shown belowâ€‹$ 14,562â€‹$ 19,471â€‹$ 44,497â€‹$ 61,219Interest cost on defined benefit pension obligationâ€‹â€‹ 138â€‹â€‹ 211â€‹â€‹ 523â€‹â€‹ 757Impact of interest rate hedge derivativesâ€‹â€‹ (1,893)â€‹â€‹ (2,865)â€‹â€‹ (6,468)â€‹â€‹ (8,016)Capitalized interestâ€‹â€‹ (311)â€‹â€‹ â€"â€‹â€‹ (744)â€‹â€‹ (2,282)Interest expenseâ€‹$ 12,496â€‹$ 16,817â€‹$ 37,808â€‹$ 51,678â€‹Interest expense decreased in the 2024 periods compared to the corresponding 2023 periods as a result of (i) a reduction in the average outstanding principal balance under the $750 Million Term Loan Facility (which was amended and extended in April 2024), (ii) the repayment in full of the COSCO Lease financing in July 2023 and (iii) the repayment in full of the ING Credit Facility in April 2024, partially offset by post-delivery interest expense related to the BoComm Lease Financing. See Note 8, â€œDebt,â€ in the accompanying condensed consolidated financial statements for further information on the Companyâ€™s debt facilities.â€‹â€‹Taxesâ€‹The Company qualifiesÂ for an exemption from U.S. federal income taxes under Section 883 of the U.S. Internal Revenue Code of 1986, as amended (the â€œCodeâ€) and U.S. Treasury Department regulations for the 2024 calendar year, as less than 50 percent of the total value of the Companyâ€™s stock was held by one or more shareholders who own 5% or more of the Companyâ€™s stock for more than half of the days of 2024.Â Â There can be no assurance at this time that INSW will continue to qualify for the Section 883 exemption beyond calendar year 2024. Should the Company not qualify for the exemption in the future, INSW will be subject to U.S. federal income taxation of 4% of its U.S. source shipping income on a gross basis without the benefit of deductions. Shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the U.S. will be considered to be 50% derived from sources within the United States. Shipping income attributable to transportation that both begins and ends in the U.S. would be considered to be 100% derived from sources within the United States, but INSW does not and cannot engage in transportation that gives rise to such income.â€‹â€‹EBITDA and Adjusted EBITDAâ€‹EBITDA represents net income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA are presented to provide investors with meaningful additional information that management uses to monitor ongoing operating results and evaluate trends over comparative periods. EBITDA and Adjusted EBITDA do not represent, and should not be considered a substitute for, net income or cash flows from operations determined in accordance with GAAP. EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of our results reported under GAAP. Some of the limitations are:â€‹â—EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;â—EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and38INTERNATIONAL SEAWAYS, INC.â—EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt.While EBITDA and Adjusted EBITDA are frequently used by companies as a measure of operating results and performance, neither of those items as prepared by the Company is necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculation.â€‹The following table reconciles net income, as reflected in the condensed consolidated statements of operations, to EBITDA and Adjusted EBITDA:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Three Months Ended September 30, â€‹Nine Months Ended September 30, (Dollars in thousands)â€‹â€‹2024â€‹â€‹2023â€‹â€‹2024â€‹â€‹2023Net incomeâ€‹$ 91,688â€‹$ 97,937â€‹$ 380,901â€‹$ 424,332Income tax benefit/(provision)â€‹â€‹ (1)â€‹â€‹ 52â€‹â€‹ (1)â€‹â€‹ 432Interest expenseâ€‹â€‹ 12,496â€‹â€‹ 16,817â€‹â€‹ 37,808â€‹â€‹ 51,678Depreciation and amortizationâ€‹â€‹ 39,304â€‹â€‹ 33,363â€‹â€‹ 109,974â€‹â€‹ 95,356EBITDAâ€‹â€‹ 143,487â€‹â€‹ 148,169â€‹â€‹ 528,682â€‹â€‹ 571,798Third-party debt modification feesâ€‹â€‹ â€"â€‹â€‹ 148â€‹â€‹ 168â€‹â€‹ 568Write-off of deferred financing costsâ€‹â€‹ â€"â€‹â€‹ 1,343â€‹â€‹ â€"â€‹â€‹ 1,952(Gain)/loss on disposal of vessels and other assetsâ€‹â€‹ (13,499)â€‹â€‹ 74â€‹â€‹ (41,402)â€‹â€‹ (10,648)Provision for settlement of multi-employer pension plan obligationsâ€‹â€‹ 44â€‹â€‹ â€"â€‹â€‹ 1,019â€‹â€‹

