

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-37836-1

INTERNATIONAL SEAWAYS, INC.
(Exact name of registrant as specified in its charter)

Marshall Islands
(State or other jurisdiction of incorporation or organization)

98-0467117
(I.R.S. Employer Identification Number)

600 Third Avenue , 39th Floor , New York , New York
(Address of principal executive offices)

10016
(Zip Code)

Registrant's telephone number, including area code: 212 - 578-1600

(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 class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (no par value)	INSW	New York Stock Exchange
Rights to Purchase Common Stock	N/A	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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 "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Emerging growth company ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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 Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date. The number of shares outstanding of the issuer's common stock as of August 2, 2024: common stock, no par value, 49,694,484 shares.

INTERNATIONAL SEAWAYS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
DOLLARS IN THOUSANDS
(UNAUDITED)

	June 30, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 176,141	\$ 126,760
Short-term investments	—	60,000
Voyage receivables, net of allowance for credit losses of \$ 223 and \$ 191 including unbilled receivables of \$ 216,523 and \$ 237,298	223,079	247,165
Other receivables	16,785	14,303
Inventories	1,850	1,329
Prepaid expenses and other current assets	12,228	10,342
Current portion of derivative asset	4,532	5,081
Total Current Assets	434,615	464,980
Vessels and other property, less accumulated depreciation of \$ 476,288 and \$ 427,274	2,081,508	1,914,426
Vessels construction in progress	12,137	11,670
Deferred drydock expenditures, net	79,184	70,880
Operating lease right-of-use assets	14,778	20,391
Pool working capital deposits	33,238	31,748
Long-term derivative asset	1,888	1,153
Other assets	17,322	6,571
Total Assets	\$ 2,674,670	\$ 2,521,819
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 52,118	\$ 57,904
Current portion of operating lease liabilities	10,017	10,223
Current installments of long-term debt	49,598	127,447
Total Current Liabilities	111,733	195,574
Long-term operating lease liabilities	6,958	11,631
Long-term debt	663,054	595,229
Other liabilities	5,489	2,628
Total Liabilities	787,234	805,062
Commitments and contingencies		
Equity:		
Capital - 100,000,000 no par value shares authorized; 49,674,286 and 48,925,562 shares issued and outstanding	1,524,400	1,490,986
Retained earnings	364,452	226,834
	1,888,852	1,717,820
Accumulated other comprehensive loss	(1,416)	(1,063)
Total Equity	1,887,436	1,716,757
Total Liabilities and Equity	\$ 2,674,670	\$ 2,521,819

See notes to condensed consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Shipping Revenues:				
Pool revenues, including \$ 70,090 , \$ 86,325 , \$ 153,988 and \$ 178,032				
from companies accounted for by the equity method	\$ 207,681	\$ 247,591	\$ 433,963	\$ 507,169
Time charter revenues	31,139	26,112	62,188	39,262
Voyage charter revenues	18,589	18,500	35,659	32,902
	<u>257,409</u>	<u>292,203</u>	<u>531,810</u>	<u>579,333</u>
Operating Expenses:				
Voyage expenses	5,561	3,868	9,034	7,678
Vessel expenses	67,840	65,151	131,221	123,920
Charter hire expenses	6,948	10,502	13,596	19,302
Depreciation and amortization	36,517	32,445	70,670	61,993
General and administrative	11,985	11,522	24,083	22,768
Other operating expenses	1,454	—	1,730	—
Third-party debt modification fees	168	13	168	420
(Gain)/loss on disposal of vessels and other assets, net	(27,852)	26	(27,903)	(10,722)
Total operating expenses	<u>102,621</u>	<u>123,527</u>	<u>222,599</u>	<u>225,359</u>
Income from vessel operations	154,788	168,676	309,211	353,974
Other income	2,360	3,381	5,314	7,662
Income before interest expense and income taxes	157,148	172,057	314,525	361,636
Interest expense	(12,425)	(17,914)	(25,312)	(34,861)
Income before income taxes	144,723	154,143	289,213	326,775
Income tax provision	—	(381)	—	(380)
Net income	<u>\$ 144,723</u>	<u>\$ 153,762</u>	<u>\$ 289,213</u>	<u>\$ 326,395</u>
Weighted Average Number of Common Shares Outstanding:				
Basic	49,387,193	49,029,784	49,180,019	49,083,897
Diluted	49,721,858	49,404,837	49,550,928	49,525,282
Per Share Amounts:				
Basic net income per share	\$ 2.93	\$ 3.13	\$ 5.88	\$ 6.64
Diluted net income per share	\$ 2.91	\$ 3.11	\$ 5.83	\$ 6.59

See notes to condensed consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
DOLLARS IN THOUSANDS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 144,723	\$ 153,762	\$ 289,213	\$ 326,395
Other comprehensive income/(loss), net of tax:				
Net change in unrealized gains/(losses) on cash flow hedges	(1,098)	3,081	(425)	(757)
Defined benefit pension and other postretirement benefit plans:				
Net change in unrecognized prior service costs	(2)	(30)	10	(60)
Net change in unrecognized actuarial losses	(16)	(198)	62	(392)
Other comprehensive income/(loss), net of tax	(1,116)	2,853	(353)	(1,209)
Comprehensive income	<u>\$ 143,607</u>	<u>\$ 156,615</u>	<u>\$ 288,860</u>	<u>\$ 325,186</u>

See notes to condensed consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
DOLLARS IN THOUSANDS
(UNAUDITED)

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net income	\$ 289,213	\$ 326,395
Items included in net income not affecting cash flows:		
Depreciation and amortization	70,670	61,993
Amortization of debt discount and other deferred financing costs	2,059	3,128
Deferred financing costs write-off	—	721
Stock compensation	3,633	3,873
Equity in results of affiliated companies	—	20
Other – net	(433)	(1,560)
Items included in net income related to investing and financing activities:		
Gain on disposal of vessels and other assets, net	(27,903)	(10,722)
Payments for drydocking	(24,425)	(18,992)
Insurance claims proceeds related to vessel operations	888	2,698
Changes in operating assets and liabilities:		
Decrease in receivables	24,086	48,687
Decrease in deferred revenue	(4,089)	(142)
Net change in inventories, prepaid expenses and other current assets, accounts payable, accrued expenses and other current and long-term liabilities	(9,318)	(1,643)
Net cash provided by operating activities	324,381	414,456
Cash Flows from Investing Activities:		
Expenditures for vessels, vessel improvements and vessels under construction	(202,875)	(188,068)
Proceeds from disposal of vessels and other property, net	48,043	20,070
Expenditures for other property	(801)	(586)
Investments in short-term time deposits	(75,000)	(175,000)
Proceeds from maturities of short-term time deposits	135,000	135,000
Pool working capital deposits	(782)	—
Net cash used in investing activities	(96,415)	(208,584)
Cash Flows from Financing Activities:		
Borrowings on revolving credit facilities	50,000	—
Repayments of debt	(39,851)	(192,856)
Proceeds from sale and leaseback financing, net of issuance and deferred financing costs	—	169,717
Payments and advance payment on sale and leaseback financing and finance lease	(24,325)	(112,786)
Payments of deferred financing costs	(5,759)	(1,146)
Repurchase of common stock	—	(13,948)
Cash dividends paid	(151,595)	(177,565)
Cash paid to tax authority upon vesting or exercise of stock-based compensation	(7,055)	(5,009)
Net cash used in financing activities	(178,585)	(333,593)
Net increase/(decrease) in cash and cash equivalents	49,381	(127,721)
Cash and cash equivalents at beginning of year	126,760	243,744
Cash and cash equivalents at end of period	\$ 176,141	\$ 116,023

See notes to condensed consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
DOLLARS IN THOUSANDS
(UNAUDITED)

	Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income/(loss)	Total
<i>For the six months ended</i>				
Balance at January 1, 2024	\$ 1,490,986	\$ 226,834	\$ (1,063)	\$ 1,716,757
Net income	—	289,213	—	289,213
Other comprehensive loss	—	—	(353)	(353)
Dividends declared	—	(151,595)	—	(151,595)
Forfeitures of vested restricted stock awards and exercised stock options	(7,055)	—	—	(7,055)
Compensation relating to restricted stock awards	520	—	—	520
Compensation relating to restricted stock units awards	3,014	—	—	3,014
Compensation relating to stock option awards	99	—	—	99
Equity consideration issued for purchase of vessels	36,836	—	—	36,836
Balance at June 30, 2024	<u>\$ 1,524,400</u>	<u>\$ 364,452</u>	<u>\$ (1,416)</u>	<u>\$ 1,887,436</u>
<i>For the six months ended</i>				
Balance at January 1, 2023	\$ 1,502,235	\$ (21,447)	\$ 6,964	\$ 1,487,752
Net income	—	326,395	—	326,395
Other comprehensive loss	—	—	(1,209)	(1,209)
Dividends declared	—	(177,580)	—	(177,580)
Forfeitures of vested restricted stock awards and exercised stock options	(5,009)	—	—	(5,009)
Compensation relating to restricted stock awards	491	—	—	491
Compensation relating to restricted stock units awards	3,043	—	—	3,043
Compensation relating to stock option awards	339	—	—	339
Repurchase of common stock	(13,948)	—	—	(13,948)
Balance at June 30, 2023	<u>\$ 1,487,151</u>	<u>\$ 127,368</u>	<u>\$ 5,755</u>	<u>\$ 1,620,274</u>
<i>For the three months ended</i>				
Balance at April 1, 2024	\$ 1,488,531	\$ 306,659	\$ (300)	\$ 1,794,890
Net income	—	144,723	—	144,723
Other comprehensive loss	—	—	(1,116)	(1,116)
Dividends declared	—	(86,930)	—	(86,930)
Forfeitures of vested restricted stock awards and exercised stock options	(2,909)	—	—	(2,909)
Compensation relating to restricted stock awards	229	—	—	229
Compensation relating to restricted stock units awards	1,713	—	—	1,713
Equity consideration issued for purchase of vessels	36,836	—	—	36,836
Balance at June 30, 2024	<u>\$ 1,524,400</u>	<u>\$ 364,452</u>	<u>\$ (1,416)</u>	<u>\$ 1,887,436</u>
<i>For the three months ended</i>				
Balance at April 1, 2023	\$ 1,501,516	\$ 52,865	\$ 2,902	\$ 1,557,283
Net income	—	153,762	—	153,762
Other comprehensive income	—	—	2,853	2,853
Dividends declared	—	(79,259)	—	(79,259)
Forfeitures of vested restricted stock awards	(2,390)	—	—	(2,390)
Compensation relating to restricted stock awards	223	—	—	223
Compensation relating to restricted stock units awards	1,631	—	—	1,631
Compensation relating to stock option awards	119	—	—	119
Repurchase of common stock	(13,948)	—	—	(13,948)
Balance at June 30, 2023	<u>\$ 1,487,151</u>	<u>\$ 127,368</u>	<u>\$ 5,755</u>	<u>\$ 1,620,274</u>

See notes to condensed consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 — Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements include the accounts of International Seaways, Inc. ("INSW"), a Marshall Islands corporation, and its wholly owned subsidiaries. Unless the context indicates otherwise, references to "INSW", the "Company", "we", "us" or "our", refer to International Seaways, Inc. and its subsidiaries. As of June 30, 2024, the Company's operating fleet consisted of 77 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 83 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 Form 10-Q and Article 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 six months ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

The condensed consolidated balance sheet as of December 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 Company's Annual Report on Form 10-K for the year ended December 31, 2023.

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.

