SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2022

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	98-0467117
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
600 Third Avenue, 39th Floor, New York, New York	10016
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 212-578-1600
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker Symbol	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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 (Section 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, smaller reporting company or emerging growth company. See 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 ☐ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common equity held by non-affiliates of the registrant on June 30, 2022, the last business day of the registrant's most recently completed second quarter, was $1,036,610,000, based on the closing price of $21.20 per share of common stock on the NYSE on that date. For this purpose, all outstanding shares of common stock have been considered held by non-affiliates, other than the shares beneficially owned by directors and officers of the registrant; certain of such persons disclaim that they are affiliates of the registrant.

The number of shares outstanding of the issuer's common stock, as of February 24, 2023: common stock, no par value, 49,121,352 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed by the registrant in connection with its 2023 Annual Meeting of Shareholders are incorporated by reference in Part III

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References in this Annual Report on Form 10-K to the "Company", "INSW", "we", "us", or "our" refer to International Seaways, Inc. and, unless the context otherwise requires or otherwise is expressly stated, its subsidiaries.

A glossary of shipping terms (the "Glossary") that should be used as a reference when reading this Annual Report on Form 10-K can be found immediately prior to Part I. Capitalized terms that are used in this Annual Report are either defined when they are first used or in the Glossary.

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, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission (the "SEC"). Our website and the information contained on that site, or connected to that site, are not incorporated by reference in this Annual Report on Form 10-K.

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 website 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 and charters of the Audit Committee, Human Resources and Compensation Committee and 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 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. In addition, we may make or approve certain statements in future filings with the SEC, in press releases, or oral or written presentations by representatives of the Company. All statements other than statements of historical facts should be considered forward-looking statements. Words such as "may", "will", "should", "would", "could", "appears", "believe", "intends", "expects", "estimates", "targeted", "plans", "anticipates", "goal", and similar expressions are intended to identify forward-looking statements but should not be considered as the only means through which these statements may be made. 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;
- 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;
- 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 the effects of the ongoing COVID-19 pandemic;
- 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 Rights Agreement adopted by the Company on May 8, 2022 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 impact of the discontinuance of LIBOR on interest rates of our debt that reference LIBOR;
- 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; and
- changes in worldwide trading conditions, including the impact of tariffs, trade sanctions, boycotts and other restrictions on trade.

Investors should carefully consider these risk factors and the additional risk factors outlined in more detail in this Annual Report on Form 10-K and in other reports hereafter filed by the Company with the SEC under the caption "Risk Factors." The Company assumes no obligation to update or revise any forward-looking statements. Forward looking statements in this Annual Report on Form 10-K and written and oral forward-looking statements attributable to the Company or its representatives after the date of this Annual Report on Form 10-K are qualified in their entirety by the cautionary statement contained in this paragraph and in other reports hereafter filed by the Company with the SEC.

SUPPLEMENTARY FINANCIAL INFORMATION

The Company reports its financial results in accordance with generally accepted accounting principles of the United States of America ("GAAP"). However, the Company has included certain non-GAAP financial measures and ratios, which it believes provide useful information to both management and readers of this report in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to other titled measures determined in accordance with GAAP.

The Company presents three non-GAAP financial measures: time charter equivalent revenues, EBITDA and Adjusted EBITDA. Time charter equivalent revenues represent shipping revenues less voyage expenses, as a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net income/(loss) before interest expense and 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.

This Annual Report on Form 10-K 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 the Company's 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.

GLOSSARY

Unless otherwise noted or indicated by the context, the following terms used in the Annual Report on Form 10-K have the following meanings:

Aframax—A medium size crude oil tanker of approximately 80,000 to 120,000 deadweight tons. Aframaxes can generally transport from 500,000 to 800,000 barrels of crude oil and are also used in Lightering. A coated Aframax operating in the refined petroleum products trades may be referred to as an LR2.

Ballast — Any heavy material, including water, carried temporarily or permanently in a vessel to provide desired draft and stability.

Bareboat charter—A charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. The customer pays all costs of operating the vessel, including voyage and vessel expenses. Bareboat charters are usually long term.

b/d—Barrels per day.

Charter—Contract entered into with a customer for the use of the vessel for a specific voyage at a specific rate per unit of cargo ("voyage charter"), or for a specific period of time at a specific rate per unit (day or month) of time ("time charter").

Classification Societies—Organizations that establish and administer standards for the design, construction and operational maintenance of vessels. As a practical matter, vessels cannot trade unless they meet these standards.

Commercial management or commercially managed—The management of the employment, or chartering, of a vessel and associated functions, including seeking and negotiating employment for vessels, billing and collecting revenues, issuing voyage instructions, purchasing fuel, and appointing port agents.

Commercial management agreements or CMA — A contract under which the commercial management of a vessel is outsourced to a third-party service provider.

Commercial pool—A commercial pool is a group of similar size and quality vessels with different shipowners that are placed under one administrator or manager. Pools allow for scheduling and other operating efficiencies such as multi-legged charters and contracts of affreightment and other operating efficiencies.

Consolidated Net Debt to Book Capital— Consolidated debt, net of unamortized discounts and deferred finance costs and the sum of consolidated cash and cash equivalents, short-term investments and non-current restricted cash divided by total equity.

Consolidated Net Debt to Assets Value—Consolidated debt, net of unamortized discounts and deferred finance costs and the sum of consolidated cash and cash equivalents, short-term investments and non-current restricted cash, divided by the fair value of the Company's owned fleet of vessels.

Contract of affreightment or COA—An agreement providing for the transportation between specified points for a specific quantity of cargo over a specific time period but without designating specific vessels or voyage schedules, thereby allowing flexibility in scheduling since no vessel designation is required. COAs can either have a fixed rate or a market-related rate. One example would be two shipments of 70,000 tons per month for two years at the prevailing spot rate at the time of each loading.

Crude oil—Oil in its natural state that has not been refined or altered.

Deadweight tons or dwt—The unit of measurement used to represent cargo carrying capacity of a vessel, but including the weight of consumables such as fuel, lube oil, drinking water and stores.

Demurrage—Additional revenue paid to the shipowner on its voyage charters for delays experienced in loading and/or unloading cargo that are not deemed to be the responsibility of the shipowner, calculated in accordance with specific Charter terms.

Diamond S – Diamond S Shipping Inc., a Republic of Marshall Islands corporation, which pursuant to the Merger became a wholly-owned subsidiary of INSW.

Drydocking—An out-of-service period during which planned repairs and maintenance are carried out, including all underwater maintenance such as external hull painting. During the drydocking, certain mandatory Classification Society inspections are carried out and relevant certifications issued. Normally, as the age of a vessel increases, the cost and frequency of drydockings increase.

Emission Control Area—A sea area in which stricter controls are established to minimize airborne emissions from ships as defined by Annex VI of the 1997 MARPOL Protocol.

Exclusive Economic Zone—An area that extends up to 200 nautical miles beyond the territorial sea of a state's coastline (land at lowest tide) over which the state has sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources.

Exhaust Gas Cleaning System ("scrubber")—Shipboard equipment intended to reduce sulfur air emissions to within regulatory limits.

Floating Storage Offloading Unit or FSO—A converted or new build barge or tanker, moored at a location to receive crude or other products for storage and transfer purposes. FSOs are not equipped with petroleum processing facilities.

FSO Joint Venture—the two joint ventures between wholly-owned subsidiaries of the Company and Euronav N.V. that each owned one FSO and for which the Company's subsidiaries sold their entire interests to subsidiaries of Euronav N.V. in June 2022.

Handysize— Smaller product carrier of approximately 25,000 to 42,000 deadweight tons, generally operate on medium-range or shorter routes.

International Energy Agency or IEA — An intergovernmental organization established in the framework of the Organization for Economic Co-operation and Development in 1974. Among other things, the IEA provides research, statistics, analysis and recommendations relating to energy.

International Maritime Organization or IMO—An agency of the United Nations, which is the body that is responsible for the administration of internationally developed maritime safety and pollution treaties, including MARPOL.

International Flag—International law requires that every merchant vessel be registered in a country. International Flag vessel refers to those vessels that are registered under a flag other than that of the United States.

LIBOR—the London Interbank Offered Rate.

Lightering—The process of off-loading crude oil or petroleum products from large size tankers, typically VLCCs, into smaller tankers and/or barges for discharge in ports from which the larger tankers are restricted due to the depth of the water, narrow entrances or small berths.

LR1—A coated Panamax tanker. LR is an abbreviation of Long Range.

LR2—A coated Aframax tanker.

MARPOL—International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto. This convention includes regulations aimed at preventing and minimizing pollution from ships by accident and by routine operations.

Merger – the merger on July 16, 2021 of Merger Sub with and into Diamond S with Diamond S surviving such merger as a wholly-owned subsidiary of INSW pursuant to an Agreement and Plan of Merger dated as of March 30, 2021 by and among INSW, Diamond S and Merger Sub.

Merger Sub – Dispatch Transaction Sub, Inc., a Republic of the Marshall Islands corporation that was a wholly-owned subsidiary of INSW and that merged with and into Diamond S in the Merger.

MR—An abbreviation for Medium Range. Certain types of vessels, such as a Product Carrier of approximately 42,000 to 60,000 deadweight tons, generally operate on medium-range routes.

OECD—Organization for Economic Cooperation and Development is a group of developed countries in North America, Europe and Asia.

OPEC—Organization of Petroleum Exporting Countries, which is an international organization established to coordinate and unify the petroleum policies of its members.

P&I insurance or P&I—Protection and indemnity insurance, commonly known as P&I insurance, is a form of marine insurance provided by a P&I club. A P&I club is a mutual (i.e., a co-operative) insurance association that provides cover for its members, who will typically be shipowners, ship-operators or demise charterers.

Panamax—A medium size vessel of approximately 53,000 to 80,000 deadweight tons. A coated Panamax operating in the refined petroleum products trades may be referred to as an LR1.

Product Carrier—General term that applies to any tanker that is used to transport refined oil products, such as gasoline, jet fuel or heating oil.

Safety Management System or SMS—A framework of processes and procedures that addresses a spectrum of operational risks associated with quality, environment, health and safety. The SMS is certified by ISM (International Safety Management Code), ISO 9001 (Quality Management) and ISO 14001 (Environmental Management).

Scrubber—See Exhaust Gas Cleaning System.

SOFR—Secured Overnight Financing Rate.

Special Survey—An extensive inspection of a vessel by classification society surveyors that must be completed once every five-year period. Special surveys require a vessel to be drydocked.

Suezmax—A large crude oil tanker of approximately 120,000 to 200,000 deadweight tons. Suezmaxes can generally transport about one million barrels of crude oil.

Technical Management or technically managed—The management of the operation of a vessel, including physically maintaining the vessel, maintaining necessary certifications, and supplying necessary stores, spares, and lubricating oils. Responsibilities also generally include selecting, engaging and training crew, and arranging necessary insurance coverage.

Time Charter—A Charter under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of the vessel. Subject to any restrictions in the Charter, the customer decides the type and quantity of cargo to be carried and the ports of loading and unloading. The customer pays all voyage expenses such as fuel, canal tolls, and port charges. The shipowner pays all vessel expenses such as the technical management expenses.

Time Charter Equivalent or TCE—TCE is the abbreviation for time charter equivalent. TCE revenues, which is voyage revenues less voyage expenses, serves as an industry standard for measuring and managing fleet revenue and comparing results between geographical regions and among competitors.

Ton-mile demand—A calculation that multiplies the average distance of each route a tanker travels by the volume of cargo moved. The greater the increase in long haul movement compared with shorter haul movements, the higher the increase in ton-mile demand.

U.S. Coast Guard or USCG—The United States Coast Guard.

Vessel expenses—Includes crew costs, vessel stores and supplies, lubricating oils, maintenance and repairs, insurance and communication costs associated with the operations of vessels.

Vessel Recycling—The complete or partial dismantling of a ship at a recycling facility to recover components and materials for reprocessing and reuse, including management and care of hazardous and other similar materials.

VLCC—VLCC is the abbreviation for Very Large Crude Carrier, a large crude oil tanker of approximately 200,000 to 320,000 deadweight tons. VLCCs can generally transport two million barrels or more of crude oil. These vessels are mainly used on the longest (long haul) routes from the Arabian Gulf to North America, Europe, and Asia, from West Africa to the United States and Asian destinations and from the Americas to Asian destinations.

Voyage Charter—A charter under which a customer pays a transportation charge for the movement of a specific cargo between two or more specified ports. The shipowner pays all Voyage Expenses, and all Vessel Expenses unless the vessel to which the Charter relates has been time chartered-in. The customer is liable for Demurrage, if incurred.

Voyage Expenses—Includes fuel, port charges, canal tolls, cargo handling operations and brokerage commissions paid by the Company under voyage charters. These expenses are subtracted from shipping revenues to calculate TCE revenues for voyage charters.

PART I

ITEM 1. BUSINESS

OUR BUSINESS

International Seaways, Inc., a Marshall Islands corporation incorporated in 1999, and its wholly owned subsidiaries own and operate a fleet of oceangoing vessels engaged primarily in the transportation of crude oil and petroleum products in the International Flag trade. Our vessel operations are organized into two segments: Crude Tankers and Product Carriers. At December 31, 2022, we owned or operated an International Flag fleet of 74 vessels (totaling an aggregate of 8.1 million dwt), consisting of VLCC, Suezmax and Aframax crude tankers, as well as LR2, LR1 and MR product carriers. In addition to our operating fleet of 74 vessels, three dual-fuel LNG VLCC newbuilds are scheduled for delivery to the Company in the first half of 2023, bringing the total operating and newbuild fleet to 77 vessels. The Marshall Islands is the principal flag of registry of our vessels. Additional information about our fleet, including its ownership profile, is set forth under "— Fleet Operations — Fleet Summary," as well as on the Company's website, www.intlseas.com. Neither our website nor the information contained on that site, or connected to that site, is incorporated by reference in this Annual Report on Form 10-K.