â€”Loss on extinguishment of debtâ€‹â€‹ â€”â€‹â€‹ 1,211â€‹â€‹ â€”â€‹â€‹ 1,323Adjusted EBITDAâ€‹$ 130,032â€‹$ 150,945â€‹$ 488,467â€‹$ 564,993â€‹â€‹â€‹Liquidity and Sources of Capital:â€‹Our business is capital intensive. Our ability to successfully implement our strategy is dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business to meet near-term and long-term debt repayment obligations is dependent on maintaining sufficient liquidity.â€‹Liquidityâ€‹As of September 30, 2024, we had total liquidity on a consolidated basis of $693.8 million comprised of $153.3 million of cash and $540.5 million of undrawn revolver capacity. â€‹Working capital at September 30, 2024 and December 31, 2023 was $269.0 million and $269.4 million, respectively. Current assets are highly liquid, consisting principally of cash, interest-bearing deposits, short-term investments consisting of time deposits with original maturities of between 91 and 180 days and receivables. Current liabilities include current installments of long-term debt of $49.8 million and $127.4 million at September 30, 2024 and December 31, 2023, respectively. â€‹The Companyâ€™s cash and cash equivalents decreased by $23.5 million during the nine months ended September 30, 2024. The decrease principally reflects: â€‹â—$216.6 million in expenditures for vessels and other property, including the purchase of two 2014-built and four 2015-built MRs;â—$250.4 million of cash dividends paid to shareholders and share buybacks;â—$56.3 million in regularly scheduled principal amortization of the Companyâ€™s secured debt facilities and lease financing arrangements; and â—$20.3 million of principal prepayment of the ING Credit Facility. 39INTERNATIONAL SEAWAYS, INC.â€‹Such cash outflows were partially offset by: â€‹â—$453.5 million of cash provided by operating activities; â—$10.0 million in net proceeds from maturities of short term time deposits; and â—$71.9 million in net proceeds from the disposal of vessels and other assets. â€‹Our cash and cash equivalents balances generally exceed Federal Deposit Insurance Corporation insured limits. We place our cash and cash equivalents in what we believe to be credit-worthy financial institutions. In addition, certain of our money market accounts invest in U.S. Treasury securities or other obligations issued or guaranteed by the U.S. government or its agencies, floating rate and variable demand notes of U.S. and foreign corporations, commercial paper rated in the highest category by Moodyâ€™s Investor Services and Standard & Poorâ€™s, certificates of deposit and time deposits, asset-backed securities, and repurchase agreements.â€‹As of September 30, 2024, we had total debt outstanding (net of original issue discount and deferred financing costs) of $650.5 million and net debt to capital of 21%, compared with 23.8% at December 31, 2023.â€‹Sources, Uses and Management of Capital â€‹Building on the strong market conditions during the first half of 2024 to date, we have (i) used incremental liquidity generated from operations and the proceeds from disposal of older tonnage at strong prices to invest in renewing and growing the fleet, (ii) enhanced our balance sheet and liquidity position, and (iii) continued to make substantial returns to shareholders.â€‹In addition to future operating cash flows, our other future sources of funds are proceeds from issuances of equity securities, additional borrowings as permitted under our loan agreements and proceeds from the opportunistic sales of our vessels. Our current uses of funds are to fund working capital requirements, maintain the quality of our vessels, purchase vessels, pay newbuilding construction costs, comply with international shipping standards and environmental laws and regulations, repay or repurchase our outstanding loan facilities, pay a regular quarterly cash dividend, and from time to time, repurchase shares of our common stock and pay supplemental cash dividends.