Note 2 — Significant Accounting Policies:

For a description of all of the Company's material accounting policies, see Note 2, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K. The following is a summary of any changes or updates to the Company's critical accounting policies for the current period:

Concentration of Credit Risk — 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:

	Allowance for Credit Losses - Voyage Receivables
<i>(Dollars in thousands)</i>	
Balance at December 31, 2023	\$ 191
Current period provision for expected credit losses	32
Balance at June 30, 2024	\$ 223

During the three and six months ended June 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 June 30, 2024 and December 31, 2023, respectively.

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Deferred finance charges — 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 method or straight-line basis over the term of the related debt. Unamortized deferred finance charges of \$ 12.5 million and \$ 4.5 million relating to the \$ 500 Million Revolving Credit Facility and the \$ 160 Million Revolving Credit Facility (See Note 8, "Debt") as of June 30, 2024 and December 31, 2023, respectively, are included in other assets in the accompanying condensed consolidated balance sheets. Unamortized deferred financing charges of \$ 7.1 million and \$ 11.3 million as of June 30, 2024 and December 31, 2023, respectively, relating to the Company's outstanding debt facilities, are included in long-term debt in the consolidated balance sheets.

Interest expense relating to the amortization of deferred financing charges amounted to \$ 0.8 million and \$ 1.7 million for the three and six months ended June 30, 2024, respectively, and \$ 1.3 million and \$ 2.6 million for the three and six months ended June 30, 2023, respectively.

Vessels construction in progress — Interest costs are capitalized to vessels during the period that vessels are under construction. Interest capitalized during the three and six months ended June 30, 2024 totaled \$ 0.2 million and \$ 0.4 million, respectively, and \$ 0.5 million and \$ 2.3 million during the three and six months ended June 30, 2023, respectively. The construction of the Company's three newbuild 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.

Recently Issued Accounting Standards — The Financial Accounting Standards Board ("FASB") Accounting Standards Codification is the sole source of authoritative GAAP other than United States Securities and Exchange Commission ("SEC") issued rules and regulations that apply only to SEC registrants. The FASB issues Accounting Standards Updates ("ASU") to communicate changes to the codification.

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 company'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 ("CODM") as well as interim disclosures for all reportable segments' 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.

Note 3 — Earnings per Common Share:

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.

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 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.

Weighted average shares of unvested restricted common stock considered to be participating securities totaled 21,844 and 24,870 for the three and six months ended June 30, 2024, respectively, and 36,668 and 42,745 for the three and six months ended June 30, 2023, respectively. Such participating securities are allocated a portion of income, but not losses under the two-class method. As of June 30,

INTERNATIONAL SEAWAYS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

2024, there were 397,685 shares of restricted stock units and 174,417 stock options outstanding and considered to be potentially dilutive securities.

Reconciliations of the numerator of the basic and diluted earnings per share computations are as follows:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income allocated to:				
Common Stockholders	\$ 144,662	\$ 153,659	\$ 289,076	\$ 326,124
Participating securities	61	103	137	271
	<u>\$ 144,723</u>	<u>\$ 153,762</u>	<u>\$ 289,213</u>	<u>\$ 326,395</u>

For the three and six months ended June 30, 2024 earnings per share calculations, there were 334,665 and 370,909 dilutive equity awards outstanding, respectively. For the three and six months ended June 30, 2023 earnings per share calculations, there were 375,053 and 441,385 dilutive equity awards outstanding, respectively. Awards of 539,431 and 556,736 for the three and six months ended June 30, 2024, respectively, and 780,471 and 816,387 for the three and six months ended June 30, 2023, respectively, were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive.

Note 4 — Business and Segment Reporting:

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 Company's condensed consolidated financial statements.

Information about the Company's reportable segments as of and for the three and six months ended June 30, 2024 and 2023 follows:

<i>(Dollars in thousands)</i>	Crude Tankers	Product Carriers	Other	Totals
Three months ended June 30, 2024:				
Shipping revenues	\$ 125,379	\$ 132,030	\$ —	\$ 257,409
Time charter equivalent revenues	120,856	130,992	—	251,848
Depreciation and amortization	19,986	16,531	—	36,517
Gain on disposal of vessels and other assets, net	—	(27,852)	—	(27,852)
Adjusted income from vessel operations	67,147	73,396	—	140,543
Adjusted total assets at June 30, 2024	1,487,055	979,423	—	2,466,478
Three months ended June 30, 2023:				
Shipping revenues	\$ 152,168	\$ 140,035	\$ —	\$ 292,203
Time charter equivalent revenues	148,913	139,422	—	288,335
Depreciation and amortization	19,318	13,101	26	32,445
Loss on disposal of vessels and other assets	25	1	—	26
Adjusted income/(loss) from vessel operations	96,520	83,743	(26)	180,237
Adjusted total assets at June 30, 2023	1,554,542	788,016	—	2,342,558

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(UNAUDITED)

<i>(Dollars in thousands)</i>	Crude Tankers	Product Carriers	Other	Totals
Six months ended June 30, 2024:				
Shipping revenues	\$ 252,247	\$ 279,563	\$ —	\$ 531,810
Time charter equivalent revenues	244,818	277,958	—	522,776
Depreciation and amortization	40,035	30,635	—	70,670
Gain on disposal of vessels and other assets, net	(2)	(27,901)	—	(27,903)
Adjusted income from vessel operations	137,040	170,249	—	307,289
Expenditures for vessels and vessel improvements	412	202,463	—	202,875
Payments for drydocking	4,953	19,472	—	24,425
Six months ended June 30, 2023:				
Shipping revenues	\$ 284,579	\$ 294,754	\$ —	\$ 579,333
Time charter equivalent revenues	278,197	293,458	—	571,655
Depreciation and amortization	36,544	25,395	54	61,993
Loss/(gain) on disposal of vessels and other assets, net	25	(10,747)	—	(10,722)
Adjusted income/(loss) from vessel operations	181,061	185,433	(54)	366,440
Expenditures for vessels and vessel improvements	184,021	4,047	—	188,068
Payments for drydocking	3,187	15,805	—	18,992

Reconciliations of time charter equivalent ("TCE") revenues of the segments to shipping revenues as reported in the condensed statements of operations follow:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Time charter equivalent revenues	\$ 251,848	\$ 288,335	\$ 522,776	\$ 571,655
Add: Voyage expenses	5,561	3,868	9,034	7,678
Shipping revenues	<u>\$ 257,409</u>	<u>\$ 292,203</u>	<u>\$ 531,810</u>	<u>\$ 579,333</u>

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 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.

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:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total adjusted income from vessel operations of all segments	\$ 140,543	\$ 180,237	\$ 307,289	\$ 366,440
General and administrative expenses	(11,985)	(11,522)	(24,083)	(22,768)
Other operating expenses	(1,454)	—	(1,730)	—
Third-party debt modification fees	(168)	(13)	(168)	(420)
Gain/(loss) on disposal of vessels and other assets, net	27,852	(26)	27,903	10,722
Consolidated income from vessel operations	154,788	168,676	309,211	353,974
Other income	2,360	3,381	5,314	7,662
Interest expense	(12,425)	(17,914)	(25,312)	(34,861)
Income before income taxes	<u>\$ 144,723</u>	<u>\$ 154,143</u>	<u>\$ 289,213</u>	<u>\$ 326,775</u>

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Reconciliations of total assets of the segments to amounts included in the condensed consolidated balance sheets follow:

<i>(Dollars in thousands)</i>	June 30, 2024	June 30, 2023
Adjusted total assets of all segments	\$ 2,466,478	\$ 2,342,558
Corporate unrestricted cash and cash equivalents	176,141	116,023
Short-term investments	—	120,000
Advance payment on debt	—	46,427
Other unallocated amounts	32,051	30,648
Consolidated total assets	<u>\$ 2,674,670</u>	<u>\$ 2,655,656</u>

Note 5 — Vessels:

Impairment of Vessels and Other Property

During the six months ended June 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 Company's fleet may not be recoverable. The Company determined that no held-for-sale or held-for-use impairment indicators existed for the Company's vessels as of June 30, 2024.

Vessel Acquisitions and Construction Commitments

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, "Debt"). 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 Company's stock on each of the vessel delivery dates.

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 seller's ability to offer and sell or otherwise dispose of the shares of common stock issued to them under this transaction.

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 June 30, 2024 was \$ 347.1 million, which will be paid for through a combination of long-term financing and available liquidity.

Disposal/Sales of Vessels

On April 26, 2024 and June 25, 2024, the Company delivered one 2009-built and one 2008-built MR to their buyers, respectively, and recognized an aggregate gain of \$ 27.9 million.

On May 10, 2024, the Company entered into a memorandum of agreement for the sale of a 2008 -built MR Product Carrier for net proceeds of approximately \$ 24.5 million after fees and commissions. The vessel was subsequently delivered to the buyer in July 2024 and the Company recognized a gain on the sale.

During the six months ended June 30, 2023, the Company delivered a 2008-built MR to its buyer and recognized a gain of \$ 10.9 million.

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Note 6 — Variable Interest Entities ("VIEs"):

Unconsolidated VIEs

As of June 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.

The following table presents the carrying amounts of assets and liabilities in the condensed consolidated balance sheet related to the unconsolidated VIEs as of June 30, 2024:

<i>(Dollars in thousands)</i>	Condensed Consolidated Balance Sheet
Pool working capital deposits	\$ 33,238

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 Company's investment in these VIEs. The table below compares the Company's liability in the condensed consolidated balance sheet to the maximum exposure to loss at June 30, 2024:

<i>(Dollars in thousands)</i>	Condensed Consolidated Balance Sheet	Maximum Exposure to Loss
Other Liabilities	\$ —	\$ 33,238

In addition, as of June 30, 2024, the Company had approximately \$ 212.9 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 INSW'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 June 30, 2024.

Note 7 — Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures:

The estimated fair values of the Company'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:

<i>(Dollars in thousands)</i>	June 30, 2024	December 31, 2023	Fair Value Level
Cash and cash equivalents	\$ 176,141	\$ 126,760	Level 1
Short-term investments ⁽¹⁾	—	60,000	Level 1
\$500 Million Revolving Credit Facility ⁽²⁾	(144,581)	(113,598)	Level 2
ING Credit Facility ⁽²⁾	—	(20,833)	Level 2
Ocean Yield Lease Financing ⁽²⁾	(297,347)	(311,907)	Level 2
BoComm Lease Financing ⁽³⁾	(208,954)	(210,186)	Level 2
Toshin Lease Financing ⁽³⁾	(13,138)	(13,566)	Level 2
Hyuga Lease Financing ⁽³⁾	(13,190)	(13,643)	Level 2
Kaiyo Lease Financing ⁽³⁾	(11,888)	(12,419)	Level 2
Kaisha Lease Financing ⁽³⁾	(11,995)	(12,519)	Level 2

(1) Short-term investments consist of time deposits with original maturities of between 91 and 180 days.

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- (2) Floating rate debt – 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 – the fair value of fixed rate debt has been determined using level 2 inputs by discounting the expected cash flows of the outstanding debt.

Derivatives

At June 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 Company'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 \$ 283.0 million as of June 30, 2024, covering for accounting purposes, the \$ 144.6 million principal balance outstanding under the \$ 500 Million Revolving Credit Facility and \$ 138.4 million outstanding under the Ocean Yield Lease Financing. Also, as of June 30, 2024, approximately \$ 0.3 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.

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 Company's use of derivatives as of June 30, 2024 and December 31, 2023:

<i>(Dollars in thousands)</i>	Current portion of derivative asset	Long-term derivative assets	Other receivables
June 30, 2024:			
Derivatives designated as hedging instruments:			
Interest rate swaps	\$ 4,532	\$ 1,888	\$ 784
Total	\$ 4,532	\$ 1,888	\$ 784
December 31, 2023:			
Derivatives designated as hedging instruments:			
Interest rate swaps	\$ 5,081	\$ 1,153	\$ 961
Total	\$ 5,081	\$ 1,153	\$ 961

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.