Our ultimate customers, including those of the commercial pools in which we participate, include major independent and state-owned oil companies, oil traders, refinery operators and international government entities. We generally charter our vessels to customers either for specific voyages at spot rates through the services of pools in which the Company participates, or for specific periods of time at fixed daily rates through time charters or bareboat charters. Spot market rates are highly volatile, while time charter and bareboat charter rates provide more predictable streams of TCE revenues because they are fixed for specific periods of time. For a more detailed discussion on factors influencing spot and time charter markets, see "— Fleet Operations — Commercial Management" below.

2022 IN REVIEW

The year ended December 31, 2022 was our best year since becoming an independent public company in 2016. Shipping revenues and TCE Revenues achieved in 2022 were $864.7 million and $853.7 million, respectively, of which approximately 62% were generated from our Product Carriers segment and 38% from our Crude Tankers segment. Income from vessel operations increased by $554.8 million to $442.7 million in 2022, from a loss of $112.1 million in 2021, primarily driven by higher average daily rates across all of INSW's fleet sectors and $50.7 million of one-time merger and integration related costs incurred in 2021 related to the Company's merger with Diamond S. We achieved an Adjusted EBITDA (see Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations for definition) of $549.1 million in 2022 compared to $40.4 million in 2021.

In addition, we raised $748.1 million (net of issuance and financing costs) from the issuance of debt and sales and leaseback financing transactions, generated $99.2 million in net proceeds from the sale of vessels and other property, and received proceeds from the sale of the Company's 50% ownership interest in the FSO Joint Venture of $140.1 million. These funds were used in part to refinance and/or pay down outstanding principal on our debt facilities totaling $838.0 million. We made capital investments totaling $160.0 million for vessel and other property purchases, vessel improvements, vessel construction and drydocking. We also returned capital to our shareholders through cash dividends totaling $69.8 million and $20.0 million in repurchases of our common stock.

Our goals for 2022 were to (i) maximize our fleet's earning potential through safe and reliable operations, opportunistic charter-ins/charter-outs, and sales and purchases of vessels, (ii) continue to build on our track record as a disciplined capital allocator, and (iii) execute transactions that would ultimately unlock the value of our shares to investors.

Accordingly, during 2022 we:

- Continued our track record of returning capital to our shareholders by
    - Paying dividends totaling $69.8 million, consisting of a supplemental cash dividend of $1.00 per share in December 2022 and our regular quarterly cash dividend of $0.06 per share in March, which we increased to $0.12 per share in June, September and December of 2022.
    - Repurchasing and retiring 687,740 shares of our common stock in open-market purchases, at an average price of $29.08 per share, for a total cost of $20.0 million.

- Continued the construction of three dual-fuel LNG VLCCs, which will be delivered during the first half of 2023, and commence employment on seven-year time charters with an oil major – Shell. These newbuilds represent a significant efficiency improvement over existing 10-year-old VLCCs (40%) and current conventionally fueled new construction VLCCs (20%). LNG as a fuel has 22% lower CO2 emissions than conventional marine fuels.

- Completed the scrubber installation on one of the 2012-built Suezmaxes acquired in the Merger with Diamond S, which brought the total number of scrubber-installed vessels in our fleet to 12.

- Maintained our fleet optimization program:

    - Purchased a 2011-built LR1 for effectively $3 million after the sale of a 2010-built MR to the same counterparty.
    - Sold all of the Company's four remaining 2006-built Handysize vessels, which generated net proceeds of approximately $30 million in aggregate, after debt repayment.
    - Sold for recycling the Company's two remaining Panamaxes, which had an average age of 19 years, to capitalize on historically high recycle values. Net proceeds from these unencumbered vessels were approximately $14 million. All recycling was conducted in accordance with the Hong Kong Convention.
    - Sold two 2008-built MRs, resulting in net proceeds of approximately $24 million after debt repayment. The timing of these sales also allowed the Company to achieve significant savings, as each of the vessels had an upcoming scheduled third special survey and ballast water treatment installation.

- Executed a number of liquidity enhancing, deleveraging and financing diversification initiatives, including:

    - Sold the Company's 50% equity interest in the FSO Joint Venture for net cash proceeds of $140 million.
    - Consolidated three senior secured debt facilities (the "$390 Million Facility", "$360 Million Facility" and "$525 Million Facility") into a single new sustainability-linked facility (the "$750 Million Facility"), which includes a $220 million revolving credit facility.
    - Repaid the total $25 million outstanding balance of the 8.5% senior notes due June 2023.
    - Refinanced three MRs through sale and leaseback arrangements with Japanese leasing companies (the "Hyuga Lease Financing", "Kaiyo Lease Financing" and "Kaisha Lease Financing"), which resulted in net proceeds of approximately $21.7 million, after $25.4 million in repayments on previously existing debt.
    - Repaid the $17.8 million outstanding balance of the Macquarie Credit Facility, which had an interest rate margin of 3.825% and was scheduled to mature in 2025.

- See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Sources of Capital," for further details on these financing transactions.

OUR STRATEGY

Our primary objectives are to (i) maintain safe and reliable vessel operations that improves energy efficiency and reduces our environmental footprint; (ii) actively manage the size, age and composition of our fleet over the course of market cycles to increase investment returns and available capital; (iii) maximize cash flows through management of vessel employment in the spot market through our participation in a number of commercial pools and selective time charters; (iv) defend and grow the market share and profits of our asset light Crude Tankers Lightering business; (v) execute a capital allocation strategy adaptive of the shipping industry cycles by maintaining a strong balance sheet in order to use cash flow generation for opportunistic fleet investment, further de-levering that reduces cash break evens and/or interest costs and return to shareholders; and (vi) enter into value-creating transactions. The key elements of our strategy are:

Generate strong cash flows through a blend of spot market and period market exposure

We believe we are well-positioned to generate strong cash flows by identifying and taking advantage of attractive chartering opportunities in the International Flag tanker market. We will continue to pursue an overall chartering strategy, with a substantial spot rate exposure that provides us with higher returns when the more volatile spot market is stronger.

We currently deploy the majority of our fleet on a spot rate basis to benefit from market volatility and what we believe are the traditionally higher returns the spot market offers compared with time charters. We believe this strategy continues to offer significant upside exposure to the spot market and an opportunity to capture enhanced profit margins at times when vessel demand exceeds supply. As of December 31, 2022, we participated in six commercial pools as our principal means of participation in the spot market— Tankers International ("TI"), Dakota Tankers ("DAKOTA"), Penfield Tankers ("PENFIELD"), Panamax International ("PI"), Clean Products Tankers Alliance ("CPTA"), and Norden Tanker Pool ("NTP") — each selected for specific expertise in its respective market. Our continued participation in pools allows us to benefit from economies of scale and higher vessel utilization rates.

We plan to continue to complement our spot chartering strategy by selectively employing a portion of our vessels on time charters that provide consistent cash flows. As of December 31, 2022, we had one MR, one LR2, one Suezmax, and one VLCC on time charters expiring between March 2023 and August 2024. We also entered into a two-year time charter agreement on one of our 2012-built Suezmaxes in February 2023. In addition, seven-year charters on the three dual-fuel LNG VLCCs currently under construction will commence when the vessels are delivered between the first and second quarter of 2023. We may seek to place other tonnage on time charters, for storage or transport, when we can do so at attractive rates.

Actively manage our fleet to maximize return on capital over market cycles.

We will continue to actively manage the size and composition of our fleet through opportunistic accretive acquisitions and dispositions as part of our effort to achieve above-market returns on capital for our vessel assets and renew our fleet. Using our commercial, financial and operational expertise, we will continue to execute our plan to opportunistically grow our fleet through the timely and selective acquisition of high-quality secondhand vessels, resales or newbuild contracts when we believe those acquisitions will result in attractive returns on invested capital and increased cash flow. We also intend to continue to engage in opportunistic dispositions where we can achieve attractive values for our vessels relative to their anticipated future earnings from operations as we assess the market cycle. Taken together, we believe these activities have and will continue to help us maintain a diverse, high-quality and modern fleet of crude oil and refined product vessels with an enhanced return on invested capital. We believe our diverse and versatile fleet, our experience and our long-standing relationships with participants in the crude and refined product shipping industry position us to identify and take advantage of attractive acquisition opportunities in any vessel class in the international market.

Maintain an appropriate and flexible financial profile.

We seek to maintain a strong balance sheet and prudent financial leverage with sufficient liquidity that positions us to take advantage of attractive strategic opportunities throughout the dynamic tanker cycles of the shipping sector. During 2022, we maintained what we believe to be reasonable financial leverage for the current point in the tanker cycle. As of December 31, 2022, we had total liquidity on a consolidated basis of $541.1 million, comprised of $323.7 million of cash and short-term investments and $217.4 million of remaining undrawn revolver capacity, as well as a Consolidated Net Debt to Assets Value and Consolidated Net Debt to Book Capital ratios of 23.9% and 33.3%, respectively.

Environmental, Social and Governance Initiatives

We are committed to fulfilling our mission of transporting energy safely and efficiently to customers around the world using well-maintained assets operated by dedicated crews in a diligent and environmentally sustainable manner. We recognize that greenhouse gas ("GHG") emissions, which are largely caused by burning fossil fuels, contribute to the warming of the global climate system. Our industry, which is heavily dependent on the burning of fossil fuels, faces the dual challenge of reducing its carbon footprint by transitioning to the use of low-carbon fuels while extending the economic and social benefits of delivering energy to consumers across the globe. We welcome and support efforts, such as those led by the Task Force on Climate-related Financial Disclosures ("TCFD"), to increase transparency and to promote investors' understanding of how we and our industry peers are addressing the climate change-related risks and opportunities particular to our industry. The Company's governance, strategy, risk management and performance monitoring efforts in this area are evolving and will continue to do so over time:

Governance – Our 10-member Board of Directors, which includes eight independent members and experts in shipping and compliance, engages in regular discussions relating to environmental matters and the Company's response to climate change-related risks and opportunities. The Company's management team, led by the Chief Executive Officer, has the day-to-day responsibility to execute the action plans as approved by the Board of Directors.

Strategy – We are committed to Environmental, Social and Governance practices as a part of our core culture. To achieve our goals, we have taken actions which include:

- The establishment of a Performance and Sustainability team, and creation of the new role of Sustainability Engineer, who are tasked with both educating the organization as well as putting in place programs and initiatives to expand our decarbonization efforts;
- The continuing implementation of a third-party data collection and analysis platform which allows data to be gathered from our vessels for use in advanced analytics with the aim of reducing our fuel consumption and CO2 and GHG emissions;
- The inclusion of a sustainability-linked pricing mechanism in the $750 Million Credit Facility. The mechanism has been certified by an independent, leading firm in ESG and corporate governance research as meeting sustainability-linked loan principles. The adjustment in pricing will be linked to the carbon efficiency of the INSW fleet as it relates to reductions in CO2 emissions year-over-year, such that it aligns with the IMO's 50% industry reduction target in GHG emissions by 2050. This key performance indicator is calculated in a manner consistent with the de-carbonization trajectory outlined in the Poseidon Principles, the global framework by which financial institutions can assess the climate alignment of their ship finance portfolios. The relevant emissions data for our fleet will be reported to the applicable Classification Societies, the IMO and the lenders under our sustainability-linked loan facility. We also intend to make such emissions data publicly available. In addition to this GHG reduction measure, the pricing mechanism in the $750 Million Credit Facility also includes key performance indicators relating to crew safety and investment by the Company aimed at improving energy efficiency and the reduction of emissions;
- Participation on the Board of Directors of the International Tanker Owners Pollution Federation, the leading not-for-profit marine ship pollution response advisors;
- Participation in the Marine Anti-Corruption Network, a global business network of over 100 members whose vision is a maritime industry free of corruption that enables fair trade to the benefit of society at large;
- The installation of Ballast Water Treatment Systems on vessels to comply with all applicable regulations;
- Participation as a signatory to the Neptune Declaration on Seafarer Wellbeing and Crew Change, in a worldwide call to action to end the unprecedented crew change crisis caused by COVID-19;
- Participation as a signatory to the Gulf of Guinea Declaration on the Suppression of Piracy, which has been signed by more than 500 organizations across the maritime industry and sets out a series of steps to help decrease and end the threat of piracy in the Gulf of Guinea;
- Specifically considering overall fuel consumption when selecting vessel purchase candidates and ships in our fleet to consider for disposition, in order to reduce our fleet's contribution to GHG emissions; and
- Making a commitment to implement and practice environmentally and socially responsible ship recycling. Acting on that commitment, we oversaw the recycling of two of our Panamaxes at certified facilities. Our efforts on these projects including stopping work until identified unsafe working conditions were rectified and procedures for materials handling were improved.

Additionally, during 2022, we continued the construction of our three dual-fuel LNG VLCCs at Daewoo Shipbuilding and Marine Engineering's shipyard. We expect these tankers to be well suited to adhere to future environmental regulation throughout their life. Their significant environmental benefits, including substantially reducing our carbon footprint, are in keeping with our commitment to ESG-focused corporate citizenship.