â€‹The following is a summary of the significant capital allocation and strategic fleet optimization activities the Company executed so far during 2024 and sources of capital the Company has at its disposal for future use as well as the Companyâ€™s current commitments for future uses of capital: â€‹During 2024, the Companyâ€™s Board of Directors have declared and paid the following regular quarterly and supplemental dividends: â€‹â€‹â€‹â€‹â€‹â€‹â€‹Declaration Date Record DatePayment DateRegular Quarterly Dividend per ShareSupplemental Dividend per ShareTotal Dividends Paidâ€‹February 28, 2024March 14, 2024March 28, 2024$0.12$1.20$64.7 millionMay 7, 2024June 12, 2024June 26, 2024$0.12$1.63$86.9 millionAugust 6, 2024September 11, 2024September 25, 2024$0.12$1.38$73.8 millionâ€‹â€‹On November 6, 2024, the Companyâ€™s Board of Directors declared a regular quarterly cash dividend of $0.12 per share of common stock and a supplemental dividend of $1.08 per share of common stock. Both dividends will be paid on December 27, 2024 to stockholders of record as of December 13, 2024.â€‹Also, during the quarter ended September 30, 2024, we repurchased and retired 501,646 shares of our common stock in open-market purchases, at an average price of $49.81 per share, for a total cost of $25.0 million. â€‹In continuation of our strategic fleet optimization program, in February 2024, we entered into agreements for the en bloc purchase of four 2015-built and two 2014-built MR Product Carriers for an aggregate purchase price of $232 million. Eighty-five percent of the 40INTERNATIONAL SEAWAYS, INC.purchase price consideration was funded from available liquidity and the balance of 15% with the issuance of common stock. All of the six vessels were delivered during the second quarter of 2024. An automatic shelf registration statement on Form S-3 was filed with the SEC on April 29, 2024 that, in connection with prospectus supplements filed during the second quarter of 2024, registered the aggregate 623,778 shares that were issued in conjunction with these vessel acquisitions and facilitated the sellerâ€™s ability to offer and sell or otherwise dispose of the shares of common stock issued to them under this transaction. â€‹During the nine months ended September 30, 2024, we entered into agreements for the sale of one 2009-built MR and two 2008-built MRs for aggregate net proceeds of approximately $72 million after fees and commissions. The vessels were delivered to their buyers between the second and third quarters of 2024 and we recognized total gains on the sales of approximately $41.4 million. â€‹In March 2024 we also declared options to build two additional dual-fuel ready LNG 73,600 dwt LR1 Product Carriers at the same shipyard where our other four newbuild LR1s are currently under construction. The six LR1s are expected to be delivered beginning in the second half of 2025 through the third quarter of 2026 for an aggregate cost of approximately $359 million, which will be paid for through a combination of long-term financing and available liquidity.â€‹Further building on our liquidity enhancing, deleveraging and financing diversification initiatives, we executed the following transactions: â—On April 18, 2024, we prepaid the $20.3 million outstanding principal balance under the ING Credit Facility.â€‹â—On April 26, 2024, we entered into an agreement to amend and extend our existing $750 Million Credit Facility, under which the Company had a remaining term loan balance of $94.6 million and undrawn revolver capacity of $257.4 million at March 31, 2024. The new agreement consists of a $500 million revolving credit facility (the â€œ$500 Million Revolving Credit Facilityâ€) that matures in January 2030. Under the terms of the $500 Million Revolving Credit Facility, capacity is reduced on a quarterly basis by approximately $12.8 million each quarter, based on a 20-year age-adjusted profile of the collateral vessels. The $500 Million Revolving Credit Facility bears an interest rate based on term SOFR plus the Applicable Margin (each as defined in the credit agreement). The Applicable Margin is 1.85% and is subject to similar sustainability-linked features as included in the $750 Million Credit Facility, that are aimed at reducing the carbon footprint, targeting expenditures