The effect of cash flow hedging relationships recognized in other comprehensive income excluding amounts reclassified from accumulated other comprehensive income for the three and six months ended June 30, 2024 and 2023 follows:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Derivatives designated as hedging instruments:				
Interest rate swaps	\$ 1,053	\$ 5,848	\$ 4,150	\$ 4,393
Total other comprehensive income	\$ 1,053	\$ 5,848	\$ 4,150	\$ 4,393

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The effect of the Company's cash flow hedging relationships on the condensed consolidated statement of operations for the three and six months ended June 30, 2024 and 2023 follows:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Derivatives designated as hedging instruments:				
Interest rate swaps	\$ (1,895)	\$ (2,204)	\$ (3,965)	\$ (3,985)
Discontinued hedging instruments:				
Interest rate swap	(256)	(563)	(610)	(1,165)
Total interest expense	<u>\$ (2,151)</u>	<u>\$ (2,767)</u>	<u>\$ (4,575)</u>	<u>\$ (5,150)</u>

See Note 11, "Accumulated Other Comprehensive Loss," for disclosures relating to the impact of derivative instruments on accumulated other comprehensive income/(loss).

The following table presents the fair values, which are pre-tax, for assets and liabilities measured on a recurring basis:

<i>(Dollars in thousands)</i>	June 30, 2024	December 31, 2023	Fair Value Level
Derivative Assets (interest rate swaps)	\$ 7,204	\$ 7,195	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.

Note 8 — Debt:

Debt consists of the following:

<i>(Dollars in thousands)</i>	June 30, 2024	December 31, 2023
\$ 750 Million Facility Term Loan, due 2027, net of unamortized deferred finance costs of \$ 3,124	\$ —	\$ 110,474
\$ 500 Million Revolving Credit Facility, due 2030	144,581	—
ING Credit Facility, due 2026, net of unamortized deferred finance costs of \$ 295	—	20,538
Ocean Yield Lease Financing, due 2031, net of unamortized deferred finance costs of \$ 2,401 and \$ 2,656	294,945	309,250
BoComm Lease Financing, due 2030, net of unamortized deferred finance costs of \$ 3,802 and \$ 4,166	223,104	229,583
Toshin Lease Financing, due 2031, net of unamortized deferred finance costs of \$ 272 and \$ 302	13,213	13,903
Hyuga Lease Financing, due 2031, net of unamortized deferred finance costs of \$ 238 and \$ 265	13,099	13,786
Kaiyo Lease Financing, due 2030, net of unamortized deferred finance costs of \$ 200 and \$ 227	11,801	12,518
Kaisha Lease Financing, due 2030, net of unamortized deferred finance costs of \$ 210 and \$ 238	11,909	12,624
	712,652	722,676
Less current portion	(49,598)	(127,447)
Long-term portion	<u>\$ 663,054</u>	<u>\$ 595,229</u>

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.

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ING Credit Facility

On April 18, 2024, the Company prepaid the outstanding principal balance of \$ 20.3 million and terminated the ING Credit Facility.

\$750 Million Credit Facility

On April 26, 2024, the Company, International Seaways Operating Corporation (the "Borrower") 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 ("Nordea"), BNP Paribas, Cr dit Agricole Corporate & Investment Bank ("CA-CIB"), 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.

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 (the "\$ 500 Million Revolving Credit Facility") 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 Company's vessels (the "Collateral Vessels"), 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 Company'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. On June 24, 2024, an additional \$ 50 million was drawn. An aggregate of \$ 144.6 million was outstanding as of June 30, 2024, leaving an undrawn revolver capacity of \$ 355.4 million on this facility.

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 Company's Consolidated Indebtedness; (ii) to ensure the Company's and its consolidated subsidiaries' 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 portion 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.

On July 24, 2024, the Company repaid \$ 30 million of the amount outstanding under the \$ 500 Million Revolving Credit Facility upon receipt of the sale proceeds of the 2008-built MR that was delivered to its buyer in July 2024 (See Note 5, "Vessels").

Debt Covenants

The Company was in compliance with the financial and non-financial covenants under all of its financing arrangements as of June 30, 2024.

Interest Expense

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 Company's debt facilities for the three and six months ended June 30, 2024 was \$ 12.4 million and \$ 25.2 million, respectively, and for the three and six months ended June 30, 2023 was \$ 18.2 million and \$ 36.5 million, respectively. Interest paid for the Company's debt facilities for the three and six months ended June 30, 2024 was \$ 11.1

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million and \$ 23.2 million, respectively, and for the three and six months ended June 30, 2023 was \$ 16.9 million and \$ 36.0 million, respectively. Interest paid for the three and six months ended June 30, 2023 also included \$ 0.7 million and \$ 2.0 million, respectively, of the pre-delivery interest expense paid for the three dual-fuel LNG VLCC newbuilds.

Note 9 — Taxes:

As of June 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 "Code") and U.S. Treasury Department regulations for the 2024 calendar year, as less than 50 percent of the total value of the Company's stock was held by one or more shareholders who own 5% or more of the Company's stock for more than half of the days of 2024.

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 six months ended June 30, 2024 and 2023.

Additionally, a number of countries, including some in which certain of the Company's subsidiaries are domiciled, have drafted or are actively considering drafting legislation to implement the Organization for Economic Cooperation and Development's ("OECD") international tax framework, including the Pillar Two Model Rules. These 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 Company'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 Company's consolidated financial statements and operations going forward.

Note 10 — Capital Stock and Stock Compensation:

The Company accounts for stock-based compensation expense in accordance with the fair value method required by ASC 718, *Compensation – Stock Compensation*. Such fair value method requires share-based payment transactions to be measured according to the fair value of the equity instruments issued.

Director Compensation – Restricted Common Stock

On February 19, 2024, Mr. Nadim Qureshi resigned from the Board of Directors of the Company. Mr. Qureshi's resignation was not the result of any disagreement with the Company or the Board on any matter relating to the Company's operations, policies or practices. In connection with his resignation, the Board approved the accelerated vesting of the 2,635 restricted shares of INSW common stock previously granted to Mr. Qureshi in June 2023 (valued at approximately \$ 0.1 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 Company's crude and product tanker operations.

In June 2024, the Company awarded a total of 20,198 restricted common stock shares to its non-employee directors. The weighted average fair market value of INSW's stock on the measurement date of such awards was \$ 57.17 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.

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Management Compensation

Stock Options

There were no stock options granted during the three and six months ended June 30, 2024 and 2023. A total of 65,179 and 12,940 stock options were exercised during the six months ended June 30, 2024 and 2023, respectively, by certain senior officers and employees of the Company at an average exercise price of \$ 21.74 and \$ 22.54 per share, respectively. After withholdings for taxes and costs, the Company issued a total of 18,765 and 3,319 shares, during the six months ended June 30, 2024 and 2023, respectively, in conjunction with these exercises.

Restricted Stock Units

During the six months ended June 30, 2024, the Company granted 82,076 time-based restricted stock units ("RSUs") to certain of its senior officers and employees. The weighted average grant date fair value of these awards was \$ 52.99 per RSU. Each RSU represents a contingent right to receive one 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.

During the six months ended June 30, 2024, the Company also granted 48,080 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) one-half of the target RSUs shall vest on December 31, 2026, subject to INSW's return on invested capital ("ROIC") performance in the three-year ROIC performance period relative to a target rate (the "ROIC Target") set forth in the award agreements; and (ii) one-half of the target RSUs shall vest on December 31, 2026, subject to INSW's three-year total shareholder return ("TSR") performance relative to that of a performance peer group over a three-year performance period ("TSR Target"). Vesting is subject in each case to the Human Resources and Compensation Committee of the Company's Board of Directors' 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 \$ 52.57 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 \$ 41.08 per RSU.

Dividends

During 2024, the Company's Board of Directors have declared and paid the following regular quarterly and supplemental dividends:

Declaration Date	Record Date	Payment Date	Regular Quarterly Dividend per Share	Supplemental Dividend per Share	Total Dividends Paid (Dollars in Thousands)
February 28, 2024	March 14, 2024	March 28, 2024	\$ 0.12	\$ 1.20	\$ 64,665
May 7, 2024	June 12, 2024	June 26, 2024	\$ 0.12	\$ 1.63	\$ 86,930

On August 6, 2024, the Company's Board of Directors declared a regular quarterly cash dividend of \$ 0.12 per share of common stock and a supplemental dividend of \$ 1.38 per share of common stock. Both dividends will be paid on September 25, 2024 to stockholders of record as of September 11, 2024.

Share Repurchases

No shares were acquired under the Company's stock repurchase program during the three and six months ended June 30, 2024.

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During the three months ended June 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.

In connection with the settlement of vested restricted stock units and the exercise of stock options, the Company repurchased 56,068 and 158,591 shares of common stock during the three and six months ended June 30, 2024, respectively, at an average cost of \$ 54.30 and \$ 53.42 , respectively, 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 62,045 and 121,337 shares of common stock during the three and six months ended June 30, 2023, respectively, at an average cost of \$ 38.52 and \$ 46.65 , respectively, per share.

Shares issued relating to Vessel Acquisitions

Refer to Note 5, "Vessels" for further details.

Note 11 — Accumulated Other Comprehensive Loss:

The components of accumulated other comprehensive loss, net of related taxes, in the condensed consolidated balance sheets follow:

<i>(Dollars in thousands)</i>	June 30, 2024	December 31, 2023
Unrealized gains on derivative instruments	\$ 8,924	\$ 9,349
Items not yet recognized as a component of net periodic benefit cost (pension plans)	(10,340)	(10,412)
	<u>\$ (1,416)</u>	<u>\$ (1,063)</u>

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The changes in the balances of each component of accumulated other comprehensive income/(loss), net of related taxes, during the three and six months ended June 30, 2024 and 2023 follow:

<i>(Dollars in thousands)</i>	Unrealized gains/(losses) on cash flow hedges	Items not yet recognized as a component of net periodic benefit cost	Total
Balance as of March 31, 2024	\$ 10,022	\$ (10,322)	\$ (300)
Current period change, excluding amounts reclassified			
from accumulated other comprehensive loss	1,053	(18)	1,035
Amounts reclassified from accumulated other comprehensive loss	(2,151)	—	(2,151)
Balance as of June 30, 2024	<u>\$ 8,924</u>	<u>\$ (10,340)</u>	<u>\$ (1,416)</u>
Balance as of March 31, 2023	\$ 13,074	(10,172)	2,902
Current period change, excluding amounts reclassified			
from accumulated other comprehensive income	5,848	(228)	5,620
Amounts reclassified from accumulated other comprehensive income	(2,767)	—	(2,767)
Balance as of June 30, 2023	<u>\$ 16,155</u>	<u>\$ (10,400)</u>	<u>\$ 5,755</u>

<i>(Dollars in thousands)</i>	Unrealized losses on cash flow hedges	Items not yet recognized as a component of net periodic benefit cost	Total
Balance as of December 31, 2023	\$ 9,349	\$ (10,412)	\$ (1,063)
Current period change, excluding amounts reclassified			
from accumulated other comprehensive loss	4,150	72	4,222
Amounts reclassified from accumulated other comprehensive loss	(4,575)	—	(4,575)
Balance as of June 30, 2024	<u>\$ 8,924</u>	<u>\$ (10,340)</u>	<u>\$ (1,416)</u>
Balance as of December 31, 2022	\$ 16,912	(9,948)	\$ 6,964
Current period change, excluding amounts reclassified			
from accumulated other comprehensive income	4,393	(452)	3,941
Amounts reclassified from accumulated other comprehensive income	(5,150)	—	(5,150)
Balance as of June 30, 2023	<u>\$ 16,155</u>	<u>\$ (10,400)</u>	<u>\$ 5,755</u>

Amounts reclassified out of each component of accumulated other comprehensive income/(loss) follow:

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	Three Months Ended June 30,		Six Months Ended June 30,		Statement of Operations Line Item
<i>(Dollars in thousands)</i>	2024	2023	2024	2023	
Reclassifications of (gains)/losses on cash flow hedges:					
Interest rate swaps entered into by the Company's subsidiaries	(1,895)	(2,204)	(3,965)	(3,985)	Interest expense
Reclassifications of losses on discontinued hedging instruments					
Interest rate swap entered into by the Company's subsidiaries	(256)	(563)	(610)	(1,165)	Interest expense
Total before and net of tax	<u>\$ (2,151)</u>	<u>\$ (2,767)</u>	<u>\$ (4,575)</u>	<u>\$ (5,150)</u>	

At June 30, 2024, the Company expects that it will reclassify \$ 4.8 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.