Risk Management – Due to the nature of our business, environmental and climate change-related risks are included in key risks discussed at the Board of Directors level. What we believe to be the most significant of such risks are described in the "Item 1A – Risk Factors" section below.

Metrics and Targets – As a part of the actions described in the "Strategy" section above, we are working to meet the carbon efficiency targets included in our sustainability-linked loan and to establish other appropriate metrics by which to measure our performance and drive improvement.

FLEET OPERATIONS

Fleet Summary

As of December 31, 2022, our operating fleet consisted of 74 vessels, 58 of which were owned and 16 of which were chartered in (including 12 vessels under bareboat charters pursuant to sale and leaseback arrangements which are deemed to be financing arrangements). Vessels chartered-in include 14 bareboat charters and two time charters. The Company is subject to purchase obligations for 12 of the vessels under sale and leaseback financing arrangements at the end of each bareboat charter. The Company gave notice to exercise the purchase options for the other two bareboat chartered-in vessels and expects to purchase them in March 2023. See Note 16, "Leases," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," for additional information relating to the Company's chartered-in vessels. The Company's fleet list excludes vessels chartered-in where the duration of the charter was one year or less at inception.

			Total at December 31, 2022	
Vessel Fleet and Type	Vessels Owned	Vessels Chartered-in[(1)]	Number	Total Dwt
Operating Fleet				
Crude Tankers				
VLCC	4	6	10	3,012,171
Suezmax	13	—	13	2,061,754
Aframax	1	3	4	452,375
Total	18	9	27	5,526,300
Product Carriers				
LR2	—	1	1	112,691
LR1	6	2	8	595,134
MR	34	4	38	1,905,176
Total	40	7	47	2,613,001
Total Owned and Operated Fleet	58	16	74	8,139,301
Newbuild Fleet				
VLCC	3	—	3	900,000
Total Newbuild Fleet	3	—	3	900,000
Total Operating and Newbuild Fleet	61	16	77	9,039,301

(1) Includes both bareboat charters and time charters, but excludes vessels chartered in where the duration of the charter was one year or less at commencement of the charter.

Business Segments

The bulk shipping of crude oil and refined petroleum products has many distinct market segments based largely on the size and design configuration of vessels required and, in some cases, on the flag of registry. Freight rates in each market segment are determined by a variety of factors affecting the supply and demand for suitable vessels. Our diverse fleet gives us the ability to provide a broad range of services to global customers. Tankers and product carriers are not bound to specific ports or schedules and therefore can respond to market opportunities by moving between trades and geographical areas. The Company has established two reportable business segments: Crude Tankers and Product Carriers.

For additional information regarding the Company's two reportable segments for the three years ended December 31, 2022, see Note 5, "Business and Segment Reporting," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Crude Tankers (including Crude Tankers Lightering)

Our Crude Tankers reportable business segment is made up of a fleet of VLCCs, Suezmaxes, and Aframaxes engaged in the worldwide transportation of crude oil.

This segment also includes our Crude Tankers Lightering business through which we provide ship-to-ship (or "STS") lightering support services and full-service STS lightering to customers in the U.S. Gulf ("USG"), U.S. Pacific, Grand Bahama and Panama regions. In STS lightering support service, we provide the personnel and equipment (hoses and fenders) to facilitate the transferring of cargo between seagoing ships positioned alongside each other, either stationary or underway. In full-service STS lightering, we provide the lightering vessel, usually an Aframax tanker, in addition to the personnel and equipment to facilitate the transferring of cargo. Demand for lightering services is significantly affected by the level of crude oil imports by the United States and, in recent years, by the volumes of crude oil exports by the United States. Our customers include oil companies and trading companies that are importing or exporting crude oil in the USG to or from larger Suezmax and VLCC vessels, which are prevented from using certain ports due to their size and draft.

Product Carriers

Our Product Carriers reportable business segment consists of a fleet of MRs, LR1 product carriers, and an LR2 product carrier engaged in the worldwide transportation of refined petroleum products. Refined petroleum product cargoes are transported from refineries to consuming markets characterized by both long and short-haul routes. The market for these product cargoes is driven by global refinery capacity, changes in consumer demand and product specifications and cargo arbitrage opportunities. In contrast to the crude oil tanker market, the refined petroleum trades are more complex due to the diverse nature of product cargoes, which include gasoline, diesel and jet fuel, home heating oil, vegetable oils and organic chemicals (e.g., methanol and ethylene glycols). The trades require crew to have specialized certifications. Customer vetting requirements can be more rigorous and, in general, vessel operations are more complex due to the fact that refineries can be in closer proximity to importing nations, resulting in more frequent port calls and more discharging, cleaning and loading operations than crude oil tankers. The Company's MR product carriers are IMO III compliant, allowing those vessels to carry edible oils, such as palm and vegetable oil, increasing flexibility when switching between cargo grades.

In order to take advantage of market conditions and optimize economic performance, we employ our LR1 Product Carriers, which currently participate in the PI pool, in the transportation of crude oil cargoes.

Commercial Management

Spot Market

Voyage charters, including vessels operating in commercial pools that predominantly operate in the spot market, constituted 96% of the Company's aggregate TCE revenues in 2022 compared to 81% in 2021 as a result of higher average daily spot market rates realized across all of INSW's fleet sectors. Accordingly, the Company's shipping revenues are significantly affected by the amount of available tonnage both at the time such tonnage is required and over the period of projected use, and the levels of seaborne and shore-based inventories of crude oil and refined products.

Seasonal trends affect world oil consumption and consequently vessel demand. While trends in consumption vary with seasons, peaks in demand quite often precede the seasonal consumption peaks as refiners and suppliers try to anticipate consumer demand. Seasonal peaks in oil demand have been principally driven by increased demand prior to Northern Hemisphere winters and increased demand for gasoline prior to the summer driving season in the United States. Available tonnage is affected over time by the volume of newbuilding deliveries, the number of tankers used to store clean products and crude oil, and the removal (principally through vessel recycling or conversion) of existing vessels from service. Vessel recycling is affected by the level of freight rates, recycling prices, vetting standards established by charterers and terminals and by international and U.S. governmental regulations that establish maintenance standards and regulatory compliance standards.

Time Charter Market

Our operating fleet currently includes a number of vessels that operate on time charters. Within a contract period, time charters provide a predictable level of revenues without the fluctuations inherent in spot-market rates. Once a time charter expires, however, the ability to secure a new time charter may be uncertain and subject to market conditions at such time. Time charters constituted 4% of the Company's TCE revenues in 2022 and 19% in 2021.

Commercial Pools and other Commercial Management Arrangements

We currently utilize third-party managed pools as the principal commercial strategy for our vessels. By operating a large number of vessels as an integrated transportation system, commercial pools offer customers greater flexibility and a higher level of service while achieving scheduling efficiencies. Pools are commercially managed by experienced commercial operators that, among other things, arrange charters for the vessels participating in the pool in exchange for an administrative fee. Technical management is performed or outsourced by each shipowner. The pools collect revenue from customers, pay voyage-related expenses, and distribute TCE revenues to the participants after deducting administrative fees, according to formulas that capture the contribution of each vessel to the pool by:

- first summarizing the earnings capacity of each vessel (as determined by the pool operator based largely on the physical characteristics and fuel consumption) to a number of "points;"
- second, multiplying each vessel's "points" by the number of days that vessel operated during a specified period (the "Vessel Contribution");
- third, multiplying the total number of points of all vessels in the pool by the total number of days all vessels in the pool operated (the "Total Earnings"); and
- fourth, dividing the Vessel Contribution by the Total Earnings.

Pools negotiate charters with customers primarily in the spot market. The size and scope of these pools enable them to enhance utilization for pool vessels by securing backhaul voyages and Contracts of Affreightment ("COAs"), thereby reducing wait time and providing a high level of service to customers.

We also employ third-party commercial managers on a limited basis for some of our vessels from time-to-time in the spot market through Commercial Management Agreements ("CMAs"). Under the CMAs, the manager collects revenue, pays for voyage related expenses and distributes the actual voyage results for each individual ship under management and receives a management fee.

The table below summarizes the commercial deployment of our conventional tanker fleet as of December 31, 2022:

	Vessel Class						
Commercial Deployment	VLCC	Suezmax	Aframax	LR2	LR1	MR	Total
Tankers International	9	—	—	—	—	—	9
Dakota Tankers	—	—	4	—	—	—	4
Penfield Tankers	—	12	—	—	—	—	12
Panamax International	—	—	—	—	8	—	8
Clean Products Tankers Alliance	—	—	—	—	—	11	11
Norden Tanker Pool	—	—	—	—	—	26	26
Time / Bareboat charter-out	1	1	—	1	—	1	4
Total	10	13	4	1	8	38	74

Technical Management

During 2022, we had agreements with five different third-party managers to outsource the technical management of our conventional tanker fleet. The managers supervise the technical management of our vessels to ensure a consistently high quality and integrity of our operations. We retain a pool of well-trained seafarers to serve on our vessels. We continue to hire the crew, with the managers acting as agents on our behalf. In an effort to streamline our operations, during 2022, we began the process of paring down the number of

outsourced third-party technical managers to only two managers. This transition process is expected to be completed by the second quarter of 2023.

In addition to regular maintenance and repair, crews onboard each vessel and shore-side personnel must ensure that the vessels in the Company's fleet meet or exceed regulatory standards established by organizations such as the IMO and the U.S. Coast Guard.

HUMAN CAPITAL RESOURCES

We believe a commitment to and investment in human capital management helps us build competitive advantage and furthers our long-term success. Our highly skilled seafarers and shore-side employees are the foundation of everything that we do and the embodiment of our "do the right thing" culture. We depend on our workforce to provide superior service and to ensure our vessels are operated safely and securely. As of December 31, 2022, we had approximately 1,800 employees comprised of 1,736 seafarers employed on our fleet and 64 shore-side staff. The seafarers are hired by the technical managers acting as agent for the individual ship owning companies, each of which is a subsidiary of INSW.

Safety

We are committed to creating a safe, healthy and secure workplace at sea and onshore. We are also committed to providing safe, reliable and environmentally sound transportation to our customers. Integral to meeting standards mandated by worldwide regulators and customers is a ship manager's use of robust Safety Management Systems ("SMS"). The SMS is a framework of processes and procedures that addresses a spectrum of operational risks associated with quality, environment, health and safety. The SMS is certified by the International Safety Management Code ("ISM Code"), promulgated by the IMO and the International Standards Organization ("ISO"), and meets ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) requirements. To support a culture of transparency, accountability and compliance, we have an open reporting system on all of our ships, whereby seafarers can anonymously report possible violations of our or our third-party technical and commercial manager's policies and procedures. All open reports are investigated, and appropriate actions are taken when necessary.

Diversity, Equity and Inclusion, Employee Welfare, Growth and Development

The development, attraction and retention of employees at sea and onshore is a critical success factor for the Company for succession planning and sustaining our core values.

Inclusion and Diversity is at the core of all we do and drives us to build and reinforce an inclusive culture. Our commitment to Inclusion and Diversity starts at the top with a diverse Board of Directors and executive management team, who represent a broad spectrum of backgrounds and perspectives. We believe that the diversity of our current Board of Directors (including three women and one Asian American) and the diversity of our executive leadership (two of the Company's six executive officers belong to underrepresented minorities and are diverse by ethnic background, non-U.S. place of birth, or gender) is a testament to our ongoing commitment to hiring, developing, and retaining diverse talent.

To support the advancement of our employees, we offer training and development programs encouraging advancement from within. We leverage both formal and informal programs to identify, foster, and retain top seafarer and shore-based talent. On average, our seafarers have worked for us for more than 10 years and more than half of our shore-based employees have worked for us for at least 15 years. For our seafarers, ongoing training is integral to conducting safe operations and keeping employees engaged. One key part of our training regimen is our crew conferences. Senior leaders from the Company, our fleet and our third-party managers spend three days with up to 100 seafarers from across our fleet, representing all ranks and nationalities. During the conferences, the seafarers are updated on new policies, regulations, and procedures. Interactive learning sessions and team building exercises are used to foster communication and shared learnings. Day long training sessions are capped off with a social agenda that celebrates successes during the year and includes the presentation of awards for long time service with the Company. This presents management with both an opportunity to teach and to learn and provides everyone with an excellent networking opportunity.

In March 2020, the World Health Organization ("WHO") recognized the novel coronavirus ("COVID-19") as a pandemic. We implemented various measures to protect our seafarers and shore-based personnel and reduce the spread of the virus. Strict quarantine and testing protocols were implemented for personnel on, and visitors to, our vessels. We leveraged our information technology infrastructure and various technology tools to enable our shore-based personnel to work seamlessly from home. Although to a lesser extent than 2021, throughout 2022, we continued to bear the burden of the ongoing COVID-19 pandemic. Quarantine and testing

protocols continued to challenge our operations particularly during crew changes. However, with lessons learned from navigating through changing immigration rules, mandatory quarantine requirements and limited air travel during 2020 and 2021, we were able to operate in an even more efficient manner during 2022. By focusing on engagement and identifying actionable insights, we continued to provide support to our much-valued seafarers in the form of vaccination programs, outreach services, counseling, and resilience training. We continue our efforts to lobby for the welfare and rights of all seafarers. In January 2021, INSW signed the Neptune Declaration on Seafarer Wellbeing and Crew Change ("Neptune Declaration") in a worldwide call to action to end the unprecedented crew change crisis caused by COVID-19. Developed by a taskforce of stakeholders from across the maritime value chain, the Neptune Declaration is a commitment signed by more than 300 companies and organizations to work together to ensure that the crew change crisis is resolved as soon as possible. It defines four main actions to facilitate crew changes and keep global supply chains functioning:

- Recognize seafarers as key workers and give them priority access to COVID-19 vaccines;
- Establish and implement gold standard health protocols based on existing best practice;
- Increase collaboration between ship operators and charterers to facilitate crew changes; and
- Ensure air connectivity between key maritime hubs for seafarers.