toward energy efficiency improvements and maintaining a safety record above the industry average. The Companyâ€™s performance against these sustainability measures could impact the margin by five basis points. At the time of closing, after $94.6 million was drawn on the new revolver, our overall undrawn revolver capacity increased by $148 million to $559.4 million. As of September 30, 2024, the undrawn revolver capacity under this facility was $392.6 million. â€‹By entering into the $500 Million Revolving Credit Facility we have (i) eliminated $19.5 million in mandatory quarterly debt repayments since the balance drawn on closing is not required to be repaid until Maturity, (ii) reduced cash break evens by over $3,000 per day, (iii) extended the maturity profile of the facility from 2027 to 2030, and (iv) reduced future interest expense through a margin reduction of over 85 basis points.â€‹As of September 30, 2024, the Company has contractual commitments for the construction of six dual-fuel ready LR1s, and the purchase and installation of one ballast water treatment system and seven mewis ducts, the final outstanding installment payments due for three ballast water treatment systems that were installed prior to September 30, 2024, and purchase and installation of various performance efficiency devices for the fleet. The Companyâ€™s debt service commitments andÂ aggregate purchase commitments for vessel construction and betterments as of September 30, 2024, are presented in the Aggregate Contractual Obligations Table below. â€‹â€‹Outlookâ€‹Our strong balance sheet, as evidenced by a substantial level of liquidity, 34 unencumbered vessels (excluding the six LR1s under construction) as of September 30, 2024, and diversified financing sources with debt maturities spread out between 2030 and 2031, positions us to support our operations over the next twelve months as we continue to advance our vessel employment strategy, which seeks to achieve an optimal mix of spot (voyage charter) and long-term (time charter) charters. Our balance sheet strength and balanced fleet position us to continue pursuing our disciplined capital allocation strategy of fleet renewal, incremental debt reduction and returns to shareholders and pursue potential strategic opportunities that may arise within the diverse sectors in which we operate. 41INTERNATIONAL SEAWAYS, INC.â€‹â€‹Aggregate Contractual Obligationsâ€‹A summary of the Companyâ€™s long-term contractual obligations as of September 30, 2024
follows:â€‹Beyondâ€‹â€‹â€‹(Dollars in thousands)â€‹â€‹2024â€‹â€‹2025â€‹â€‹2026â€‹â€‹2027â€‹â€‹2028â€‹â€‹2028â€‹â€‹Total$500 Million Revolving Credit Facility(1)â€‹$ 1,635â€‹$ 6,315â€‹$ 6,570â€‹$ 8,000â€‹$ 7,743â€‹$ 103,135â€‹$ 133,398$160 Million Revolving Credit Facility(2)â€‹â€‹ 258â€‹â€‹ 986â€‹â€‹ 898â€‹â€‹ 811â€‹â€‹ 730â€‹â€‹ 161â€‹â€‹ 3,844Ocean Yield Lease Financing - floating rate(3)â€‹â€‹ 13,374â€‹â€‹ 53,160â€‹â€‹ 52,535â€‹â€‹ 49,860â€‹â€‹ 47,151â€‹â€‹ 201,053â€‹â€‹ 417,133BoComm Lease Financing - fixed rate(4)â€‹â€‹ 5,989â€‹â€‹ 23,761â€‹â€‹ 23,761â€‹â€‹ 23,762â€‹â€‹ 23,827â€‹â€‹ 166,034â€‹â€‹ 267,134Toshin Lease Financing - fixed rate(4)â€‹â€‹ 549â€‹â€‹ 2,160â€‹â€‹ 2,160â€‹â€‹ 2,151â€‹â€‹ 2,223â€‹â€‹ 6,934â€‹â€‹ 16,177Hyuga Lease Financing - fixed rate(4)â€‹â€‹ 566â€‹â€‹ 2,232â€‹â€‹ 2,232â€‹â€‹ 2,232â€‹â€‹ 2,160â€‹â€‹ 6,416â€‹â€‹ 15,838Kaiyo Lease Financing - fixed rate(4)â€‹â€‹ 562â€‹â€‹ 2,250â€‹â€‹ 2,410â€‹â€‹ 2,214â€‹â€‹ 2,214â€‹â€‹ 4,341â€‹â€‹ 13,991Kaisha Lease Financing - fixed rate(4)â€‹â€‹ 562â€‹â€‹ 2,438â€‹â€‹ 2,225â€‹â€‹ 2,214â€‹â€‹ 2,214â€‹â€‹ 4,501â€‹â€‹ 14,154Operating lease obligations(5)â€‹Time Charter-insâ€‹â€‹ 6,414â€‹â€‹ 18,618â€‹â€‹ 2,563â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 27,595Office and other space â€‹â€‹ 318â€‹â€‹ 1,093â€‹â€‹ 1,113â€‹â€‹ 1,077â€‹â€‹ 1,077â€‹â€‹ 4,754â€‹â€‹ 9,432Vessel and vessel betterment commitments(6)â€‹â€‹ 13,779â€‹â€‹ 138,103â€‹â€‹ 188,480â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ â€”â€‹â€‹ 340,362Totalâ€‹$ 44,006â€‹$ 251,116â€‹$ 284,947â€‹$ 92,321â€‹$ 89,339â€‹$ 497,329â€‹$ 1,259,058(1)Amounts shown include unused revolver capacity commitment fees