See Note 7, "Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures," for additional disclosures relating to derivative instruments.

Note 12 — Revenue:

Revenue Recognition

The majority of the Company's contracts for pool revenues, time charter revenues, and voyage charter revenues are accounted for as lease revenue under ASC 842. The Company's contracts with pools are short term which are cancellable with up to 90 days' notice. As of June 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 (including three vessels that are scheduled to commence their time charters upon delivery to charterers during the third quarter of 2024), with expiry dates ranging from August 2024 to April 2030. The Company'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.

Lightering services provided by the Company'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.

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The following tables present the Company's revenues from leases accounted for under ASC 842 and revenues from services accounted for under ASC 606 for the three and six months ended June 30, 2024 and 2023:

<i>(Dollars in thousands)</i>	Crude Tankers	Product Carriers	Totals
Three months ended June 30, 2024:			
Revenues from leases			
Pool revenues	\$ 89,259	\$ 118,422	\$ 207,681
Time charter revenues	19,892	11,247	31,139
Voyage charter revenues from non-variable lease payments	1,077	2,361	3,438
Revenues from services			
Voyage charter revenues from lightering services	15,151	—	15,151
Total shipping revenues	<u>\$ 125,379</u>	<u>\$ 132,030</u>	<u>\$ 257,409</u>
Three months ended June 30, 2023:			
Revenues from leases			
Pool revenues	\$ 119,639	\$ 127,952	\$ 247,591
Time charter revenues	18,570	7,542	26,112
Voyage charter revenues from non-variable lease payments	1,417	4,541	5,958
Voyage charter revenues from variable lease payments	66	—	66
Revenues from services			
Voyage charter revenues from lightering services	12,476	—	12,476
Total shipping revenues	<u>\$ 152,168</u>	<u>\$ 140,035</u>	<u>\$ 292,203</u>
Six months ended June 30, 2024:			
Revenues from leases			
Pool revenues	\$ 179,306	\$ 254,657	\$ 433,963
Time and bareboat charter revenues	40,696	21,492	62,188
Voyage charter revenues from non-variable lease payments	2,025	3,414	5,439
Revenues from services			
Voyage charter revenues from lightering services	30,220	—	30,220
Total shipping revenues	<u>\$ 252,247</u>	<u>\$ 279,563</u>	<u>\$ 531,810</u>
Six months ended June 30, 2023:			
Revenues from leases			
Pool revenues	\$ 228,438	\$ 278,731	\$ 507,169
Time and bareboat charter revenues	28,256	11,006	39,262
Voyage charter revenues from non-variable lease payments	3,655	4,867	8,522
Voyage charter revenues from variable lease payments	66	150	216
Revenues from services			
Voyage charter revenues from lightering services	24,164	—	24,164
Total shipping revenues	<u>\$ 284,579</u>	<u>\$ 294,754</u>	<u>\$ 579,333</u>

Contract Balances

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.

INTERNATIONAL SEAWAYS, INC.
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(UNAUDITED)

Balances related to revenues from leases accounted for under ASC 842 are excluded from the table below.

<i>(Dollars in thousands)</i>	Voyage receivables - Billed receivables	Contract assets (Unbilled voyage receivables)	Contract liabilities (Deferred revenues and off hires)
Opening balance as of January 1, 2024	\$ 6,512	\$ 1,029	\$ —
Closing balance as of June 30, 2024	5,657	871	—

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.

Performance Obligations

All of the Company'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 six months ended June 30, 2024 and 2023, respectively.

Costs to Obtain or Fulfill a Contract

As of June 30, 2024, there were no unamortized deferred costs of obtaining or fulfilling a contract.

European Union's Emissions Trading System

Commencing January 1, 2024, the European Union's Emissions Trading System ("EU ETS") was extended to cover Carbon dioxide ("CO₂") 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.

Shipping companies will have to surrender EU ETS emissions allowances ("EUA") 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 ("CH₄") and Nitrous oxide ("N₂O").

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.

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 June 30, 2024. EUAs relating to 2024 emissions are required to be surrendered to the EU authorities in September 2025.

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The following table presents the components of the non-cash revenues and expenses recognized for EUAs earned and incurred during the three and six months ended June 30, 2024 and 2023:

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pool revenues	\$ 1,657	\$ —	\$ 2,045	\$ —
Time charter revenues	359	—	490	—
Total shipping revenues	<u>\$ 2,016</u>	<u>\$ —</u>	<u>\$ 2,535</u>	<u>\$ —</u>
Voyage expenses	\$ 2,016	\$ —	\$ 2,535	\$ —

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 \$ 2.5 million as of June 30, 2024 and is included in other receivables and other liabilities, respectively, in the condensed consolidated balance sheet.

Note 13 — Leases:

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 inception; (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.

Contracts under which the Company is a Lessee

The Company currently has two major categories of leases – chartered-in vessel and leased office and other space. The expenses recognized during the three and six months ended June 30, 2024 and 2023 for the lease component of these leases are as follows:

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<i>Operating lease cost</i>				
Vessel assets				
Charter hire expenses	\$ 2,367	\$ 678	\$ 4,734	\$ 1,745
<i>Finance lease cost</i>				
Vessel assets				
Amortization of right-of-use assets	—	16	—	731
Interest on lease liabilities	—	3	—	124
Office and other space				
General and administrative	226	228	452	456
Voyage expenses	45	45	90	90
<i>Short-term lease cost</i>				
Vessel assets ⁽¹⁾				
Charter hire expenses	1,133	5,154	2,498	9,423
Total lease cost	<u>\$ 3,771</u>	<u>\$ 6,124</u>	<u>\$ 7,774</u>	<u>\$ 12,569</u>

(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, totaling \$ 1.4 million and \$ 2.1 million for the three and six months ended June 30, 2024, respectively, compared with \$ 1.6 million and \$ 1.7 million for the three and six months ended June 30, 2023, respectively, including both lease and non-lease components.

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Supplemental cash flow information related to leases was as follows:

<i>(Dollars in thousands)</i>	Six Months Ended June 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used for operating leases	\$ 5,361	\$ 1,685
Finance cash flows used for finance leases	—	42,284

Supplemental balance sheet information related to leases was as follows:

<i>(Dollars in thousands)</i>	June 30, 2024	December 31, 2023
Operating lease right-of-use assets	\$ 14,778	\$ 20,391
Current portion of operating lease liabilities	\$ (10,017)	\$ (10,223)
Long-term operating lease liabilities	(6,958)	(11,631)
Total operating and finance lease liabilities	\$ (16,975)	\$ (21,854)
Weighted average remaining lease term - operating leases	4.62 years	4.42 years
Weighted average discount rate - operating leases	5.70 %	5.90 %

1. Charters-in of vessel assets:

As of June 30, 2024, the Company has a commitment to time charter-in one LR1 through to June 2025. The minimum lease liabilities and related number of operating days under this operating lease as of June 30, 2024 are as follows:

<i>(Dollars in thousands)</i>	Amount	Operating Days
2024	\$ 4,855	184
2025	4,301	163
Total lease payments (lease component only)	9,156	347
less imputed interest	(268)	
Total operating lease liabilities	\$ 8,888	

2. Office and other space:

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.

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Payments of lease liabilities for office and other space as of June 30, 2024 are as follows:

<i>(Dollars in thousands)</i>	Amount
2024	\$ 635
2025	1,093
2026	1,113
2027	1,077
2028	1,077
Thereafter	4,754
Total lease payments	9,749
less imputed interest	(1,662)
Total operating lease liabilities	<u>\$ 8,087</u>

Contracts under which the Company is a Lessor

See Note 12, "Revenue," for discussion on the Company's revenues from operating leases accounted for under ASC 842.

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 June 30, 2024 are as follows:

<i>(Dollars in thousands)</i>	Amount	Revenue Days
2024	\$ 69,819	2,560
2025	114,169	4,112
2026	79,611	2,699
2027	39,433	1,259
2028	34,038	1,098
Thereafter	41,013	1,323
Future minimum revenues	<u>\$ 378,082</u>	<u>13,051</u>

Future minimum contracted revenues do not include the Company'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.

Note 14 — Other Operating Expenses

Other operating expenses consist of the following expenses:

<i>(Dollars in thousands)</i>	Three Months Ended June 30, Six Months Ended June 30,			
	2024	2023	2024	2023
Provisions for settlement of multi-employer pension plan obligations	\$ 975	\$ —	\$ 975	\$ —
Legal and consulting fees associated with settlement of pension plan obligations	479	—	755	—
Total other operating expenses	<u>\$ 1,454</u>	<u>\$ —</u>	<u>\$ 1,730</u>	<u>\$ —</u>

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See Note 15, "Pension and Other Postretirement Benefit Plans," for additional information on the planned settlement of the Company's defined benefit pension plan obligations.

Note 15 – Pension and Other Postretirement Benefit Plans

As of June 30, 2024, the Company was in the process of settling its obligations under the defined benefit pension schemes in which the Company is involved, including securing the benefits under the OSG Ship Management (UK) Ltd. Retirement Benefits Plan with an insurance company.

Multi-Employer Plans

The Merchant Navy Officers Pension Fund ("MNOFP") is a multi-employer defined benefit pension plan covering British crew members that served as officers on board INSW's vessels (as well as vessels of other owners). The Trustees of the MNOFP 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 MNOFP. On July 11, 2024, the Company and the Trustees of the MNOFP entered into an agreement pursuant to which the Company agreed to pay \$ 0.1 million and the Trustees of the MNOFP agreed not to seek any future contributions from the Company.

The Merchant Navy Ratings Pension Fund ("MNRPF") is a multi-employer defined benefit pension plan covering British crew members that served as ratings (seamen) on board INSW'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. The Company expects to enter 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 a payment, which is estimated to approximate \$ 0.9 million. The agreement is expected to be finalized and paid in full by the end of the third quarter of 2024.

Note 16 — Contingencies:

INSW'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 Business

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 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 Company's financial position, results of operations and cash flows.