COMPETITION

The shipping industry is highly competitive and fragmented. We compete with other owners of International Flag tankers, including other independent shipowners, integrated oil companies, state-owned entities with their own fleets, and oil traders with logistical operations. Our vessels compete with all other vessels of a size and type required by the customer that can be available at the date and location specified. In the spot market, competition is based primarily on price, cargo quantity and cargo type, although charterers are selective with respect to the quality of the vessels they hire considering other key factors such as the reliability, age and quality and efficiency of operations and experience of crews. In the time charter market, factors such as the age and quality of the vessel and the efficiency of its operation and reputation of its owner and operator tend to be even more significant when competing for business.

Our lightering business competes against a small number of other market participants, both in the United States and in other jurisdictions in which we operate.

ENVIRONMENTAL AND SECURITY MATTERS RELATING TO BULK SHIPPING

Government regulation significantly affects the operation of the Company's vessels. INSW's vessels operate in a heavily regulated environment and are subject to international conventions and international, national, state and local laws and regulations in force in the countries in which such vessels operate or are registered.

The Company's vessels undergo regular and rigorous safety inspections and audits which are conducted by the ships' third-party managers. In addition, a variety of governmental and private entities subject the Company's vessels to both scheduled and unscheduled inspections. These entities include USCG, local port state control authorities (harbor master or equivalent), coastal states, Classification Societies, flag state administration (country of registry) and customers, particularly major oil companies and petroleum terminal operators. Certain of these entities require INSW to obtain permits, licenses and certificates for the operation of the Company's vessels. Failure to maintain necessary permits or approvals could require INSW to incur substantial costs or temporarily suspend operation of one or more of the Company's vessels.

The Company believes that the heightened level of environmental, health, safety and quality awareness among various stakeholders, including lenders, insurance underwriters, regulators and charterers, is leading to greater safety and other regulatory requirements and a more stringent inspection regime on all vessels. The Company is required to maintain operating standards for all of its vessels emphasizing operational safety and quality, environmental stewardship, preventive planned maintenance, continuous training of its officers and crews and compliance with international and U.S. regulations. INSW believes that the operation of its vessels is in compliance with applicable environmental laws and regulations. However, because such laws and regulations are changed frequently, and new laws and regulations impose new or increasingly stringent requirements, INSW cannot predict the cost of complying with requirements beyond those that are currently in force. The impact of future regulatory requirements on operations or the resale value or useful lives of its vessels may result in substantial additional costs in meeting new legal and regulatory requirements. See Item 1A, "Risk Factors— Risks Related to Our Company — *Risks relating to legal and regulatory matters, compliance with complex laws, regulations and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases, may adversely affect INSW's business*."

International and U.S. Greenhouse Gas Regulations

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (commonly called the Kyoto Protocol) became effective. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain gases, generally referred to as greenhouse gases ("GHGs"), which contribute to global warming. The Kyoto Protocol, which was adopted by about 190 countries, commits its parties by setting internationally binding emission reduction targets. In December 2012, the Doha Amendment to the Kyoto Protocol was adopted to further extend the Kyoto Protocol's GHG emissions reductions through 2020. In December 2015, the United Nations Framework Convention on Climate Change ("UNFCCC") forged a new international framework (the "Paris Agreement") that became effective in November 2016, after it had been ratified by a sufficient number of countries. The Paris Agreement sets a goal of holding the increase in global average temperature to well below 2 degrees Celsius and pursuing efforts to limit the increase to 1.5 degrees Celsius, to be achieved by aiming to reach a global peaking of GHG emissions as soon as possible. To meet these objectives, the participating countries, acting individually or jointly, are to develop and implement successive "nationally determined contributions." The countries will assess their collective programs toward achieving the goals of the Paris Agreement every five years beginning in 2023, referred to as the global stock take, and subsequently are to update and enhance their actions on climate change. The Paris Agreement does not specifically require controls on shipping or other industries, but it is possible that countries or groups of countries will seek to impose such controls as they implement the Paris Agreement. In November 2021, at UNFCCC's COP26 in Glasgow, new initiatives to incorporate shipping in the climate change framework were proposed. These proposals remain either voluntary among countries or represent efforts towards building consensus for further work within the maritime industry. In particular, at COP26, a coalition of 19 countries including the United Kingdom and the United States signed the Clydebank Declaration to support and facilitate the establishment of at least six green shipping corridors – zero emission maritime routes between two or more ports -- by 2025, with a view toward increasing the number of green corridors over the longer term. The Declaration noted that voluntary participation by operators would be essential.

In 2014, IMO's third study of GHG emissions from the global shipping fleet predicted that, in the absence of appropriate policies, GHG emissions from ships may increase by 50% to 250% by 2050 due to expected growth in international seaborne trade. Methane emissions are projected to increase rapidly (albeit from a low base) as the share of LNG in the fuel mix increases. With respect to energy efficiency measures, the Marine Environmental Protection Committee ("MEPC") adopted guidelines on the Energy Efficiency Design Index ("EEDI"), which reflects the primary fuel for the calculation of the attained EEDI for ships having dual fuel engines using LNG and liquid fuel oil (see discussion below). IMO is committed to developing limits on greenhouse gases from international shipping and is working on proposed mandatory technical and operational measures to achieve these limits. In April 2018, IMO adopted an initial strategy on the reduction of GHG emissions from ships, with the ultimate goal of eliminating GHG emissions from international shipping as soon as possible during this century. More specifically, under the identified "levels of ambition," the initial strategy envisages the halt of the growth in GHG emissions from international shipping as soon as possible and then the reduction of the total annual GHG emissions by at least 50% by 2050 compared to 2008 levels. In 2019, IMO launched a project for an initial two-year period to initiate and promote global efforts to demonstrate and test technical solutions for reducing GHG emissions and improve energy efficiency throughout the maritime sector. In 2020, IMO issued its Fourth GHG Study, which further refined IMO's understanding of maritime greenhouse gas emissions and reported updated projections that in 2050 GHG emissions will increase from 0 to 50% over 2018 levels, which is equal to 90-130% of 2008 levels.

In keeping with IMO's initial strategy, IMO has committed to having in place by 2023 short-term measures and by 2030 mid-term measures intended to meet the stated goals of reducing carbon dioxide emissions from international shipping by 40% by 2030 and 70% by 2050, and GHG emissions from international shipping by 50% by 2050. At the MEPC 76 in June 2021, taking into account the findings of the Fourth GHG Study, IMO adopted short-term measures that will become effective in 2023 to begin to implement its initial strategy. The new measures will require ships to calculate their Energy Efficiency Existing Ship Index (EEXI) and to establish their annual operational carbon intensity indicator (CII) that links the GHG emissions to the amount of cargo carried over distance traveled. Ships with low ratings will be required to submit corrective action plans. Subsequently, at the MEPC 77 meeting in November 2021, IMO announced plans to adopt a revised GHG strategy in 2023.

In 2011, the European Commission established a working group on shipping to provide input to the European Commission in its work to develop and assess options for the inclusion of international maritime transport in the GHG reduction commitment of the European Union ("EU"). The Measure, Report and Verify ("MRV") Regulation was adopted on April 29, 2015 and created an EU-wide framework for the monitoring, reporting and verification of carbon dioxide emissions from maritime transport. The MRV Regulation requires large ships (over 5,000 gross tons) calling at EU ports from January 1, 2018, to collect and later publish verified annual data on carbon dioxide emissions. IMO has developed similar MRV regulations that became effective on March 1, 2018 and the first reporting period was for the full year 2019. In July 2021, the EU issued draft legislation that from 2023 to 2026 would phase in GHG

emissions from shipping into its established Emissions Trading Scheme ("ETS") and require the purchase of allowances reflecting the emissions. In December 2022, the EU Council and Parliament agreed to include maritime shipping emissions in the EU ETS, with a gradual introduction of obligations for shipping companies to surrender allowances: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. It was also agreed to include non-carbon dioxide emissions (methane and nitrous oxide) in the MRV scheme from 2024 and in the EU ETS from 2026. The Company cannot predict the specific impacts of the EU ETS on the shipping industry as a whole and on the Company at this time.

In the United States, pursuant to U.S. Supreme Court decisions in 2007 and 2014, the U.S. Environmental Protection Agency ("EPA") has authority to regulate GHG emissions under the U.S. Clean Air Act. Although the EPA has promulgated certain regulations relating to GHG emissions, to date the regulations proposed and enacted by the EPA have not involved ocean-going vessels. However, the current administration has stated that GHG emissions from shipping are a priority and that the United States will be participating more actively in international efforts including the IMO's.

Future passage of climate control legislation or other regulatory initiatives by the IMO, EU, United States or other countries where INSW operates that restrict emissions of GHGs could require significant additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although we cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's results of operations.

International Environmental and Safety Regulations and Standards

Liability Standards and Limits

Many countries have ratified and follow the liability plan adopted by the IMO and set out in the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the "1969 Convention"). Some of these countries have also adopted the 1992 Protocol to the 1969 Convention (the "1992 Protocol"). Under both the 1969 Convention and the 1992 Protocol, a vessel's registered owner is strictly liable for pollution damage caused in the territory, including the territorial waters (and in the exclusive economic zone under the 1992 Protocol) of a contracting state by discharge of persistent oil, subject to certain complete defenses. Both instruments apply to all seagoing vessels carrying oil in bulk as cargo. These instruments also limit the liability of the shipowner under certain circumstances. As these instruments calculate liability in terms of a basket of currencies, the figures in this section are converted into U.S. dollars based on currency exchange rates on December 31, 2022 and are approximate. Actual dollar amounts are used in this section "Liability Standards and Limits" and in "U.S. Environmental and Safety Regulations and Standards - Liability Standards and Limits" below.

Under the 1969 Convention, except where the pollution damage resulted from the actual fault or privity of the owner, its liability is limited to $186 per ton of the vessel's tonnage, with a maximum liability of $19.6 million. Under the 1992 Protocol, the liability of the owner is limited to $4.2 million for a ship not exceeding 5,000 units of tonnage (a unit of measurement for the total enclosed spaces within a vessel) and $588 per gross ton thereafter, with a maximum liability of $83.6 million. Under the 1992 Protocol, the owner's liability is limited except where the pollution damage results from its personal act or omission, committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. Under the 2000 amendments to the 1992 Protocol, which became effective on November 1, 2003, liability is limited to $6.3 million plus $884 for each additional gross ton over 5,000 for vessels of 5,000 to 140,000 gross tons, and $125.8 million for vessels over 140,000 gross tons, subject to the exceptions discussed above for the 1992 Protocol.

Vessels trading to states that are parties to these instruments must provide evidence of insurance covering the liability of the owner. The Company believes that its P&I insurance will cover any liability under the plan adopted by the IMO. See the discussion of insurance in "U.S. Environmental and Safety Regulations and Standards-Liability Standards and Limits" below.

The United States is not a party to the 1969 Convention or the 1992 Protocol. See "U.S. Environmental and Safety Restrictions and Regulations" below. In other jurisdictions where the 1969 Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or in a manner similar to that convention.

The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, which was adopted on March 23, 2001 and became effective on November 21, 2008, is a separate convention adopted to ensure that adequate, prompt and effective compensation is available to persons who suffer damage caused by spills of oil when used as fuel by vessels. The convention applies to damage caused to the territory, including the territorial sea, and exclusive economic zones, of states that are party to it. Vessels operating

internationally are subject to it if sailing within the territories of those countries that have implemented its provisions (which does not include the United States). Key features of this convention are compulsory insurance or other financial security for vessels over 1,000 gross tons to cover the liability of the registered owner for pollution damage and direct action against the insurer. The Company believes that its vessels comply with these requirements.

Other International Environmental and Safety Regulations and Standards

Under the ISM Code, promulgated by the IMO, vessel operators are required to develop a safety management system that includes, among other things, the adoption of a safety and environmental protection policy describing how the objectives of a functional safety management system will be met. The third-party managers of INSW's vessels, have safety management systems for the Company's fleet, with instructions and procedures for the safe operation of its vessels, reporting accidents and non-conformities, internal audits and management reviews and responding to emergencies, as well as defined levels of responsibility. The ISM Code requires a Document of Compliance ("DoC") to be obtained for the company responsible for operating the vessel and a Safety Management Certificate ("SMC") to be obtained for each vessel that such company operates. Once issued, these certificates are valid for a maximum of five years. The company operating the vessel in turn must undergo an annual internal audit and an external verification audit in order to maintain the DoC. In accordance with the ISM Code, each vessel must also undergo an annual internal audit at intervals not to exceed twelve months and vessels must undergo an external verification audit twice in a five-year period. The Company's third-party managers have DoCs for their offices.