and contractual interest obligations of floating rate debt estimated based on the applicable margin for the $500 Million Revolving Credit Facility of 1.85%, plus the fixed rate stated in the related interest rate swaps of 2.84%. (2)Amounts shown include unused revolver capacity commitment fees and contractual interest obligations, if any, of floating rate debt estimated based on the applicable margin for the $160 Million Revolving Credit Facility of 1.975%. (3)Amounts shown include contractual interest obligations on $290.0 million of outstanding floating rate debt estimated based on the applicable margin for the Ocean Yield Lease Financing of 4.05% plus 0.26% of credit adjustment spread and the fixed rate stated in the interest rate swaps (assigned for accounting purposes) of 2.84% on $161.0 million of notional principal amount outstanding and the effective three-month SOFR rate as of September 30, 2024 of 5.24% for the remaining outstanding principal under the Ocean Yield Lease Financing.(4)Amounts shown include contractual implicit interest obligations of the lease financing under the bareboat charters.(5)As of September 30, 2024, the Company had charter-in commitments for two vessels on leases that are accounted for as operating leases. The full amounts due under office and other space leases are discounted and reflected on the Companyâ€™s consolidated condensed balance sheet as lease liabilities with corresponding right of use asset balances.(6)RepresentsÂ the Companyâ€™s commitments for the purchase and installation of one ballast water treatment systems and seven mewis duct systems, the final outstanding installment payments due for three ballast water treatment systems that were installed prior to September 30, 2024, and the purchase and installation of various performance efficiency devices for the fleet, and the remaining commitments for the construction of six dual-fuel ready LR1s.
â€‹â€‹â€‹Risk Management:â€‹The Company is exposed to market risk from changes in interest rates, which could impact its results of operations and financial condition. The Company manages this exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. To manage its interest rate risk exposure associated with changes in variable interest rate payments due on its credit facilities in a cost-effective manner, the Company, from time-to-time, enters into interest rate swap, collar or cap agreements, in which it agrees to exchange various combinations of fixed and variable 42INTERNATIONAL SEAWAYS, INC.interest rates based on agreed upon notional amounts or to receive payments if floating interest rates rise above a specified cap rate. The Company uses such derivative financial instruments as risk management tools and not for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage exposure to nonperformance on such instruments by the counterparties.â€‹â€‹Available Informationâ€‹The Company makes available free of charge through its internet website, www.intlseas.com, its Annual Report on FormÂ 10-K, quarterly reports on FormÂ 10-Q, current reports on FormÂ 8-K and amendments to these reports filed or furnished pursuant to SectionÂ 13(a)Â or 15(d)Â of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission.â€‹The public may also read and copy any materials the Company files with the SEC at the SECâ€™s Public Reference RoomÂ at 100 F Street, N.E. Washington D.C. 20549 (information on the operation of the Public Reference RoomÂ is available by calling the SEC at 1-800-SEC-0330). The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at https://www.sec.gov.â€‹The Company also makes available on its website, its corporate governance guidelines, its Code of Business Conduct and Ethics, insider trading policy, anti-bribery and corruption policy, incentive compensation recoupment policy, and charters of the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance and Risk Assessment Committee of the Board of Directors. The Company is required to disclose any amendment to a provision of its Code of Business Conduct and Ethics. The Company intends to use its website as a method of disseminating this disclosure, as permitted by applicable SEC rules. Any such disclosure will be posted to the Company website within four business days following the date of any such amendment. Neither our website nor the information