In late July 2023, one of the Company'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.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements. Such forward-looking statements represent the Company'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 Company'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 Company'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:

- the highly cyclical nature of INSW's industry;
- fluctuations in the market value of vessels;
- declines in charter rates, including spot charter rates or other market deterioration;
- an increase in the supply of vessels without a commensurate increase in demand;
- 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;
- the adequacy of INSW's insurance to cover its losses, including in connection with maritime accidents or spill events;
- constraints on capital availability;
- changing economic, political and governmental conditions in the United States and/or abroad and general conditions in the oil and natural gas industry;
- the impact of changes in fuel prices;
- acts of piracy on ocean-going vessels;
- 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;
- the war between Russia and Ukraine could adversely affect INSW's business;
- the impact of public health threats and outbreaks of other highly communicable diseases, including COVID-19;
- the effect of the Company's indebtedness on its ability to finance operations, pursue desirable business opportunities and successfully run its business in the future;
- 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;
- the Company's ability to generate sufficient cash to service its indebtedness and to comply with debt covenants;
- the Company'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;
- the availability and cost of third-party service providers for technical and commercial management of the Company's fleet;
- the Company's ability to renew its time charters when they expire or to enter into new time charters;
- termination or change in the nature of the Company'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;
- competition within the Company's industry and INSW's ability to compete effectively for charters with companies with greater resources;
- the loss of a large customer or significant business relationship;
- the Company's ability to realize benefits from its past acquisitions or acquisitions or other strategic transactions it may make in the future;
- increasing operating costs and capital expenses as the Company's vessels age, including increases due to limited shipbuilder warranties or the consolidation of suppliers;
- the Company's ability to replace its operating leases on favorable terms, or at all;
- changes in credit risk with respect to the Company's counterparties on contracts;

- the failure of contract counterparties to meet their obligations;
- the Company's ability to attract, retain and motivate key employees;
- work stoppages or other labor disruptions by employees of INSW or other companies in related industries;
- unexpected drydock costs;
- the potential for technological innovation to reduce the value of the Company's vessels and charter income derived therefrom;
- the impact of an interruption in or failure of the Company's information technology and communication systems upon the Company's ability to operate;
- seasonal variations in INSW's revenues;
- government requisition of the Company's vessels during a period of war or emergency;
- the Company'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;
- legal, regulatory or market measures to address climate change, including proposals to restrict emissions of greenhouse gases ("GHGs") and other sustainability initiatives, could have an adverse impact on the Company's business and results of operations;
- increasing scrutiny and changing expectations from investors, lenders, and other market participants with respect to our Environmental, Social and Governance policies;
- any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 or other applicable regulations relating to bribery or corruption;
- the impact of litigation, government inquiries and investigations;
- governmental claims against the Company;
- the arrest of INSW's vessels by maritime claimants;
- changes in laws, including governing tax laws, treaties or regulations, including those relating to environmental and security matters;
- changes in worldwide trading conditions, including the impact of tariffs, trade sanctions, boycotts and other restrictions on trade; and
- Pending and future tax law changes may result in significant additional taxes to INSW.

The Company assumes no obligation to update or revise any forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q and written and oral forward-looking statements attributable to the Company or its representatives after the date of this Quarterly Report on Form 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.

INTRODUCTION

This Management'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 June 30, 2024 and for the three and six months ended June 30, 2024 and 2023. It is organized as follows:

- *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.
- *Operations & Oil Tanker Markets.* This section provides an overview of industry operations and dynamics that have an impact on the Company's financial position and results of operations.

- *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.
- *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.
- *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 Company's planned and/or already executed capital allocation activities.
- *Risk Management.* This section provides a general overview of how the interest rate, currency and fuel price volatility risks are managed by the Company.

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 Company's relative competitive position in this report are based on our management's beliefs, internal studies and management's knowledge of industry trends.

General:

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 six months ended June 30, 2024 we derived 52% and 53%, respectively, of our TCE revenues from our Product Carriers segment compared with 48% and 51% for the three and six months ended June 30, 2023, respectively. Revenues from our Crude Tankers segment constituted the balance of our TCE revenues in the 2024 and 2023 periods.

As of June 30, 2024, the Company's operating fleet consisted of 77 wholly-owned or lease financed and time chartered-in vessels aggregating 9.0 million deadweight tons ("dwt"). In addition to our operating fleet of 77 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 83 vessels. Our fleet includes VLCC, Suezmax and Aframax crude tankers and LR2, LR1 and MR product carriers.

The Company'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 Company'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 Company's LR1 product carriers, which currently participate in the Panamax International Pool, in the transportation of crude oil cargoes.

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Our revenues are derived predominantly from spot market voyage charters and our vessels are predominantly employed in the spot market via market-leading commercial pools. We derived approximately 88% and 89% of our total TCE revenues in the spot market for the three and six months ended June 30, 2024, respectively, compared with 91% and 93% for the three and six months ended June 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 June 30, 2024 are as follows:

<i>(Dollars in millions)</i>	Amount ⁽¹⁾
2024	\$ 69.8
2025	114.2
2026	79.6
2027	39.4
2028	34.0
Thereafter	41.0
Future minimum revenues	\$ 378.1

- (1) Future minimum contracted revenues do not include the Company'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.

Vessel Class	Year Built	Total Future Minimum Charter Revenue <i>(Dollars in millions)</i>	Estimated Redelivery Year						
			2024	2025	2026	2027	2028	2029	2030
SUEZMAX	2016	\$1.4							
SUEZMAX	2012	\$5.8							
MR	2008	\$5.0							
MR	2008	\$5.2							
MR	2008	\$12.2							
MR	2009	\$14.3							
MR	2009	\$14.5							
MR	2011	\$14.3							
AFRAMAX	2017	\$28.2							
MR	2009	\$21.8							
MR	2009	\$21.8							
LR2	2014	\$39.6							
VLCC	2023	\$63.5							
VLCC	2023	\$64.6							
VLCC	2023	\$65.9							

Operations and Oil Tanker Markets:

The International Energy Agency ("IEA") estimates global oil consumption for the second quarter of 2024 at 102.9 million barrels per day ("b/d"), up 0.7% from the same quarter in 2023. The estimate for global oil consumption for 2024 is 103.1 million b/d, an increase of 1.0% over the 2023 estimate of 102.1 million b/d. OECD demand in 2024 is estimated to decrease 0.2% to 45.6 million b/d, while non-OECD demand is estimated to increase by 2.0% to 57.5 million b/d.

Global oil production in the second quarter of 2024 was 102.2 million b/d, a decrease of 0.3 million b/d from the second quarter of 2023. OPEC crude oil production averaged 26.6 million b/d in the second quarter of 2024, the same level as the first quarter of 2024, and a decrease of 1.7 million b/d from the second quarter of 2023. Non-OPEC production increased by 1.4 million b/d to 70.1 million b/d in the second quarter of 2024 compared with the second quarter of 2023. Oil production in the U.S. in the second quarter of 2024 increased by 5.5% to 13.3 million b/d compared to the first quarter of 2024 and by 4.7% from the second quarter of 2023.

U.S. refinery throughput increased by 0.5 million b/d to 16.4 million b/d in the second quarter of 2024 compared with the first quarter of 2024. U.S. crude oil imports in the second quarter of 2024 increased by 0.4 million b/d to 6.6 million b/d compared with the second quarter of 2023, with imports from OPEC countries remaining flat and imports from non-OPEC countries increasing by 0.4 million b/d.

China's crude oil imports decreased in June 2024 to 11.3 million b/d, a drop of 11% year-over-year, and first half 2024 crude oil imports were at 11.1 million b/d, down 2.3% year-over-year.

Total OECD commercial inventories ended the second quarter of 2024 down 1.9% or 27 million barrels of crude, and up 1.8% or 26 million barrels of products, respectively, compared with the second quarter of 2023.

During the second quarter of 2024, the tanker fleet of vessels over 10,000 dwt increased, net of vessels recycled, by 0.9 million dwt as the crude fleet increased by 0.5 million dwt, all in the Aframax fleet. The product carrier fleet increased by 0.4 million dwt, all in the MR fleet. Year-over-year, the size of the tanker fleet increased by 6.8 million dwt with the VLCCs, Suezmaxes, Aframax, and MRs increasing by 1.5 million dwt, 0.2 million dwt, 3.1 million dwt, and 2.1 million dwt, respectively. The LR1/Panamax fleet remained unchanged.

During the second quarter of 2024, the tanker orderbook increased by 8.4 million dwt overall compared with the first quarter of 2024. The crude tanker orderbook increased by 5.3 million dwt. The VLCC orderbook increased by 3.4 million dwt, while the Suezmax and Aframax orderbooks increased by 0.5 million dwt and 1.5 million dwt, respectively. The product carrier orderbook increased by 3.1 million dwt, with increases in the LR1 and MR sectors of 0.9 million dwt and 2.2 million dwt respectively. Year-over-year, the total tanker orderbook increased by 38.4 million dwt, with increases in VLCC, Suezmaxes, Aframax, Panamax and LR1s of 15.3 million dwt, 8.2 million dwt, 5.9 million dwt, 2.7 million dwt and 6.4 million dwt, respectively.

Crude tanker rates remained strong in the second quarter of 2024, although VLCC rates were weaker than in the first quarter of 2024, a weakness that is persisting into the third quarter of 2024, on the back of reduced Chinese crude oil imports. Even so, current 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. Clean product tanker rates remained strong during the second quarter of 2024, and that strength continues into the third quarter of 2024.

Update on Critical Accounting Estimates and Policies:

The Company'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 Company's material accounting policies, see Note 3, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K. See Note 2, "Significant Accounting Policies," to

the accompanying condensed consolidated financial statements for any changes or updates to the Company's critical accounting policies for the current period.

Results from Vessel Operations:

During the second quarter of 2024, income from vessel operations decreased by \$13.9 million to \$154.8 million from \$168.7 million in the second quarter of 2023. Such decrease resulted principally from a quarter-over-quarter decrease in TCE revenues and increased depreciation and amortization in the current quarter, partially offset by \$27.9 million in gains on the sale of two vessels recognized in the current quarter.

TCE revenues in the second quarter of 2024 decreased by \$36.5 million, or 13%, to \$251.8 million from \$288.3 million in the second quarter of 2023. This decrease reflects (i) an aggregate \$33.5 million rates-based decline resulting from lower average daily rates earned in each of INSW's Crude tanker fleet sectors and the LR1 fleet, (ii) a \$17.2 million days-based decline in the LR1 fleet due to a smaller time chartered-in portfolio and 131 more off-hire days during the current quarter, (iii) a \$4.4 million days-based decrease due to increased Aframax off-hire days in the current period, partially offset by (iv) a \$17.4 million aggregate rates-based increase in the MR and LR2 sectors, and (v) a \$2.4 million increase attributable to the Company's Lightering business.

During the first half of 2024, income from vessel operations decreased by \$44.8 million to \$309.2 million from \$354.0 million in the first half of 2023. Such decrease resulted principally from a \$48.9 million decrease in TCE revenues and increased depreciation and amortization and vessel expenses in the current period, partially offset by larger gains on the sale of vessels recognized in the first half of 2024.

The decrease in TCE revenues in the first half of 2024 of \$48.9 million, or 9%, to \$522.8 million from \$571.7 million in the first half of 2023 reflects a \$32.1 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 a net rates-based decrease of \$23.9 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.

See Note 4, "Business and Segment Reporting," to the accompanying condensed consolidated financial statements for additional information on the Company'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.

Crude Tankers

(Dollars in thousands, except daily rate amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
TCE revenues	\$ 120,856	\$ 148,913	\$ 244,818	\$ 278,197
Vessel expenses	(29,915)	(29,015)	(60,426)	(54,042)
Charter hire expenses	(3,808)	(4,060)	(7,317)	(6,550)
Depreciation and amortization	(19,986)	(19,318)	(40,035)	(36,544)
Adjusted income from vessel operations ^(a)	\$ 67,147	\$ 96,520	\$ 137,040	\$ 181,061
Average daily TCE rate	\$ 46,698	\$ 56,750	\$ 46,846	\$ 55,628
Average number of owned vessels ^(b)	21.0	20.0	21.0	19.0
Average number of vessels chartered-in	9.3	9.5	9.2	9.4
Number of revenue days ^(c)	2,588	2,624	5,226	5,001
Number of ship-operating days: ^(d)				
Owned vessels	1,911	1,816	3,822	3,438
Vessels bareboat chartered-in under leases ^(e)	819	846	1,638	1,679
Vessels spot chartered-in under leases ^(f)	23	16	30	16

(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) Revenue days represent ship-operating days less days that vessels were not available for employment due to repairs, drydock or lay-up. Revenue days are weighted to reflect the Company's interest in chartered-in vessels.