The SMC is issued after verifying that the company responsible for operating the vessel and its shipboard management operate in accordance with the approved safety management system. No vessel can obtain a certificate unless its operator has been awarded a DoC issued by the administration of that vessel's flag state or as otherwise permitted under the International Convention for the Safety of Life at Sea, 1974, as amended ("SOLAS").

IMO regulations also require owners and operators of vessels to adopt Shipboard Oil Pollution Emergency Plans ("SOPEPs"). Periodic training and drills for response personnel and for vessels and their crews are required. In addition to SOPEPs, INSW has adopted Shipboard Marine Pollution Emergency Plans, which cover potential releases not only of oil but of any noxious liquid substances. Noncompliance with the ISM Code and other IMO regulations may subject the shipowner or charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. For example, the USCG and EU authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading to United States and EU ports.

The International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") is designed to protect the marine environment from the introduction of non-native (alien) species as a result of the carrying of ships' ballast water from one place to another. The introduction of non-native species has been identified as one of the top five threats to biological diversity. Expanding seaborne trade and traffic have exacerbated the threat. Tankers must take on ballast water in order to maintain their stability and draft and must discharge the ballast water when they load their next cargo. When emptying the ballast water, which they carried from the previous port, they may release organisms and pathogens that have been identified as being potentially harmful in the new environment.

The BWM Convention was adopted in 2004 and became effective on September 8, 2017. The BWM Convention is applicable to new and existing vessels that are designed to carry ballast water. It defines a discharge standard consisting of maximum allowable levels of critical invasive species. This standard is met by installing treatment systems that render the invasive species non-viable. In addition, each vessel is required to have on board a valid International Ballast Water Management Certificate, a Ballast Water Management Plan and a Ballast Water Record Book.

INSW's vessels are subject to other international, national and local ballast water management regulations (including those described below under "U.S. Environmental and Safety Regulations and Standards"). INSW complies with these regulations through ballast water management plans implemented on each of the vessels in its fleet. To meet existing and anticipated ballast water treatment requirements, including those contained in the BWM Convention, INSW has a fleetwide action plan to comply with IMO, EPA, USCG and possibly more stringent U.S. state mandates as they are implemented and become effective, which may require the installation and use of costly control technologies. Compliance with the ballast water requirements effective under the BWM Convention and other regulations may have material impacts on INSW's operations and financial results, as discussed below under "U.S. Environmental and Safety Regulations and Standards-Other U.S. Environmental and Safety Regulations and Standards."

Other EU Legislation and Regulations

The EU has adopted legislation that: (1) bans manifestly sub-standard vessels (defined as those over 15 years old that have been detained by port authorities at least twice in the course of the preceding 24 months) from European waters, creates an obligation for port states to inspect at least 25% of vessels using their ports annually and provides for increased surveillance of vessels posing a high risk to maritime safety or the marine environment, and (2) provides the EU with greater authority and control over Classification Societies, including the ability to seek to suspend or revoke the authority of negligent societies. INSW believes that none of its vessels meet the definitions of a "sub-standard" vessel contained in the EU legislation. EU directives enacted in 2005 and amended in 2009 require EU member states to introduce criminal sanctions for illicit ship-source discharges of polluting substances (e.g., from tank cleaning operations) which result in deterioration in the quality of water and has been committed with intent, recklessness or serious negligence. Certain member states of the EU, by virtue of their national legislation, already impose criminal sanctions for pollution events under certain circumstances. The Company cannot predict what additional legislation or regulations, if any, may be promulgated by the EU or any other country or authority, or how these might impact INSW.

International Air Emission Standards

Annex VI to MARPOL ("Annex VI"), which was designed to address air pollution from vessels, and which became effective internationally on May 19, 2005, sets limits on sulfur oxide ("SOx") and nitrogen oxide ("NOx") emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also regulated shipboard incineration and the emission of volatile organic compounds from tankers. Annex VI was amended in 2008 to provide for a progressive and substantial reduction in SOx and NOx emissions from vessels and allow for the designation of Emission Control Areas ("ECAs") in which more stringent controls would apply. The primary changes were that the global cap on the sulfur content of fuel oil was reduced to 3.50% from 4.50% effective from January 1, 2012, and such cap was further reduced to 0.50% effective from January 1, 2020. Further, the sulfur content of fuel oil for vessels operating in designated ECAs was progressively reduced from 1.5% to 1.0% effective July 2010 and further reduced to 0.1% effective January 2015. Currently designated ECAs are the Baltic Sea area, the North Sea area, the North American area (covering designated coastal areas off the United States and Canada) and the United States Caribbean Sea area (around Puerto Rico and the United States Virgin Islands). For vessels over 400 gross tons, Annex VI imposes various survey and certification requirements. The U.S. Maritime Pollution Prevention Act of 2008 amended the U.S. Act to Prevent Pollution from Ships to provide for the adoption of Annex VI. In October 2008, the U.S. ratified Annex VI, which came into force in the United States on January 8, 2009.

In addition to Annex VI, there are regional mandates in ports and certain territorial waters within the EU, Turkey, China and Norway, for example, regarding reduced SOx emissions. These requirements establish maximum allowable limits for sulfur content in fuel oils used by vessels when operating within certain areas and waters and while "at berth." In December 2012, an EU directive that aligned the EU requirements with Annex VI entered into force. For vessels at berth in EU ports, sulfur content of fuel oil is limited to 0.1%. For vessels operating in SOx Emission Control Areas ("SECAs"), sulfur content of fuel oil is limited to 0.1% as of January 1, 2015. For vessels operating outside SECAs, sulfur content of fuel oil is limited to 0.5% as of January 1, 2020. Alternatively, emission abatement methods are permitted as long as they continuously achieve reductions of SOx emissions that are at least equivalent to those obtained using compliant marine fuels.

More stringent Tier III emission limits are applicable to engines installed on a ship constructed on or after January 1, 2016 operating in ECAs. NOx emission Tier III standards came into force on January 1, 2016 in ECAs.

Additional air emission requirements under Annex VI became effective on July 1, 2010 mandating the development of Volatile Organic Compound ("VOC") Management Plans for tank vessels and certain gas ships.

The Company believes that its vessels are compliant with the current requirements of Annex VI and that those of its vessels that operate in the EU, Turkey, China, Norway and elsewhere are also compliant with the regional mandates applicable there. However, the Company anticipates that, in the next several years, compliance with the increasingly stringent requirements of Annex VI and other conventions, laws and regulations imposing air emission standards that have already been adopted or that may be adopted will require substantial additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although INSW cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's financial statements.

SOLAS

From January 1, 2014, various amendments to the SOLAS conventions came into force, including an amendment to Chapter VI of SOLAS, which prohibits the blending of bulk liquid cargoes during sea passage and the production process on board ships. This prohibition does not preclude the master of the vessel from undertaking cargo transfers for the safety of the ship or protection of the marine environment.

MARPOL

Effective March 1, 2018, pursuant to an amendment to MARPOL Annex V, shippers are required to determine whether or not their cargo is hazardous and classify it in line with the criteria of the United Nations Globally Harmonized System of Classification. Vessels are required to maintain a new format garbage record book, which is divided into two parts: cargo residues and garbage other than cargo residues. The cargo residues part must be further divided into hazardous and non-hazardous to the marine environment cargo. More stringent discharge requirements apply to hazardous cargo residues.

U.S. Environmental and Safety Regulations and Standards

The United States regulates the shipping industry with an extensive regulatory and liability regime for environmental protection and cleanup of oil spills, consisting primarily of the Oil Pollution Act of 1990 ("OPA 90"), and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). OPA 90 affects all owners and operators whose vessels trade with the United States or its territories or possessions, or whose vessels operate in the waters of the United States, which include the U.S. territorial sea and the 200 nautical mile Exclusive Economic Zone around the United States. CERCLA applies to the discharge of hazardous substances (other than oil) whether on land or at sea. Both OPA 90 and CERCLA impact the Company's operations.

Liability Standards and Limits

Under OPA 90, vessel owners, operators and bareboat or demise charterers are "responsible parties" who are liable, without regard to fault, for all containment and clean-up costs and other damages, including property and natural resource damages and economic loss without physical damage to property, arising from oil spills and pollution from their vessels. On December 9, 2022, USCG issued a final rule, effective March 23, 2023, increasing the limits of OPA 90 liability with respect to (i) tanker vessels with a qualifying double hull to the greater of $2,500 per gross ton or approximately $21.5 million per vessel that is over 3,000 gross tons; and (ii) non-tanker vessels, to the greater of $1,300 per gross ton or approximately $1.1 million per vessel. The statute specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters. In some cases, states that have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. CERCLA, which applies to owners and operators of vessels, contains a similar liability regime and provides for cleanup, removal and natural resource damages associated with discharges of hazardous substances (other than oil). Liability under CERCLA is limited to the greater of $300 per gross ton or $5 million.

These limits of liability do not apply, however, where the incident is caused by violation of applicable U.S. federal safety, construction or operating regulations, or by the responsible party's gross negligence or willful misconduct. Similarly, these limits do not apply if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with the substance removal activities. OPA 90 and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA 90 also requires owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the limit of their potential strict liability under the statute. The USCG enacted regulations requiring evidence of financial responsibility consistent with the previous limits of liability described above for OPA 90 and CERCLA. Under the regulations, evidence of financial responsibility may be demonstrated by insurance, surety bond, self-insurance, guaranty or an alternative method subject to approval by the Director of the USCG National Pollution Funds Center. Under OPA 90 regulations, an owner or operator of more than one vessel is required to demonstrate evidence of financial responsibility for the entire fleet in an amount equal only to the financial responsibility requirement of the vessel having the greatest maximum strict liability under OPA 90 and CERCLA. INSW has provided the requisite guarantees and has received certificates of financial responsibility from the USCG for each of its vessels required to have one.

INSW has insurance for each of its vessels with pollution liability insurance in the amount of $1 billion. However, a catastrophic spill could exceed the insurance coverage available, in which event there could be a material adverse effect on the Company's business. In addition to potential liability under OPA 90, vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spillage occurred.

On September 24, 2020, the State of California announced changes to California's Lempert-Keene-Seastrand Oil Spill Prevention and Response Act that became effective on January 1, 2021. These changes included raising the California State certificate of financial responsibility (COFR) from $1 billion to $2 billion and increasing the extent of certain criminal fines in the event of an oil spill.

Other U.S. Environmental and Safety Regulations and Standards

OPA 90 also amended the Federal Water Pollution Control Act to require owners and operators of vessels to adopt vessel response plans, including marine salvage and firefighting plans, for reporting and responding to vessel emergencies and oil spill scenarios up to a "worst case" scenario and to identify and ensure, through contracts or other approved means, the availability of necessary private response resources to respond to a "worst case discharge." The plans must include contractual commitments with clean-up response contractors and salvage and marine firefighters in order to ensure an immediate response to an oil spill/vessel emergency. Each vessel has an USCG approved plan on file with the USCG and onboard the vessel. These plans are regularly reviewed and updated. OPA 90 requires training programs and periodic drills for shore-side staff and response personnel and for vessels and their crews. INSW's third-party technical managers conduct such required training programs and periodic drills.

OPA 90 does not prevent individual U.S. states from imposing their own liability regimes with respect to oil pollution incidents occurring within their boundaries. In fact, most U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws are in some cases more stringent than U.S. federal law.

In addition, the U.S. Clean Water Act ("CWA") prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes strict liability in the form of penalties for unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under the more recent OPA 90 and CERCLA, discussed above.

At the federal level in the United States, ballast water management is subject to two separate, partially interrelated regulatory regimes. One is administered by the USCG under the National Aquatic Nuisance and Control Act and National Invasive Species Act, and the other is administered by the EPA under the CWA.

In March 2012, the USCG promulgated its final rule on ballast water management for the control of nonindigenous species in U.S. waters. While generally in line with the requirements set out in the BWM Convention, the final rule requires that treatment systems for domestic and foreign vessels operating in U.S. waters must be Type Approved by the USCG. The USCG first approved a treatment system as Type Approved in December 2016, and accordingly before such date the USCG had a policy to issue temporary extensions of the compliance dates for the implementation of approved treatment systems. INSW has obtained extensions from the USCG of the treatment system requirement and its first compliance date for any of its vessels was in 2018. INSW expects that its vessels discharging ballast in U.S. waters will have Type Approved treatment systems by their extended compliance dates.

The discharge of ballast water and other substances incidental to the normal operation of vessels in U.S. ports also is subject to CWA permitting requirements. In accordance with the EPA's National Pollutant Discharge Elimination System, the Company is subject to a Vessel General Permit ("VGP"), which addresses, among other matters, the discharge of ballast water and effluents. The current VGP, which was issued in 2013, identifies twenty-six vessel discharge streams and establishes numeric ballast water discharge limits that generally align with the treatment technologies to be implemented under USCG's 2012 final rule, requirements to ensure that the ballast water treatment systems are functioning correctly, and more stringent effluent limits for oil to sea interfaces and exhaust gas scrubber wastewater. The VGP contains a compliance date schedule for these requirements. The VGP standards and requirements were due for modification and renewal in December 2018, but this renewal has been postponed by the EPA with no fixed date for completion. Until a new VGP program is implemented, the current standards remain in effect.