contained on that site, or connected to that site, is incorporated by reference into this Quarterly Report on FormÂ 10-Q.43INTERNATIONAL SEAWAYS, INC.ITEM 4. CONTROLS AND PROCEDURESDisclosure Controls and Proceduresâ€‹As of the end of the period covered by this Quarterly Report on FormÂ 10-Q, an evaluation was performed under the supervision and with the participation of the Companyâ€™s management, including the Chief Executive Officer (â€œCEOâ€) and Chief Financial Officer (â€œCFOâ€), of the effectiveness of the design and operation of the Companyâ€™s disclosure controls and procedures as defined in RulesÂ 13a-15(e)Â and 15d-15(e)Â under the Exchange Act. Based on that evaluation, the Companyâ€™s management, including the CEO and CFO, concluded that the Companyâ€™s current disclosure controls and procedures were effective as of September 30, 2024 to ensure that information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is (i)Â recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commissionâ€™s rulesÂ and forms and (ii)Â accumulated and communicated to the Companyâ€™s management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.â€‹Changes in Internal Control over Financial Reportingâ€‹There was no change in the Companyâ€™s internal control over financial reporting during the three months ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Companyâ€™s internal control over financial reporting. â€‹â€‹PARTÂ IIÂ â€“ OTHER INFORMATIONItemÂ 1.Â Â Â Â Â Â Â Legal ProceedingsSee NoteÂ 16, â€œContingencies,â€ to the accompanying condensed consolidated financial statements for a description of the current legal proceedings, which is incorporated by reference in this PartÂ II, ItemÂ 1.â€‹ItemÂ 1A.Â Â Â Â Â Risk Factors You should carefully consider the factors discussed in Part I, Item 1A. â€œRisk Factorsâ€ in our 2023 Form 10-K. The risks described in that document are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.Â â€‹â€‹ItemÂ 2.Â Â Â Â Â Â Unregistered Sales of Equity Securities and Use of Proceeds The following table summarizes the activity related to repurchases of our equity securities during the three months ended SeptemberÂ 30, 2024:â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹â€‹Total Number of Shares Purchasedâ€‹â€‹Average Price paid per Shareâ€‹â€‹Total Cost (in Millions)â€‹Total Number of Shares Purchased as Part of Publicly Announced Programâ€‹â€‹Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program(in Millions)July 2024 -â€‹$ -â€‹$ -â€‹ -â€‹$50.0 August 2024 -â€‹$ -â€‹$ -â€‹ -â€‹$50.0 September 2024 501,646â€‹$49.81â€‹$25.0 â€‹ 501,646â€‹$25.0 â€‹As of September 30, 2024, the maximum number of shares that may still be purchased under the program is 485,165 shares, which was determined by dividing the remaining buyback authorization by the September 30, 2024 closing price of the Companyâ€™s common stock. Future buybacks under the stock repurchase program will be at the discretion of our Board of Directors and subject to limitations under the Companyâ€™s debt facilities.44INTERNATIONAL SEAWAYS, INC. â€‹See Note 10, â€œCapital Stock and Stock Compensation,â€ to the accompanying condensed consolidated financial statements for additional information about the stock repurchase plan and a description of shares withheld to cover the cost of stock options exercised by certain members of management and tax withholding liabilities relating to the vesting of previously-granted equity awards to certain members of management, which is incorporated by reference in this Part II, Item 2.â€‹ItemÂ 4.Â Â Â Â Â Â Mine Safety DisclosuresNot applicable.â€‹ItemÂ 5.Â Â Â Â Â Â Â Â Â Other InformationInsider Trading Arrangements and PoliciesDuring the third quarter of 2024, none of our directors or executive officers adopted Rule 10b5-1 trading plans andÂ none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangementÂ (as defined in Item 408(c) of Regulation S-K).â€‹ItemÂ 6.