(d) Ship-operating days represent calendar 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 Company's Crude Tankers Lightering business for full service lightering jobs.

INTERNATIONAL SEAWAYS, INC.

The following tables provide a breakdown of TCE rates achieved for the three and six months ended June 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 segment's vessels participate and excludes commercial pool fees/commissions averaging approximately \$794 and \$690 per day for the three months ended June 30, 2024 and 2023, respectively, and \$1,016 and \$977 per day for the six months ended June 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.

	2024		2023	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
<i>Three Months Ended June 30,</i>				
VLCC:				
Average rate	\$ 46,350	\$ 37,339	\$ 52,307	\$ 43,056
Revenue days	828	273	781	294
Suezmax:				
Average rate	\$ 45,045	\$ 31,044	\$ 61,267	\$ 30,990
Revenue days	1,001	182	988	181
Aframax:				
Average rate	\$ 31,450	\$ 38,500	\$ 53,482	\$ —
Revenue days	190	91	364	—
<i>Six Months Ended June 30,</i>				
VLCC:				
Average rate	\$ 45,526	\$ 39,128	\$ 49,342	\$ 44,452
Revenue days	1,691	546	1,561	406
Suezmax:				
Average rate	\$ 44,856	\$ 31,016	\$ 59,723	\$ 31,163
Revenue days	1,999	365	1,984	312
Aframax ⁽¹⁾ :				
Average rate	\$ 36,551	\$ 38,500	\$ 52,184	\$ —
Revenue days	412	182	694	—

(1) During the six months ended June 30, 2023, one of the Company's Aframaxes was employed on a transitional voyage in the spot market outside of its ordinary course operations in the Dakota Tankers' Aframax Pool. Such transitional voyage is excluded from the table above.

During the second quarter of 2024, TCE revenues for the Crude Tankers segment decreased by \$28.1 million, or 19%, to \$120.9 million from \$148.9 million in the second quarter of 2023. Such decrease principally resulted from (i) an aggregate rates-based decrease in the VLCC, Suezmax and Aframax fleets of \$28.1 million due to lower average daily blended rates in these sectors and (ii) a \$4.4 million days-based decline in the Aframax fleet, which reflected 83 more off-hire days in the current quarter. These decreases were offset by (iii) a \$2.4 million increase in the Crude Tankers Lightering business, and (iv) a \$1.3 million days-based increase in the VLCC fleet, which reflected the delivery of two of the three dual-fuel LNG VLCC newbuilds between April 2023 and May 2023, partially offset by 42 more off-hire days in the current quarter.

Vessel expenses increased by \$0.9 million to \$29.9 million in the second quarter of 2024 from \$29.0 million in the second quarter of 2023. Such increase principally reflects the impact of the VLCC newbuild deliveries described above. Charter hire expenses decreased by \$0.3 million quarter-over-quarter due to decreased charter hire expense in the Crude Tankers Lightering business, which primarily reflects fewer on-hire days for chartered-in workboats and lower average daily rates for chartered-in Aframaxes used for full-service lightering. Depreciation and amortization increased by \$0.7 million to \$20.0 million in the current quarter from \$19.3 million in the second quarter of 2023 principally as a result of the commencement of depreciation on the Company's dual-fuel LNG VLCC newbuilds.

Excluding depreciation and amortization and general and administrative expenses, operating income for the Crude Tankers Lightering business was \$7.2 million for the second quarter of 2024 compared with \$5.2 million for the second quarter of 2023. The increase reflects increased activity levels period-over-period, with 134 service support only lightering and three full-service lightering jobs being performed during the three months ended June 30, 2024 compared to 103 service support only lightering and one full-service job during the three months ended June 30, 2023.

During the first six months of 2024, TCE revenues for the Crude Tankers segment decreased by \$33.4 million, or 12%, to \$244.8 million from \$278.2 million in the first six months of 2023. Such decrease principally resulted from (i) an aggregate rates-based decrease in the VLCC, Suezmax and Aframax fleets of \$49.2 million due to lower average daily blended rates in these sectors and (ii) a \$6.5 million days-based decline in the Aframax fleet, which reflected 132 more off-hire days in the current period. These decreases were offset by (iii) a \$12.9 million days-based increase in the VLCC fleet, which reflected the delivery of three dual-fuel LNG VLCC newbuilds between March 2023 and May 2023, partially offset by 56 more off-hire days in the current period, (iv) a \$5.7 million increase in the Crude Tankers Lightering business, and (v) a \$3.7 million days-based increase in the Suezmax sector resulting from 55 fewer off-hire days in the current period.

Vessel expenses increased by \$6.4 million to \$60.4 million in the first half of 2024 from \$54.0 million in the first half of 2023. Such increase principally reflects the impact of the VLCC newbuild deliveries described above and increased repair costs. Charter hire expenses increased by \$0.8 million in the current year'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 one of the workboats being chartered-in. Depreciation and amortization increased by \$3.5 million to \$40.0 million in the six months ended June 30, 2024 from \$36.5 million in the prior year's comparable period principally as a result of the commencement of depreciation on the Company's three dual-fuel LNG VLCC newbuilds.

Excluding depreciation and amortization and general and administrative expenses, operating income for the Crude Tankers Lightering business was \$15.0 million for the first half of 2024 compared to \$11.1 million for the first half of 2023. The increase reflects increased activity levels period-over-period, with 262 service support only lightering and three full-service lightering jobs being completed during the first half of 2024 compared with 225 service support only lightering and one full-service job during the first half of 2023.

Product Carriers

(Dollars in thousands, except daily rate amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
TCE revenues	\$ 130,992	\$ 139,422	\$ 277,958	\$ 293,458
Vessel expenses	(37,925)	(36,136)	(70,795)	(69,878)
Charter hire expenses	(3,140)	(6,442)	(6,279)	(12,752)
Depreciation and amortization	(16,531)	(13,101)	(30,635)	(25,395)
Adjusted income from vessel operations	\$ 73,396	\$ 83,743	\$ 170,249	\$ 185,433
Average daily TCE rate	\$ 34,857	\$ 33,507	\$ 37,310	\$ 35,597
Average number of owned vessels	40.6	39.0	39.3	39.4
Average number of vessels chartered-in	5.0	7.6	5.0	7.7
Number of revenue days	3,758	4,161	7,450	8,244
Number of ship-operating days:				
Owned vessels	3,696	3,549	7,154	7,131
Vessels bareboat chartered-in under leases ^(a)	364	455	728	905
Vessels time chartered-in under leases	91	234	182	497

(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.

INTERNATIONAL SEAWAYS, INC.

The following table provides a breakdown of TCE rates achieved for the three and six months ended June 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 segment's vessels participate and excludes commercial pool fees/commissions averaging approximately \$900 and \$802 per day for the three months ended June 30, 2024 and 2023, respectively, and \$899 and \$794 per day for the six months ended June 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.

	2024		2023	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
<i>Three Months Ended June 30,</i>				
LR2 ⁽¹⁾ :				
Average rate	\$ 55,485	\$ —	\$ 25,594	\$ 17,829
Revenue days	58	—	41	50
LR1 ⁽²⁾ :				
Average rate	\$ 53,066	\$ —	\$ 63,608	\$ —
Revenue days	506	—	780	—
MR ⁽³⁾⁽⁴⁾ :				
Average rate	\$ 35,007	\$ 21,553	\$ 28,331	\$ 20,819
Revenue days	2,597	508	2,954	309
<i>Six Months Ended June 30,</i>				
LR2 ⁽¹⁾ :				
Average rate	\$ 52,757	\$ —	\$ 25,594	\$ 18,588
Revenue days	149	—	41	140
LR1 ⁽²⁾ :				
Average rate	\$ 60,083	\$ —	\$ 67,271	\$ —
Revenue days	1,077	—	1,580	—
MR ⁽³⁾⁽⁴⁾ :				
Average rate	\$ 36,473	\$ 21,621	\$ 29,934	\$ 20,283
Revenue days	5,143	973	6,041	399

- (1) During the three and six months ended June 30, 2023, the Company's LR2 was employed on a transitional voyage in the spot market subsequent to the expiry of its time charter and prior to joining the Hafnia LR2 Pool.
- (2) In order to take advantage of market conditions and optimize economic performance, during the 2024 and 2023 periods, management employed all of the Company's LR1 product carriers, which operate in the Panamax International pool, exclusively in the transportation of crude oil cargoes. During the six months ended June 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. Such transitional voyage is excluded from the table above.
- (3) During the three and six months ended June 30, 2023, one MR was employed on a transitional voyage in the spot market outside of its ordinary course operations in Norden's MR Pool due to a change in technical management. Such transitional voyage is excluded from the table above.
- (4) During the three and six months ended June 30, 2024, three MRs that were acquired by the Company in the second quarter of 2024 were employed on transitional voyages in the spot market prior to delivering to the CPTA Pool to commence their ordinary course operations. Such transitional voyages are excluded from the table above.

During the second quarter of 2024, TCE revenues for the Product Carriers segment decreased by \$8.4 million, or 6%, to \$131.0 million from \$139.4 million in the second quarter of 2023. The reduction in TCE revenues was primarily as a result of (i) a \$17.2 million days-based decrease in the LR1 fleet sector which reflects the impacts of a 143-day net decrease in time-chartered in days and an increase of 131 off-hire days in the current period, (ii) a \$5.4 million rates-based decrease in the LR1 sector due to lower average daily rates earned in the current quarter, and (iii) a \$2.6 million days-based decline in the MR sector, which reflects 153 more off-hire

days in the current period, partially offset by a 56-day increase in owned vessel days. The increase in owned vessel days resulted from the Company's acquisition of six MRs between April 2024 and May 2024, partially offset by the sales of four MRs between October 2023 and June 2024. Partially offsetting the TCE revenue decreases described above was (iv) a \$17.4 million aggregate rates-based increase in the MR and LR2 sectors due to higher average daily blended rates earned in the current quarter.

Vessel expenses increased by \$1.8 million to \$37.9 million in the second quarter of 2024 from \$36.1 million in the second quarter of 2023. Such increase principally reflects higher drydock deviation costs in the LR1 sector. Charter hire expenses decreased by \$3.3 million to \$3.1 million in the current quarter from \$6.4 million in the second 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 \$3.4 million to \$16.5 million in the current quarter from \$13.1 million in the prior year's quarter. Such increase resulted primarily from increased drydock amortization and the MR purchases and sales referenced above, as the acquired vessels have larger depreciable cost bases than the vessels that were sold.

During the first half of 2024, TCE revenues for the Product Carriers segment decreased by \$15.5 million, or 5%, to \$278.0 million from \$293.5 million in the first half of 2023. The reduction in TCE revenues was primarily as a result of (i) a \$32.1 million days-based decrease in the LR1 fleet sector which reflects the impacts of a 315-day net decrease in time-chartered in days and an increase of 174 off-hire days in the current year's period, (ii) a \$8.6 million rates-based decrease in the LR1 sector due to lower average daily rates earned in the current period, and (iii) a \$7.9 million days-based decline in the MR sector, which reflects 161 fewer owned vessel days and 117 more off-hire days in the current period. The decrease in owned vessel days reflects the sale of five MRs between March 2023 and June 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 \$33.8 million aggregate rates-based increase in the MR and LR2 sectors due to higher average daily blended rates earned in the current period.