Certain of the Company's vessels are subject to more stringent numeric discharge limits under the EPA's VGP, even though those vessels have obtained a valid extension from the USCG for implementation of treatment technology under its 2012 final rule. The EPA has determined that it will not issue extensions under the VGP, but in December 2013 it issued an Enforcement Response Policy

("ERP") to address this industry-wide issue. Under the ERP, the EPA states that vessels that have received an extension from the USCG, are in compliance with all of the VGP's requirements other than the numeric discharge limits and meet certain other requirements will be entitled to a "low enforcement priority." While INSW believes that any vessel that is or may become subject to the VGP's numeric discharge limits during the pendency of a USCG extension will be entitled to such low priority treatment under the ERP no assurance can be given that they will do so.

The VGP system also permits individual states and territories to impose more stringent requirements for discharges into the navigable waters of such state or territory. Certain individual states have enacted legislation or regulations addressing hull cleaning and ballast water management. For example, California has adopted extensive requirements for more stringent effluent limits and discharge monitoring and testing requirements with respect to discharges in its waters.

Following an assessment by the California State Lands Commission of the current technology for meeting ballast water management standards, effective January 1, 2020, California extended the deadline for compliance with stringent interim standards to 2030 and the deadline for final "zero detect" standards to 2040. In the interim, effective January 1, 2022 the California State Lands Commission incorporated the federal ballast water discharge standards and implementation schedule into California law and established operational monitoring and recordkeeping requirements.

New York State has imposed a more stringent bilge water discharge requirement for vessels in its waters than what is required by the VGP or IMO. Through its Section 401 Certification of the VGP, New York prohibits the discharge of all bilge water in its waters. New York State also requires that vessels entering its waters from outside the Exclusive Economic Zone must perform ballast water exchange in addition to treating it with a ballast water treatment system.

On December 4, 2018, the USCG Authorization Act of 2018 was enacted, which included the Vessel Incidental Discharge Act ("VIDA"). Under VIDA, the EPA was designated the government agency responsible for establishing standards for U.S. ballast water regulations and the USCG was assigned the responsibility for monitoring and enforcing those standards. VIDA reduces the scope of the VGP and is expected to align state and local discharge standards with federal standards. Ultimately, under VIDA, the discharge of ballast water in the navigable waters of the United States will no longer subject to the VGP or the CWA. In October 2020, EPA issued its proposed national standards of performance for 20 separate discharges incidental to normal vessel operations including ballast tanks and exhaust gas emission control systems. EPA has not yet issued a final rule. The Company plans to continue to monitor the implementation of VIDA at the federal, state, and local levels.

The Company anticipates that, in the next several years, compliance with the various conventions, laws and regulations relating to ballast water management that have already been adopted or that may be adopted in the future will require substantial additional capital and/or operating expenditures and could have operational impacts on INSW's business. Although INSW cannot predict such expenditures and impacts with certainty at this time, they may be material to INSW's financial statements.

U.S. Air Emissions Standards

As discussed above, MARPOL Annex VI came into force in the United States in January 2009. In April 2010, EPA adopted regulations implementing the provisions of Annex VI. Under these regulations, vessels subject to the engine and fuel standards of Annex VI must comply with the applicable Annex VI provisions when they enter U.S. ports or operate in most internal U.S. waters. The Company's vessels are currently Annex VI compliant. Accordingly, absent any new and onerous Annex VI implementing regulations, the Company does not expect to incur material additional costs in order to comply with this convention.

The U.S. Clean Air Act of 1970, as amended by the Clean Air Act Amendments of 1977 and 1990 ("CAA"), requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. INSW's vessels are subject to vapor control and recovery requirements for certain cargoes when loading, unloading, ballasting, cleaning and conducting other operations in regulated port areas. Each of the Company's vessels operating in the transport of clean petroleum products in regulated port areas where vapor control standards are required has been outfitted with a vapor recovery system that satisfies these requirements. In addition, the EPA issued emissions standards for marine diesel engines. The EPA has implemented rules comparable to those of Annex VI to increase the control of air pollutant emissions from certain large marine engines by requiring certain new marine-diesel engines installed on U.S. registered ships to meet lower NOx standards were implemented in two phases. The newly built engine standards that became effective in 2011 required more efficient use of current engine technologies, including engine timing, engine cooling, and advanced computer controls to achieve a 15 to 25 percent NOx reduction below previous levels. More stringent long-term standards for newly built engines that applied beginning in 2016 and required the use of high efficiency emission control

technology such as selective catalytic reduction to achieve NOx reductions 80 percent below the pre-2016 levels. Fuel used by all vessels operating in the North American ECA, encompassing the area extending 200 miles from the coastlines of the Atlantic, Gulf and Pacific coasts and the eight main Hawaiian Islands, and the United States Caribbean Sea ECA, encompassing water around Puerto Rico and the U.S. Virgin Islands, cannot exceed 0.1% sulfur. The Company believes that its vessels are in compliance with the current requirements of the ECAs. If other ECAs are approved by the IMO or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the EPA or the states where INSW operates, compliance could require or affect the timing of significant capital and/or operating expenditures that could be material to INSW's consolidated financial statements.

The CAA also requires states to draft State Implementation Plans ("SIPs"), designed to attain national health-based air quality standards in major metropolitan and industrial areas. Where states fail to present approvable SIPs, or SIP revisions by certain statutory deadlines, the EPA is required to draft a Federal Implementation Plan. Several SIPs regulate emissions resulting from barge loading and degassing operations by requiring the installation of vapor control equipment. Where required, the Company's vessels are already equipped with vapor control systems that satisfy these requirements. Although a risk exists that new regulations could require significant capital expenditures and otherwise increase its costs, the Company believes, based upon the regulations that have been proposed to date, that no material capital expenditures beyond those currently contemplated and no material increase in costs are likely to be required as a result of the SIPs program.

Individual states have been considering their own restrictions on air emissions from engines on vessels operating within state waters. California requires certain ocean-going vessels operating within 24 nautical miles of the Californian coast to reduce air pollution by using only low-sulfur marine distillate fuel rather than bunker fuel in auxiliary diesel and diesel-electric engines, main propulsion diesel engines and auxiliary boilers. Vessels sailing within 24 miles of the California coastline whose itineraries call for them to enter any California ports, terminal facilities, or internal or estuarine waters must use marine gas oil or marine diesel oil with a sulfur content at or below 0.1% sulfur. The Company believes that its vessels that operate in California waters are in compliance with these regulations.

In August 2020, the California Air Resources Board ("CARB") announced expansion of its existing at-berth air emissions requirements. These changes will require that ships at berths in California ports operate with either shore power or with CARB-approved stringent emission controls on auxiliary engines and boilers. For tankers, these changes become effective in 2025 and 2027, depending on the ship type and port. The impact of these changes is not known at this time.

Security Regulations and Practices

Security at sea has been a concern to governments, shipping lines, port authorities and importers and exporters for years. Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. In 2002, the U.S. Maritime Transportation Security Act of 2002 ("MTSA") came into effect and the USCG issued regulations in 2003 implementing certain portions of the MTSA by requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, effective in July 2004, a new subchapter of SOLAS imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code (the "ISPS Code"). The ISPS Code is applicable to all cargo vessels of 500 gross tons plus all passenger ships operating on international voyages, mobile offshore drilling units, as well as port facilities that service them. The objective of the ISPS Code is to establish the framework that allows detection of security threats and implementation of preventive measures against security incidents that can affect ships or port facilities used in international trade. Among other things, the ISPS Code requires the development of vessel security plans and compliance with flag state security certification requirements. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state.

The USCG regulations, intended to align with international maritime security standards, exempt from MTSA vessel security measures for non-U.S. vessels that have on board a valid ISSC attesting to the vessel's compliance with SOLAS security requirements and the ISPS Code.

All of INSW's vessels have developed and implemented vessel security plans that have been approved by the appropriate regulatory authorities, have obtained ISSCs and comply with applicable security requirements.

The Company monitors the waters in which its vessels operate for pirate activity. Company vessels that transit areas where there is a high risk of pirate activity follow best management practices for reducing risk and preventing pirate attacks and are in compliance with protocols established by the naval coalition protective forces operating in such areas.

INSPECTION BY CLASSIFICATION SOCIETIES

Every oceangoing vessel must be "classed" by a Classification Society. The Classification Society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the Classification Society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the Classification Society will undertake them on application or by official order, acting on behalf of the authorities concerned. The Classification Society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned. For maintenance of the class certification, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- *Annual Surveys*. For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.
- *Intermediate Surveys*. Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out between the occasions of the second or third annual survey.
- *Class Renewal Surveys*. Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant, and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey the vessel is thoroughly examined, including ultrasonic measurements to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the Classification Society would prescribe steel renewals. The Classification Society may grant a one-year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the Classification Society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. Upon a shipowner's request, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class survey period. This process is referred to as continuous class renewal.

Vessels are required to dry dock for inspection of the underwater hull at each intermediate survey and at each class renewal survey. For tankers less than 15 years old, Classification Societies permit for intermediate surveys in water inspections by divers in lieu of dry docking, subject to other requirements of such Classification Societies.

If defects are found during any survey, the Classification Society surveyor will issue a "recommendation" which must be rectified by the vessel owner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a Classification Society that is a member of the International Association of Classification Societies, or IACS. In December 2013, IACS adopted new harmonized Common Structure Rules, which apply to crude oil tankers and dry bulk carriers to be constructed on or after July 1, 2015. All our vessels are currently, and we expect will continue to be, certified as being "in class" by a Classification Society that is a member of IACS. All new and secondhand vessels that we acquire must be certified as being "in class" prior to their delivery under our standard purchase contracts and memorandum of agreement. If the vessel is not certified on the date of closing, we have no obligation to take delivery of the vessel.

INSURANCE

Consistent with the currently prevailing practice in the industry, the Company presently carries protection and indemnity ("P&I") insurance coverage for pollution of $1.0 billion per occurrence on every vessel in its fleet. P&I insurance is provided by mutual protection and indemnity associations ("P&I Associations"). The P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's

liabilities. Each P&I Association has capped its exposure to each of its members at approximately $8.9 billion. As a member of a P&I Association that is a member of the International Group, the Company is subject to calls payable to the P&I Associations based on its claim record as well as the claim records of all other members of the individual Associations of which it is a member, and the members of the pool of P&I Associations comprising the International Group. As of December 31, 2022, the Company was a member of four P&I Associations. Each of the Company's vessels is insured by one of these four Associations with deductibles ranging from $0.025 million to $0.1 million per vessel per incident. While the Company has historically been able to obtain pollution coverage at commercially reasonable rates, no assurances can be given that such insurance will continue to be available in the future.

The Company carries marine hull and machinery and war risk (including piracy) insurance, which includes the risk of actual or constructive total loss, for all of its vessels. The vessels are each covered up to at least their fair market value, with deductibles ranging from $0.125 million to $0.250 million per vessel per incident. The Company is self-insured for hull and machinery claims in amounts in excess of the individual vessel deductibles up to a maximum aggregate loss of $1.5 million per policy year for certain of its vessels.

The Company currently maintains loss of hire insurance to cover loss of charter income resulting from accidents or breakdowns of its vessels, and the bareboat chartered vessels that are covered under the vessels' marine hull and machinery insurance. Loss of hire insurance covers up to 60 days lost charter income per vessel per incident in excess of the first 60 days lost for each covered incident, which is borne by the Company.

INCOME TAXATION OF THE COMPANY

INSW is incorporated in the Republic of the Marshall Islands and pursuant to the laws of the Marshall Islands, the Company is not subject to income tax in the Marshall Islands.

The following summary of the principal U.S. income tax laws applicable to the Company, as well as the conclusions regarding certain issues of income tax law, are based on the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed U.S. Treasury Department regulations, administrative rulings, pronouncements and judicial decisions, all as of the date of this Annual Report on Form 10-K. No assurance can be given that changes in or interpretation of existing laws will not occur or will not be retroactive or that anticipated future circumstances will in fact occur.

All of the Company's vessels are owned or operated by foreign corporations that are subsidiaries of INSW.

Taxation of INSW on its Shipping Income

INSW derives substantially all of its gross income from the use and operation of vessels in international commerce. This income principally consists of hire from time and voyage charters for the transportation of cargoes and the performance of services directly related thereto, which is referred to herein as "shipping income."

In 2022 and prior years, INSW was exempt from taxation on its U.S. source shipping income under Section 883 of the Code and Treasury regulations. For 2023 and future years, INSW will need to evaluate its qualification for exemption under Section 883 and there can be no assurance that INSW will continue to qualify for the exemption. Our qualification for the exemption under Section 883 is described in more detail under "Risk Factors — Risks Related to Legal and Regulatory Matters — *We may be subject to U.S. federal income tax on U.S. source shipping income, which would reduce our net income and cash flows*." To the extent INSW is unable to qualify for exemption from tax under Section 883, 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 United States 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. will be considered to be 100% derived from sources within the United States. INSW does not engage in transportation that gives rise to 100% U.S. source income. Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States and will generally not be subject to any U.S. federal income tax. INSW's vessels operate in various parts of the world, including to or from U.S. ports.

ITEM 1A. RISK FACTORS

This section highlights important risk factors that could cause actual results to differ materially from those contained in the forward-looking statements made in this report or presented elsewhere by management from time to time. If any of the circumstances or events described below actually arise or occur, the Company's business, results of operations and financial condition could be materially adversely affected. Actual dollar amounts are used in this Item 1A. "Risk Factors" section.

Summary of Risk Factors

The following is a summary of the risk factors you should be aware of before making a decision to invest in our common stock. This summary does not address all the risks we face. Additional discussion of the risks summarized in this risk factor summary, and other risks we face, can be found below in this risk factor section and should be carefully considered, together with other information in this annual report on Form 10-K and other filings with the SEC, before making an investment decision regarding our common stock.