Â Â Â Â Â Â Â Â Â Exhibits â€‹â€‹â€‹â€‹â€‹â€‹*31.1Â Â Â Â Certification of Chief Executive Officer pursuant to RuleÂ 13a-14(a)Â and 15d-14(a), as amended.â€‹â€‹â€‹*31.2â€‹Certification of Chief Financial Officer pursuant to RuleÂ 13a-14(a)Â and 15d-14(a), as amended.â€‹â€‹â€‹*32â€‹Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. SectionÂ 1350, as adopted pursuant to SectionÂ 906 of the Sarbanes-Oxley Act of 2002.â€‹â€‹â€‹EX-101.INSâ€‹Inline XBRL Instance Documentâ€‹â€‹â€‹EX-101.SCHâ€‹Inline XBRL Taxonomy Extension Schemaâ€‹â€‹â€‹EX-101.CALâ€‹Inline XBRL Taxonomy Extension Calculation Linkbaseâ€‹â€‹â€‹EX-101.DEFâ€‹Inline XBRL Taxonomy Extension Definition Linkbaseâ€‹â€‹â€‹EX-101.LABâ€‹Inline XBRL Taxonomy Extension Label Linkbaseâ€‹â€‹â€‹EX-101.PREâ€‹Inline XBRL Taxonomy Extension Presentation Linkbaseâ€‹â€‹â€‹EX-104â€‹Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)â€‹(1)The Exhibits which have not previously been filed or listed are marked with an asterisk (*).â€‹45INTERNATIONAL SEAWAYS, INC.â€‹â€‹SIGNATURESPursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.â€‹â€‹â€‹â€‹INTERNATIONAL SEAWAYS,Â INC.â€‹(Registrant)â€‹â€‹Date:Â Â November 7, 2024/s/ Lois K. Zabrockyâ€‹Lois K. Zabrockyâ€‹Chief Executive Officerâ€‹â€‹Date:Â Â November 7, 2024/s/ Jeffrey D. Priborâ€‹Jeffrey D. Priborâ€‹Chief Financial Officerâ€‹â€‹46Exhibit 31.1CERTIFICATION OF CHIEF EXECUTIVE OFFICERPURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDEDI, Lois K. Zabrocky, certify that:1.I have reviewed this quarterly report on Form 10-Q of International Seaways, Inc.2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;4.The Registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the Registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the Registrantâ€™s internal control over financial reporting that occurred during the Registrantâ€™s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrantâ€™s internal control over financial reporting; and5.The Registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrantâ€™s auditors and the audit committee of Registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrantâ€™s internal control over financial reporting.â€‹â€‹Date: November 7, 2024/s/ Lois K. Zabrockyâ€‹Lois K. Zabrockyâ€‹Chief Executive Officerâ€‹Exhibit 31.2CERTIFICATION OF CHIEF FINANCIAL OFFICERPURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDEDI, Jeffrey D. Pribor, certify that:1.I have reviewed this quarterly report on Form 10-Q of International Seaways, Inc.2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;4.The Registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;c.Evaluated the effectiveness of the Registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andd.Disclosed in this report any change in the Registrantâ€™s internal control over financial reporting that occurred during the Registrantâ€™s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrantâ€™s internal control over financial reporting; and5.The Registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrantâ€™s auditors and the audit committee of Registrantâ€™s board of directors (or persons performing the equivalent functions):a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrantâ€™s ability to record, process, summarize and report financial information; andb.Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrantâ€™s internal control over financial reporting.â€‹â€‹Date: November 7, 2024/s/ Jeffrey D. Priborâ€‹Jeffrey D. Priborâ€‹Chief Financial Officerâ€‹"color:#b3b3b3;font-family:'Arial',sans-serif;font-size:10pt;font-weight:400;line-height:100%">14Exhibit 32CERTIFICATION OF CHIEF EXECUTIVE OFFICERAND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT 0F 2002Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of International Seaways, Inc. (the â€œCompanyâ€), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended September 30, 2024 (the â€œPeriodic Reportâ€) accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.â€‹â€‹Date:Â Â November 7, 2024/s/ Lois K. Zabrockyâ€‹Lois K. Zabrockyâ€‹Chief Executive Officerâ€‹â€‹Date:Â Â November 7, 2024/s/ Jeffrey D. Priborâ€‹Jeffrey D. Priborâ€‹Chief Financial Officerâ€‹