Vessel expenses increased by \$0.9 million to \$70.8 million in the first six months of 2024 from \$69.9 million in the first six months of 2023. Such increase principally reflects higher LR1 drydock deviation cost, offset by the impacts of the reduction in owned MR days noted above. Charter hire expenses decreased by \$6.5 million to \$6.3 million in the current period from \$12.8 million in the first half 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 \$5.2 million to \$30.6 million in the first six months of 2024 from \$25.4 million in the prior year's period. The drivers of the increase were consistent with those which drove the quarter-over-quarter increase described above.

General and Administrative Expenses

During the second quarter of 2024, general and administrative expenses increased by \$0.5 million to \$12.0 million from \$11.5 million in the second quarter of 2023. The primary driver for such increase was higher compensation and benefits costs of \$0.3 million.

For the six months ended June 30, 2024, general and administrative expenses increased by \$1.3 million to \$24.1 million from \$22.8 million for the same period in 2023. The increase reflects higher legal fees of \$0.5 million, principally incurred in connection with a commercial dispute. See Note 16, "Contingencies," to the accompanying condensed consolidated financial statements for additional information. The remainder of the increase principally relates to increased compensation and benefits costs of \$0.4 million and a non-cash increase in the current period provision for expected credit losses of \$0.2 million.

Other Operating Expenses

See Note 14, "Other Operating Expenses," to the accompanying condensed consolidated financial statements for additional information on these expenses.

Other Income

Other income was \$2.4 million and \$5.3 million for the three and six months ended June 30, 2024, respectively, compared with \$3.4 million and \$7.7 million of other income for the three and six months ended June 30, 2023. Other income for the current 2024 periods includes \$2.3 million and \$5.3 million, respectively, of interest income earned on invested cash, compared to \$3.5 million and \$7.6

million of interest income earned for the three and six months ended June 30, 2023, respectively. The decrease reflects the impact of a lower average balance of invested cash during the three and six months ended June 30, 2024, attributable to the significant deleveraging initiatives completed during 2023.

Interest Expense

The components of interest expense are as follows:

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest before items shown below	\$ 14,610	\$ 21,007	\$ 29,935	\$ 41,749
Interest cost on defined benefit pension obligation	180	215	385	545
Impact of interest rate hedge derivatives	(2,151)	(2,767)	(4,575)	(5,151)
Capitalized interest	(214)	(541)	(433)	(2,282)
Interest expense	<u>\$ 12,425</u>	<u>\$ 17,914</u>	<u>\$ 25,312</u>	<u>\$ 34,861</u>

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, "Debt," in the accompanying condensed consolidated financial statements for further information on the Company's debt facilities.

Taxes

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 "Code") and U.S. Treasury Department regulations for the 2024 calendar year, as less than 50 percent of the total value of the Company's stock was held by one or more shareholders who own 5% or more of the Company's stock for more than half of the days of 2024. 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.

EBITDA and Adjusted EBITDA

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:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and

- 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.

The following table reconciles net income, as reflected in the condensed consolidated statements of operations, to EBITDA and Adjusted EBITDA:

<i>(Dollars in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 144,723	\$ 153,762	\$ 289,213	\$ 326,395
Income tax provision	—	381	—	380
Interest expense	12,425	17,914	25,312	34,861
Depreciation and amortization	36,517	32,445	70,670	61,993
EBITDA	193,665	204,502	385,195	423,629
Third-party debt modification fees	168	13	168	420
Write-off of deferred financing costs	—	555	—	721
(Gain)/loss on disposal of vessels and other assets	(27,852)	26	(27,903)	(10,722)
Provision for settlement of multi-employer pension plan obligations	975	—	975	—
Adjusted EBITDA	<u>\$ 166,956</u>	<u>\$ 205,096</u>	<u>\$ 358,435</u>	<u>\$ 414,048</u>

Liquidity and Sources of Capital:

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.

Liquidity

As of June 30, 2024, we had total liquidity on a consolidated basis of \$682.5 million comprised of \$176.1 million of cash and \$506.3 million of undrawn revolver capacity.

Working capital at June 30, 2024 and December 31, 2023 was \$322.9 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 \$49.6 million and \$127.4 million at June 30, 2024 and December 31, 2023, respectively.

The Company's cash and cash equivalents increased by \$49.4 million during the six months ended June 30, 2024. This increase principally reflects (i) \$324.4 million of cash provided by operating activities, (ii) \$60.0 million in net proceeds from maturities of short term time deposits, (iii) \$48.0 million in net proceeds from the disposal of vessels and other assets, and (iv) a \$50.0 million drawdown under the \$500 Million Revolving Credit Facility. Such cash inflows were partially offset by:

- \$202.9 million in expenditures for vessels and other property, including the purchase of two 2014-built and four 2015-built MRs;
- \$151.6 million of cash dividends paid to shareholders;
- \$43.9 million in regularly scheduled principal amortization of the Company's secured debt facilities and lease financing arrangements; and
- \$20.3 million of principal prepayment of the ING Credit Facility.

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 Moody's Investor Services and Standard & Poor's, certificates of deposit and time deposits, asset-backed securities, and repurchase agreements.

As of June 30, 2024, we had total debt outstanding (net of original issue discount and deferred financing costs) of \$708.8 million and net debt to capital of 22.1%, compared with 23.8% at December 31, 2023.

Sources, Uses and Management of Capital

With strong market conditions continuing in 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.

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.

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 Company's current commitments for future uses of capital:

During 2024, the Company's Board of Directors have declared and paid the following regular quarterly and supplemental dividends:

Declaration Date	Record Date	Payment Date	Regular Quarterly Dividend per Share	Supplemental Dividend per Share	Total Dividends Paid
February 28, 2024	March 14, 2024	March 28, 2024	\$0.12	\$1.20	\$64.7 million
May 7, 2024	June 12, 2024	June 26, 2024	\$0.12	\$1.63	\$86.9 million

On August 6, 2024, the Company's Board of Directors declared a regular quarterly cash dividend of \$0.12 per share of common stock and a supplemental dividend of \$1.38 per share of common stock. Both dividends will be paid on September 25, 2024 to stockholders of record as of September 11, 2024.

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 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 seller's ability to offer and sell or otherwise dispose of the shares of common stock issued to them under this transaction.

During the six months ended June 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 2009-built MR and one of the 2008-built MRs were delivered to the buyers during the second quarter of 2024 and the Company recognized total gains on the sales of approximately \$27.9 million. The second 2008-built vessel was delivered to its buyer in July 2024.

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.

In April 2024, we opportunistically locked in \$86 million of minimum future charter revenues (before reduction for brokerage commissions) on non-cancelable time charters with durations ranging from 32 to 34 months for two 2009-built MRs and one 2014-built LR2. All three vessels are expected to be delivered to their charterers before the end of the third quarter of 2024, after the completion of their scheduled drydocks.

Further building on our liquidity enhancing, deleveraging and financing diversification initiatives, we executed the following transactions:

- On April 18, 2024, we prepaid the \$20.3 million outstanding principal balance under the ING Credit Facility.
- 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 "\$500 Million Revolving Credit Facility") 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 Company'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. On June 24, 2024, an additional \$50 million was drawn. An aggregate loan balance of \$144.6 million was outstanding as of June 30, 2024, leaving an undrawn revolver capacity of \$355.4 million on this facility.
- On July 24, 2024, the Company repaid \$30 million of the loan amount outstanding under the \$500 Million Revolving Credit Facility upon receipt of the sale proceeds of the 2008-built MR that was delivered to its buyer in July 2024 as discussed above.

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.

As of June 30, 2024, the Company has contractual commitments for the construction of six dual-fuel ready LR1s, and the purchase and installation of three ballast water treatment systems and ten mewis ducts, and the final outstanding installment payments due for three ballast water treatment systems that were installed prior to June 30, 2024. The Company's debt service commitments and aggregate purchase commitments for vessel construction and betterments as of June 30, 2024, are presented in the Aggregate Contractual Obligations Table below.

Outlook

Our strong balance sheet, as evidenced by a substantial level of liquidity, 35 unencumbered vessels (excluding the six LR1s under construction) as of June 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.

Off-Balance Sheet Arrangements

Pursuant to an agreement between INSW and the trustees of the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the "Scheme"), INSW guarantees the obligations of INSW Ship Management UK Ltd., a subsidiary of INSW, to make payments to the Scheme. The Company is in the process of settling its obligations under the Scheme and expects to make a \$3.6 million payment to the Scheme before the end of the third quarter of 2024 to secure the benefits under the Scheme with an insurance company.

Aggregate Contractual Obligations

A summary of the Company's long-term contractual obligations as of June 30, 2024 follows:

<i>(Dollars in thousands)</i>	2024	2025	2026	2027	2028	Beyond 2028	Total
\$500 Million Revolving Credit Facility ⁽¹⁾	\$ 4,722	\$ 8,824	\$ 10,183	\$ 11,752	\$ 11,504	\$ 157,406	\$ 204,391
\$160 Million Revolving Credit Facility ⁽²⁾	530	986	898	811	730	161	4,116
Ocean Yield Lease Financing - floating rate ⁽³⁾	27,495	54,661	52,898	50,043	47,310	201,366	433,773
BoComm Lease Financing - fixed rate ⁽⁴⁾	11,978	23,761	23,761	23,762	23,827	166,034	273,123
Toshin Lease Financing - fixed rate ⁽⁴⁾	1,107	2,160	2,160	2,151	2,223	6,934	16,735
Hyuga Lease Financing - fixed rate ⁽⁴⁾	1,322	2,232	2,232	2,232	2,160	6,416	16,594
Kaiyo Lease Financing - fixed rate ⁽⁴⁾	1,125	2,250	2,410	2,214	2,214	4,341	14,554
Kaisha Lease Financing - fixed rate ⁽⁴⁾	1,125	2,438	2,225	2,214	2,214	4,501	14,717
Operating lease obligations ⁽⁵⁾							
Time Charter-ins	6,348	5,624	—	—	—	—	11,972
Office and other space	635	1,093	1,113	1,077	1,077	4,754	9,749
Vessel and vessel betterment commitments ⁽⁶⁾	25,582	142,623	182,400	—	—	—	350,605
Total	\$ 81,969	\$ 246,652	\$ 280,280	\$ 96,256	\$ 93,259	\$ 551,913	\$ 1,350,329

- (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 \$297.3 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 \$138.4 million of notional principal amount outstanding and the effective three-month SOFR rate as of June 30, 2024 of 5.33% 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 June 30, 2024, the Company had charter-in commitments for one vessel on a lease that is accounted for as an operating lease. The full amounts due under office and other space leases are discounted and reflected on the Company's consolidated condensed balance sheet as lease liabilities with corresponding right of use asset balances.
- (6) Represents the Company's commitments for the purchase and installation of three ballast water treatment systems and ten mewis duct systems, and the final outstanding installment payments due for three ballast water treatment systems that were installed prior to June 30, 2024, and the remaining commitment for the construction of six dual-fuel ready LR1s.

Risk Management:

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 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.

Available Information

The Company makes available free of charge through its internet website, www.intlseas.com, its Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission.

The public may also read and copy any materials the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E. Washington D.C. 20549 (information on the operation of the Public Reference Room 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>.

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 Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's current disclosure controls and procedures were effective as of June 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) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during the three months ended June 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 16, "Contingencies," to the accompanying condensed consolidated financial statements for a description of the current legal proceedings, which is incorporated by reference in this Part II, Item 1.

Item 1A. Risk Factors

You should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

No stock repurchases were made during the three and six months ended June 30, 2024 other than shares withheld to cover tax withholding liabilities relating to the exercise of stock options and the vesting of outstanding restricted stock units held by certain numbers of management.

See Note 10, "Capital Stock and Stock Compensation," 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.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

On May 10, 2024, Ms. Lois K. Zabrocky, the Company's President and Chief Executive Officer and a director of the Company, entered a trading plan (the "Zabrocky Plan") designed to satisfy the affirmative defenses of Rule 10b5-1 under the Exchange Act. The Zabrocky Plan provides for the sale of up to 24,000 shares of our Common Stock beginning on August 10, 2024, until August 29, 2025, or when all the shares have been publicly sold.