Risks Related to Our Industry

- The highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which could adversely affect the Company's earnings and available cash.
- The market value of vessels fluctuates significantly, which could adversely affect INSW's liquidity or otherwise adversely affect its financial condition.
- Declines in charter rates and other market deterioration could cause INSW to incur impairment charges.
- Changes in the worldwide supply of vessels or an expansion of the capacity of newly-built vessels, without a commensurate shift in demand for such vessels, may cause spot chart rates to increase or decline, affecting INSW's revenues, profitability and cash flows, and the value of its vessels.
- Shipping is a business with inherent risks, and INSW's insurance may not be adequate to cover its losses.
- Counterparty credit risk and constraints on capital availability may adversely affect INSW's business.
- The state of the global financial markets may adversely impact the Company's ability to obtain additional financing on acceptable terms and otherwise negatively impact the Company's business.
- INSW conducts its operations internationally, which subjects it to changing economic, political and governmental conditions that may adversely affect its business.
- Acts of piracy on ocean-going vessels, terrorist attacks and international hostilities and instability could adversely affect the Company's business.
- The war between Russia and Ukraine could adversely affect INSW's business.
- Public health threats could adversely affect INSW's business.
- The ongoing pandemic involving the novel coronavirus (COVID-19) has adversely affected the Company's business, operations and financial results, and will likely continue to do so.

Risks Related to Our Company

- INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW's ability to fulfill its obligations under that indebtedness.
- The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, term loans and certain vessel charters.
- INSW is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligations or pay dividends.
- The Company will be required to make additional capital expenditures to expand the number of vessels in its fleet and to maintain its vessels, which depend on additional financing.
- The Company depends on third-party service providers for technical and commercial management of its fleet.
- INSW's business depends on voyage charters, and any future decrease in spot charter rates could adversely affect its earnings.
- INSW may not be able to renew Time Charters when they expire or enter into new Time Charters.

- Termination of, or a change in the nature of, INSW's relationship with any of the commercial pools in which it participates could adversely affect its business.
- INSW may not realize the benefits it expects from past acquisitions or acquisitions or other strategic transactions it may make in the future.
- The smuggling or alleged smuggling of drugs or other contraband onto the Company's vessels may lead to governmental claims against the Company.
- Operational costs and capital expenses will increase as the Company's vessels age and may also increase due to unanticipated events related to secondhand vessels and the consolidation of suppliers.
- The Company is subject to credit risks with respect to its counterparties on contracts, and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings.
- The Company may face unexpected drydock costs for its vessels.
- Technological innovation could reduce the Company's charter income and the value of the Company's vessels.
- The Company stores, processes, maintains, and transmits confidential information through information technology ("IT") systems. Cybersecurity issues, such as security breaches and computer viruses, affecting INSW's IT systems and those of its third-party vendors, suppliers or counterparties, could disrupt INSW's business, result in unintended disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs, and cause losses.
- INSW's revenues are subject to seasonal variations.
- Effective internal controls are necessary for the Company to provide reliable financial reports and effectively prevent fraud.
- Future discontinuation of LIBOR may adversely affect the interest rate on certain of our debt facilities which reference LIBOR.

Risks Related to Legal and Regulatory Matters

- Climate change and greenhouse emissions may adversely affect our operating results.
- Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance policies may impose additional costs on us or expose us to additional risks.
- Compliance with complex laws, regulations, and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases ("GHGs"), may adversely affect INSW's business.
- The employment of the Company's vessels could be adversely affected by an inability to clear the oil majors' risk assessment process.
- The Company's vessels may be directed to call on ports located in countries that are subject to restrictions imposed by the U.S. government, the U.N., the United Kingdom, or the EU, which could negatively affect the trading price of the Company's common shares.
- The Company may be subject to litigation and government inquiries or investigations that, if not resolved in the Company's favor and not sufficiently covered by insurance, could have a material adverse effect on it.
- Maritime claimants could arrest INSW's vessels, which could interrupt cash flows.
- Governments could requisition the Company's vessels during a period of war or emergency, which may negatively impact the Company's business, financial condition, results of operation and available cash.
- We may be subject to U.S. federal income tax on U.S. source shipping income, which could reduce our net income and cash flows.
- U.S. tax authorities could treat us as a "passive foreign investment company", which could have adverse U.S. federal income tax consequences to U.S. shareholders.

Risks Related to the Common Stock

- We are incorporated in the Marshall Islands, which may have fewer rights and protections for shareholders than under a typical jurisdiction in the United States.
- It may be difficult to serve process on or enforce a United States judgment against us, our officers and our directors because we are a foreign corporation.
- The market price of the Company's securities may fluctuate significantly.
- Our Rights Plan may discourage, delay or prevent a change of control of the Company or changes to our management and, therefore, depress the market price of our Common Stock.
- Future offerings of debt or equity securities by the Company may materially adversely affect the share price, and future capitalization measures could lead to substantial dilution of existing shareholders' interests in the Company.

- INSW may not continue to pay cash dividends on its Common Stock.

Risks Related to Our Industry

The highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which could adversely affect the Company's earnings and available cash.

INSW depends on short duration, or "spot," charters, for a significant portion of its revenues, which exposes INSW to fluctuations in market conditions. In the years ended December 31, 2022, 2021 and 2020, INSW derived approximately 96%, 81% and 79%, respectively, of its TCE revenues in the spot market. The tanker industry is both cyclical and volatile in terms of charter rates and profitability. Fluctuations in charter rates and vessel values result from changes in supply and demand both for tanker capacity and for oil and oil products. Factors affecting these changes in supply and demand are generally outside of the Company's control. The nature, timing and degree of changes in industry conditions are unpredictable and could adversely affect the values of the Company's vessels or result in significant fluctuations in the amount of charter revenues the Company earns, which could result in significant volatility in INSW's quarterly results and cash flows, and the Company's ability to remain in compliance with financial covenants in its credit facilities. See "—The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, notes and term loans."

Factors influencing the demand for tanker capacity include:

- supply and demand for, and availability of, energy resources such as oil, oil products and natural gas, which affect customers' need for vessel capacity;
- global and regional economic and political conditions, including armed conflicts, terrorist activities and strikes, that among other things could impact the supply of oil, as well as trading patterns and the demand for various vessel types;
- regional availability of refining capacity and inventories;
- changes in the production levels of crude oil (including in particular production by OPEC, the United States and other key producers);
- developments in international trade generally;
- changes in seaborne and other transportation patterns, including changes in the distances that cargoes are transported, changes in the price of crude oil and changes to the West Texas Intermediate and Brent Crude Oil pricing benchmarks;
- environmental and other legal and regulatory developments and concerns;
- government subsidies of shipbuilding;
- construction or expansion of new or existing pipelines or railways;
- weather and natural disasters;
- competition from alternative sources of energy; and
- international sanctions, embargoes, import and export restrictions or nationalizations and wars.

Factors influencing the supply of vessel capacity include:

- the number of newbuilding deliveries;
- the recycling rate of older vessels;
- environmental and maritime regulations;
- the number of vessels being used for storage or as FSO service vessels;
- the number of vessels that are removed from service;
- availability and pricing of other energy sources for which tankers can be used or to which construction capacity may be dedicated; and
- port or canal congestion and weather delays.

Many of the factors that influence the demand for tanker capacity will also, in the longer term, effectively influence the supply of tanker capacity, since decisions to build new capacity, invest in capital repairs, or to retain in service older obsolescent capacity are influenced by the general state of the marine transportation industry from time to time. If the number of new ships of a particular class delivered exceeds the number of vessels of that class being recycled, available capacity in that class will increase. The newbuilding

order book of all classes of tankers (representing vessels in various stages of planning or construction that will be delivered in the future) equaled 4%, 7% and 8% as of each of December 31, 2022, 2021 and 2020.

The market value of vessels fluctuates significantly, which could adversely affect INSW's liquidity or otherwise adversely affect its financial condition.

The market value of vessels has fluctuated over time. The fluctuation in market value of vessels over time is based upon various factors, including:

- age of the vessel;
- general economic and market conditions affecting the tanker industry, including the availability of vessel financing;
- number of vessels in the world fleet;
- types and sizes of vessels available;
- changes in trading patterns affecting demand for particular sizes and types of vessels;
- cost of newbuildings;
- prevailing level of charter rates;
- environmental and maritime regulations;
- competition from other shipping companies and from other modes of transportation;
- technological advances in vessel design and propulsion and overall vessel efficiency; and
- ability to utilize less expensive fuels.

During 2022, tanker values increased, primarily because of higher TCE rates, greater residual values of tankers because of higher steel prices, and limited shipyard capacity to construct tankers because of orders for other categories of vessels such as bulk carriers and container ships. If INSW sells a vessel at a sale price that is less than the vessel's carrying amount on the Company's financial statements, INSW will incur a loss on the sale and a reduction in earnings and surplus. Declines in the values of the Company's vessels could adversely affect the Company's compliance with its loan covenants.

Declines in charter rates and other market deterioration could cause INSW to incur impairment charges.

The Company evaluates events and changes in circumstances that have occurred to determine whether they indicate that the carrying amounts of the vessel assets might not be recoverable. This review for potential impairment indicators and projection of future cash flows related to the vessels is complex and requires the Company to make various estimates, including with respect to future freight rates, earnings from the vessels, market appraisals and discount rates. All of these items have historically been volatile. The Company evaluates the recoverable amount of a vessel asset as the sum of its undiscounted estimated future cash flows. If the recoverable amount is less than the vessel's carrying amount, the vessel's carrying amount is then compared to its estimated fair value. If the vessel's carrying amount is less than its fair value, it is deemed impaired. The carrying values of the Company's vessels may differ significantly from their fair market value. The Company recorded vessel impairment charges totaling $1.7 million during 2022.

Changes in the worldwide supply of vessels or an expansion of the capacity of newly-built tankers, without a commensurate shift in demand for such vessels, may cause spot charter rates to increase or decline, affecting INSW's revenues, profitability and cash flows, and the value of its vessels.

Changes in vessel supply have historically been a driver of both spot market rates and the overall cyclicality of the maritime industry. When the number of new ships of a particular class delivered exceeds the number of vessels of that class being recycled over a period, available capacity in that class increases. Although vessel recycling levels over any particular period will depend on various factors, including charter rates and recycling prices, the newbuilding order book (i.e., vessels in various stages of planning or construction that will be delivered in the future) represented 4% and 7% of the existing world tanker fleet as of each of December 31, 2022 and 2021. In addition, if newly built tankers have more capacity than the tankers being recycled or otherwise removed from the active world fleet, overall tanker capacity will expand. Supply is also affected by the number of tankers being used for floating storage (which are thus not available to transport crude oil or petroleum products). Although currently only a relatively small percentage of the world tanker fleet is being used for storage at sea, that percentage varies over time, and is affected by expectations of changes in the price of oil and petroleum products, with vessel use generally increasing when prices are expected to increase more than storage costs and generally decreasing when they are not. Any of these factors may cause both spot charter rates and the value of the INSW's vessels to fluctuate, and may have a material adverse effect on our revenues, profitability, cash flows and financial condition.

Shipping is a business with inherent risks, and INSW's insurance may not be adequate to cover its losses.

INSW's vessels and their cargoes are at risk of being damaged or lost and its vessel crews and shoreside employees are at risk of injury or death because of events including, but not limited to:

- marine disasters;
- bad weather;
- mechanical failures;
- human error;
- war, terrorism and piracy;
- grounding, fire, explosions and collisions; and
- other unforeseen circumstances or events.

These hazards may result in death or injury to persons; loss of revenues or property; demand for the payment of ransoms; environmental damage; higher insurance rates; damage to INSW's customer relationships; and market disruptions, delay or rerouting, any or all of which may also subject INSW to litigation. In addition, transporting crude oil and refined petroleum products creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes, port closings and boycotts. The operation of tankers also has unique operational risks associated with the transportation of oil. An oil spill may cause significant environmental damage and the associated costs could exceed the insurance coverage available to the Company. Compared to other types of vessels, tankers are also exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high flammability of the oil transported in tankers. Furthermore, any such incident could seriously damage INSW's reputation and cause INSW either to lose business or to be less likely to be able to enter into new business (either because of customer concerns or changes in customer vetting processes). Any of these events could result in loss of revenues, decreased cash flows and increased costs.

While the Company carries insurance to protect against certain risks involved in the conduct of its business, risks may arise against which the Company is not adequately insured. For example, a catastrophic spill could exceed INSW's $1.0 billion per vessel insurance coverage and have a material adverse effect on its operations. In addition, INSW may not be able to procure adequate insurance coverage at commercially reasonable rates in the future, and INSW cannot guarantee that any particular claim will be paid by its insurers. In the past, new and stricter environmental regulations have led to higher costs for insurance covering environmental damage or pollution, and new regulations could lead to similar increases or even make this type of insurance unavailable. Furthermore, even if insurance coverage is adequate to cover the Company's losses, INSW may not be able to timely obtain a replacement ship or may suffer other consequential harm or difficulty in the event of a loss. INSW may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which INSW obtains insurance coverage for tort liability. INSW's payment of these calls could result in significant expenses which would reduce its profits and cash flows or cause losses.

Counterparty credit risk and constraints on capital availability may adversely affect INSW's business.