On May 10, 2024, Mr. William F. Nugent, the Company's Senior Vice President and Chief Technical and Sustainability Officer, entered a trading plan (the "Nugent Plan") designed to satisfy the affirmative defenses of Rule 10b5-1 under the Exchange Act. The Nugent Plan provides for the sale of up to 12,000 shares of our Common Stock beginning on August 30, 2024, until August 15, 2025, or when all the shares have been publicly sold.

Each of the Zabrocky Plan and the Nugent Plan were adopted in accordance with our insider trading plan policy. Actual sale transactions will be disclosed publicly in filings with the SEC in accordance with applicable securities laws, rules, and regulations.

During the second quarter of 2024, none of our other directors or executive officers adopted Rule 10b5-1 trading plans and none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

- *10.1 [Joinder Agreement dated May 23, 2024 by each of Jennings Tanker Corporation, Lafayette Tanker Corporation, Harrison Tanker Corporation, EB Tanker Corporation, and Crystal Tanker Corporation to the Credit Agreement dated as of May 22, 2022 \(as amended by the First Amendment to the Credit Agreement, dated as of March 10, 2023, the Second Amendment to the Credit Agreement, dated as of April 26, 2024, and as further amended and/or restated, the "\\$500 Million Revolving Credit Facility"\) among the Registrant, International Seaways Operating Corporation, the other Guarantors from time to time party thereto, the Lenders from time to time party thereto, Nordea Bank Abp, New York Branch, as administrative agent for the lenders and as collateral agent and security trustee for the Secured Parties, and Credit Agricole Corporate and Investment Bank, as sustainability coordinator.](#)
- *10.2 [Joinder Agreement dated June 7, 2024 by Albans Tanker Corporation to the \\$500 Million Revolving Credit Facility.](#)
- *31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)
- *31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) and 15d-14\(a\), as amended.](#)
- *32 [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- EX-101.INS Inline XBRL Instance Document
- EX-101.SCH Inline XBRL Taxonomy Extension Schema
- EX-101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase
- EX-101.DEF Inline XBRL Taxonomy Extension Definition Linkbase
- EX-101.LAB Inline XBRL Taxonomy Extension Label Linkbase
- EX-101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase
- EX-104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

(1) The Exhibits which have not previously been filed or listed are marked with an asterisk (*).

SIGNATURES

Pursuant 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.

INTERNATIONAL SEAWAYS, INC.
(Registrant)

Date: August 7, 2024

/s/ Lois K. Zabrocky
Lois K. Zabrocky
Chief Executive Officer

Date: August 7, 2024

/s/ Jeffrey D. Pribor
Jeffrey D. Pribor
Chief Financial Officer

JOINDER AGREEMENT

International Seaways, Inc.
International Seaways Operating Corporation
600 Third Avenue, 39th Floor
New York, NY 10016

May 23, 2024

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of May 20, 2022 (as amended by the First Amendment to Credit Agreement, dated as of March 10, 2023, the Second Amendment to Credit Agreement, dated as of April 26, 2024, and as further amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Island corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto and Nordea Bank Abp, New York Branch, as Administrative Agent, Collateral Agent and Security Trustee. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

This joinder agreement (this "**Joinder Agreement**") supplements the Credit Agreement and is delivered by the undersigned (each a "**Joining Party**" and, together, the "**Joining Parties**"), pursuant to Section 5.15 of the Credit Agreement.

Each Joining Party hereby agrees that upon the execution hereof to be bound as a Subsidiary Guarantor by all of the terms, covenants, obligations, liabilities and conditions set forth in the Credit Agreement and the other Loan Documents to the same extent that it would have been bound if it had been a signatory to the Credit Agreement and the other Loan Documents on the execution date or dates of the Credit Agreement and such other Loan Documents. Without limiting the generality of the foregoing, and in furtherance thereof, each Joining Party, jointly and severally, hereby guarantees, as a primary obligor and not a surety, to each Secured Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the Guaranteed Obligations. The Joining Parties hereby represent and warrant that the representations and warranties set forth in Article III of the Credit Agreement and each of the other Loan Documents and applicable to the undersigned are true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of the date hereof with the same effect as though made on and as of this date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of such earlier date).

Schedule A, Collateral Vessels and Schedule B, Subsidiary Guarantors, attached hereto supplement Schedule 1.01(a), Part 2 and Schedule 1.01(h), respectively, of the Credit Agreement and shall be deemed a part thereof for all purposes of the Credit Agreement. Each Joining Party hereby certifies, as of the date

first written above, that the schedules attached hereto are complete and accurate and include all of the information required to be scheduled for them pursuant to the Credit Agreement.

This Joinder Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which shall together constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Joinder Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar applicable state laws based on the Uniform Electronic Transactions Act.

This Joinder Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Joinder Party may assign or otherwise transfer any of its respective rights or obligations hereunder, except as permitted by the Credit Agreement and any other Loan Documents.

THIS JOINDER AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS JOINDER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The provisions of Sections 11.06, 11.07, 11.09(b), 11.09(c), 11.09(d), 11.10 and 11.12 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

From and after the execution and delivery hereof by the parties hereto, this Joinder Agreement shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each Joining Party has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

**SEAWAYS SHIPPING III CORPORATION
JENNINGS TANKER CORPORATION
LAFAYETTE TANKER CORPORATION
HARRISON TANKER CORPORATION
EB TANKER CORPORATION
CRYSTAL TANKER CORPORATION**

By: /s/ James D. Small III
Name: James D. Small III
Title: Vice President and Secretary

AGREED TO AND ACCEPTED:

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent and Collateral Agent

By: /s/ Erik Havnvik
Name: Erik Havnvik
Title: Managing Director

By: /s/ Christopher Spitler
Name: Christopher Spitler
Title: General Counsel

Schedules to the Joinder Agreement

Table of Contents

Schedule A	--	Collateral Vessels
Schedule B	--	Subsidiary Guarantors

Schedule A - Collateral Vessels

	Vessel	Documented Owner	Official Number	Flag	IMO Number	Built Date (yyyy/mm)
1.	Seaways Dwarka (ex Crystal Bay)	Crystal Tanker Corporation	5187	Marshall Islands	9697624	2014/11
2.	Seaways Lonsdale (ex Excelsior Bay)	EB Tanker Corporation	5186	Marshall Islands	9697612	2014/10
3.	Seaways Castle Hill (ex Harrison Bay)	Harrison Tanker Corporation	5188	Marshall Islands	9697636	2015/09
4.	Seaways Loma (ex Jennings Bay)	Jennings Tanker Corporation	5535	Marshall Islands	9717773	2015/05
5.	Seaways Cape May (ex Lafayette Bay)	Lafayette Tanker Corporation	5536	Marshall Islands	9717785	2015/07

Schedule B - Subsidiary Guarantors

1. Seaways Shipping III Corporation
2. Crystal Tanker Corporation
3. EB Tanker Corporation
4. Harrison Tanker Corporation
5. Jennings Tanker Corporation
6. Lafayette Tanker Corporation

JOINDER AGREEMENT

International Seaways, Inc.
International Seaways Operating Corporation
600 Third Avenue, 39th Floor
New York, NY 10016

June 7, 2024

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of May 20, 2022 (as amended by the First Amendment to Credit Agreement, dated as of March 10, 2023, the Second Amendment to Credit Agreement, dated as of April 26, 2024, and as further amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the "**Credit Agreement**"), among International Seaways, Inc., a Marshall Island corporation ("**Holdings**"), International Seaways Operating Corporation, a Marshall Islands corporation (the "**Borrower**"), the other Guarantors from time to time party thereto, the Lenders from time to time party thereto and Nordea Bank Abp, New York Branch, as Administrative Agent, Collateral Agent and Security Trustee. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

This joinder agreement (this "**Joinder Agreement**") supplements the Credit Agreement and is delivered by the undersigned (the "**Joining Party**"), pursuant to Section 5.15 of the Credit Agreement.

The Joining Party hereby agrees that upon the execution hereof to be bound as a Subsidiary Guarantor by all of the terms, covenants, obligations, liabilities and conditions set forth in the Credit Agreement and the other Loan Documents to the same extent that it would have been bound if it had been a signatory to the Credit Agreement and the other Loan Documents on the execution date or dates of the Credit Agreement and such other Loan Documents. Without limiting the generality of the foregoing, and in furtherance thereof, the Joining Party hereby guarantees, as a primary obligor and not a surety, to each Secured Party and their respective successors and assigns, the prompt payment and performance in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the Guaranteed Obligations. The Joining Party hereby represents and warrants that the representations and warranties set forth in Article III of the Credit Agreement and each of the other Loan Documents and applicable to the undersigned are true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of the date hereof with the same effect as though made on and as of this date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (or true and correct in all respects in the case of representations and warranties qualified by materiality or Material Adverse Effect) on and as of such earlier date).

Schedule A, Collateral Vessels and Schedule B, Subsidiary Guarantors, attached hereto supplement Schedule 1.01(a), Part 2 and Schedule 1.01(h), respectively, of the Credit Agreement and shall be deemed a part thereof for all purposes of the Credit Agreement. The Joining Party hereby certifies, as of the date first written above, that the schedules attached hereto are complete and accurate and include all of the information required to be scheduled for them pursuant to the Credit Agreement.

This Joinder Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of

which shall together constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Joinder Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar applicable state laws based on the Uniform Electronic Transactions Act.

This Joinder Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that no Joinder Party may assign or otherwise transfer any of its respective rights or obligations hereunder, except as permitted by the Credit Agreement and any other Loan Documents.

THIS JOINDER AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS JOINDER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The provisions of Sections 11.06, 11.07, 11.09(b), 11.09(c), 11.09(d), 11.10 and 11.12 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

From and after the execution and delivery hereof by the parties hereto, this Joinder Agreement shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder Agreement to be executed and delivered by its duly authorized officer as of the date first above written.

ALBANS TANKER CORPORATION

By: /s/ James D. Small III

Name: James D. Small III

Title: Vice President and Secretary

AGREED TO AND ACCEPTED:

NORDEA BANK ABP, NEW YORK BRANCH,
as Administrative Agent and Collateral Agent

By: /s/ Erik Havnvik

Name: Erik Havnvik

Title: Managing Director

By: /s/ Anna Cecilie Ribe

Name: Anna Cecilie Ribe

Title: Associate

Schedules to the Joinder Agreement

Table of Contents

Schedule A	--	Collateral Vessels
Schedule B	--	Subsidiary Guarantors

Schedule A - Collateral Vessels

	Vessel	Documented Owner	Official Number	Flag	IMO Number	Built Date (yyyy/mm)
1.	Seaways Stamford (ex Saint Albans Bay)	Albans Tanker Corporation	5189	Marshall Islands	9697648	2015/10

Schedule B - Subsidiary Guarantors

- | |
|--|
| 1. Seaways Shipping III
Corporation |
|--|

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, 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 Registrant'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 Registrant'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; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant'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 Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2024

/s/ Lois K. Zabrocky
Lois K. Zabrocky
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED

I, 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 Registrant'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 Registrant'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; and
 - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant'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 Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2024

/s/ Jeffrey D. Pribor

Jeffrey D. Pribor
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of International Seaways, Inc. (the "Company"), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the "Periodic Report") 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.

Date: August 7, 2024

/s/ Lois K. Zabrocky

Lois K. Zabrocky
Chief Executive Officer

Date: August 7, 2024

/s/ Jeffrey D. Pribor

Jeffrey D. Pribor
Chief Financial Officer