Certain of the Company's customers, financial lenders and suppliers may suffer material adverse impacts on their financial condition that could make them unable or unwilling to comply with their contractual commitments, including the refusal or inability to pay charter hire to INSW or an inability or unwillingness to lend funds. While INSW seeks to monitor the financial condition of its customers, financial lenders and suppliers, the availability and accuracy of information about the financial condition of such entities and the actions that INSW may take to reduce possible losses resulting from the failure of such entities to comply with their contractual obligations is limited. Any such failure could have a material adverse effect on INSW's revenues, profitability and cash flows.

The Company also faces other potential constraints on capital relating to counterparty credit risk and constraints on INSW's ability to borrow funds. See also "— Risks Related to Our Company — *The Company is subject to credit risks with respect to its counterparties on contracts and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings*" and "— Risks Related to Our Company — *INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW's ability to fulfill its obligations under that indebtedness*."

The state of the global financial markets may adversely impact the Company's ability to obtain additional financing on acceptable terms and otherwise negatively impact the Company's business.

Global financial markets have been, and continue to be, volatile. In recent years, businesses in the global economy have faced tightening credit and deteriorating international liquidity conditions. There have been periods where there was a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry, due to regulatory pressures (e.g., Basel IV) and the historically volatile asset values of vessels, exacerbated by individual companies' exposure to the spot market (i.e., without fixed or locked in time charter coverage). As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it may be negatively affected by any such decline.

Also, concerns about the stability of financial markets generally and the solvency of counterparties specifically, may increase the cost of obtaining money from the credit markets. Lenders may also enact tighter lending standards, refuse to refinance existing debt at all or on terms similar to current debt and reduce, and in some cases cease to provide funding to borrowers. Due to these factors, additional financing may not be available if needed and to the extent required, on acceptable terms or at all. While the Company successfully refinanced in 2022 approximately $575 million of then existing indebtedness, if additional financing is not available when current facilities mature, or is available only on unfavorable terms, the Company may be unable to meet its obligations as they come due or the Company may be unable to execute its business strategy, complete additional vessel acquisitions, or otherwise take advantage of potential business opportunities as they arise.

INSW conducts its operations internationally, which subjects it to changing economic, political and governmental conditions that may adversely affect its business.

The Company conducts its operations internationally, and its business, financial condition, results of operations and cash flows may be adversely affected by changing economic, political and government conditions in the countries and regions where its vessels are employed, including:

- regional or local economic downturns;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds into or out of countries in which INSW or its customers operate;
- difficulty in staffing and managing (including ensuring compliance with internal policies and controls) geographically widespread operations;
- trade relations with foreign countries in which INSW's customers and suppliers have operations, including protectionist measures such as tariffs and import or export licensing requirements;
- general economic and political conditions, which may interfere with, among other things, the Company's supply chain, its customers and all of INSW's activities in a particular location;
- difficulty in enforcing contractual obligations in non-U.S. jurisdictions and the collection of accounts receivable from foreign accounts;
- different regulatory regimes in the various countries in which INSW operates;
- inadequate intellectual property protection in foreign countries;
- the difficulties and increased expenses in complying with multiple and potentially conflicting U.S. and foreign laws, regulations, security rules, product approvals and trade standards, anti-bribery laws, government sanctions and restrictions on doing business with certain nations or specially designated nationals;
- import and export duties and quotas;
- demands for improper payments from port officials or other government officials;
- U.S. and foreign customs, tariffs and taxes;
- currency exchange controls, restrictions and fluctuations, which could result in reduced revenue and increased operating expense;
- international incidents;
- transportation delays or interruptions;
- local conflicts, acts of war, terrorist attacks or military conflicts;
- changes in oil prices or disruptions in oil supplies that could substantially affect global trade, the Company's customers' operations and the Company's business;

- the imposition of taxes by flag states, port states and jurisdictions in which INSW or its subsidiaries are incorporated or where its vessels operate; and
- expropriation of INSW's vessels.

The occurrence of any such event could have a material adverse effect on the Company's business.

Additionally, protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. In particular, leaders in the United States have indicated the United States may seek to implement more protective trade measures and to withdraw from certain international trade treaties, including with China. Increasing trade protectionism may cause an increase in the cost of goods exported from regions globally, particularly the Asia-Pacific region and the risks associated with exporting goods, which may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs. Further, increased tensions may adversely affect oil demand, which would have an adverse effect on shipping rates.

INSW must comply with complex U.S. and non-U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to government officials; anti-money laundering laws; and competition regulations. Moreover, the shipping industry is generally considered to present elevated risks in these areas. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on the Company's business operations and on the Company's ability to transport cargo to one or more countries, and could also materially affect the Company's brand, ability to attract and retain employees, international operations, business and operating results. Although INSW has policies and procedures designed to achieve compliance with these laws and regulations, INSW cannot be certain that its employees, contractors, joint venture partners or agents will not violate these policies and procedures. INSW's operations may also subject its employees and agents to extortion attempts.

Changes in fuel prices may adversely affect profits.

Fuel is a significant expense in the Company's shipping operations when vessels are under voyage charter. Accordingly, an increase in the price of fuel may adversely affect the Company's profitability if these increases cannot be passed onto customers. The price and supply of fuel is unpredictable and fluctuates based on events outside the Company's control, including geopolitical developments; supply and demand for oil and gas; actions by OPEC, and other oil and gas producers; war and unrest in oil producing countries and regions; regional production patterns; and environmental concerns and regulations, including requirements to use certain fuels that are more costly.

Acts of piracy on ocean-going vessels could adversely affect the Company's business.

The threat of pirate attacks on seagoing vessels remains, particularly off the west coast of Africa and in the South China Sea. If piracy attacks result in regions in which the Company's vessels are deployed being characterized by insurers as "war risk" zones, as the Gulf of Aden has been, or Joint War Committee "war and strikes" listed areas, premiums payable for insurance coverage could increase significantly, and such insurance coverage may become difficult to obtain. Crew costs could also increase in such circumstances due to risks of piracy attacks.

In addition, while INSW believes the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not "on-hire" for a certain number of days and it is therefore entitled to cancel the charter party, a claim the Company would dispute. The Company may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on the Company. In addition, hijacking as a result of an act of piracy against the Company's vessels, or an increase in the cost (or unavailability) of insurance for those vessels, could have a material adverse impact on INSW's business, financial condition, results of operations and cash flows. Such attacks may also impact the Company's customers, which could impair their ability to make payments to the Company under their charters.

Terrorist attacks and international hostilities and instability can affect the tanker industry, which could adversely affect INSW's business.

Terrorist attacks, the outbreak of war, or the existence of international hostilities could damage the world economy, adversely affect the availability of and demand for crude oil and petroleum products and adversely affect both the Company's ability to charter its vessels and the charter rates payable under any such charters. In addition, INSW operates in a sector of the economy that is likely to be adversely impacted by the effect of political instability, terrorist or other attacks, war or international hostilities. Political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region and most recently in the Black Sea in connection with the war between Russia and the Ukraine. These factors could also increase the costs to the Company of conducting its business, particularly crew, insurance and security costs, and prevent or restrict the Company from obtaining insurance coverage, all of which have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

In April 2019, Iran publicly threatened that it would interrupt the flow of oil through the Straits of Hormuz, the entrance to the Arabian Gulf. Commencing in May 2019, several vessels in the Arabian Gulf have been attacked, which attacks the United States has attributed to Iranian forces, and at least one vessel has been seized by Iran. Further the war between Russia and the Ukraine has resulted in attacks on commercial vessels in the Black Sea. None of these attacks or seizures have involved the Company's vessels. To date, these attacks and vessel seizures, while increasing the costs of the Company conducting its business to a limited extent, have not had a material adverse effect on INSW's business, financial condition, results of operations and cash flow but no assurance can be given that continued vessel attacks or seizures will not do so.

Public health threats could have an adverse effect on the Company's operations and financial results.

Public health threats and other highly communicable diseases, outbreaks of which have already occurred in various parts of the world near where INSW operates, could adversely impact the Company's operations, the operations of the Company's customers and the global economy, including the worldwide demand for crude oil and the level of demand for INSW's services. Any quarantine of personnel, restrictions on travel to or from countries in which INSW operates, or inability to access certain areas could adversely affect the Company's operations. Travel restrictions, operational problems or large-scale social unrest in any part of the world in which INSW operates, or any reduction in the demand for tanker services caused by public health threats in the future, may impact INSW's operations and adversely affect the Company's financial results.

The pandemic involving the novel coronavirus (COVID-19) has adversely affected the Company's business, operations and financial results, and may continue to do so.

The Company's tankers transport crude oil and refined petroleum products on behalf of its customers, which include oil majors, oil traders and national oil companies. Our business, operations and financial results are directly impacted by the overall level of demand for our vessels, and that demand is in turn affected by overall global economic conditions. Historically, there has been a strong correlation between global economic developments and the demand for energy, including crude oil and refined petroleum products. In the past, declines in global economic activity have significantly reduced the level of demand for the Company's vessels.

The COVID-19 pandemic, which began in the first quarter of 2020, has resulted in significant deterioration of worldwide, regional or national economic conditions and activity. While other conditions, such as decrease in the global price of oil throughout the first half of 2020 and the increased ton mile demand due to changing trade patterns resulting from the war between Russia and Ukraine, had offsetting effects on our business and financial results, the continuation of the pandemic has adversely affected crude oil production and global demand for crude oil and petroleum products and for tankers that transport such cargo.

In addition, other adverse effects of the COVID-19 outbreak have included, or may in the future include:

- Disruptions to the operations of participants in the tanker industry due to the potential health impact on workforces, including vessel crews;
- Business disruptions from, or additional costs related to, new regulations, directives or practices that have been or may in the future be implemented in response to the pandemic, such as enhanced border controls, travel restrictions for individuals and vessels, hygiene measures (such as quarantines and social distancing), and the implementation of remote working arrangements;

- Potential delays in the loading and discharging of cargo on or from our vessels resulting from quarantine, worker health, regulations, or a shortage of or inability to obtain or deliver:
    - required spares; or
    - vessel inspections and related certifications by classification societies, oil majors or government agencies; or
    - maintenance and any repairs or upgrades to, or upgrading of, vessels;
- Reduced cash flow or deteriorating financial condition, including potential liquidity constraints;
- Reduced access to capital as a result of credit tightening generally or due to continued declines in global financial markets;
- Potential decreases in the market value of our vessels and the effect of any related impairment charges on our financial results;
- Potential deterioration in the financial condition, creditworthiness and prospects of our customers, contract counterparties and other tanker industry participants; and
- Potential noncompliance with our covenants in our credit facilities.

The effects of the COVID-19 pandemic remain dynamic, and its ultimate scope, duration and effects cannot be predicted with any certainty at this time. The coronavirus outbreak has adversely affected our business, and no assurance can be given that in the future the COVID-19 outbreak and its consequences will not have a material adverse effect on the Company's business, operations and financial results.

Risks Related to Our Company

INSW has incurred significant indebtedness which could affect its ability to finance its operations, pursue desirable business opportunities and successfully run its business in the future, all of which could affect INSW's ability to fulfill its obligations under that indebtedness.

As of December 31, 2022, INSW had approximately $1,065.3 million of outstanding indebtedness (including finance lease obligations), net of discounts and deferred finance costs. INSW's substantial indebtedness and interest expense could have important consequences, including:

- limiting INSW's ability to use a substantial portion of its cash flow from operations in other areas of its business, including for working capital, capital expenditures and other general business activities, because INSW must dedicate a substantial portion of these funds to service its debt;
- to the extent INSW's future cash flows are insufficient, requiring the Company to seek to incur additional indebtedness in order to make planned capital expenditures and other expenses or investments;
- limiting INSW's ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, and other expenses or investments planned by the Company;
- limiting the Company's flexibility and ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation, and INSW's business and industry;
- limiting INSW's ability to satisfy its obligations under its indebtedness; and
- increasing INSW's vulnerability to a downturn in its business and to adverse economic and industry conditions generally.

INSW's ability to continue to fund its obligations and to reduce or refinance debt in the future may be affected by among other things, the age of the Company's fleet and general economic, financial market, competitive, legislative and regulatory factors. An inability to fund the Company's debt requirements or reduce or refinance debt in the future could have a material adverse effect on INSW's business, financial condition, results of operations and cash flows. Further, for certain lease transactions, including finance leases, the Company's ability to prepay the lease is restricted so the lease obligations may remain outstanding throughout the lease term even if it is financially advantageous for the Company to prepay the lease.

Additionally, the actual or perceived credit quality of the Company's or its pools' charterers (as well as any defaults by them) could materially affect the Company's ability to obtain the additional capital resources that it will require to purchase additional vessels or significantly increase the costs of obtaining such capital. The Company's inability to obtain additional financing at an acceptable cost, or at all, could materially affect the Company's results of operation and its ability to implement its business strategy.

The Company may not be able to generate sufficient cash to service all of its indebtedness and could in the future breach covenants in its credit facilities, term loans, and certain vessel charters.

The Company's earnings, cash flow and the market value of its vessels vary significantly over time due to the cyclical nature of the tanker industry, as well as general economic and market conditions affecting the industry. As a result, the amount of debt that INSW can manage in some periods may not be appropriate in other periods and its ability to meet the financial covenants to which it is subject or may be subject in the future may vary. Additionally, future cash flow may be insufficient to meet the Company's debt obligations and commitments. Any insufficiency could negatively impact INSW's business.

Additionally, the $750 Million Credit Facility contains certain restrictions relating to new borrowings as set forth in the loan agreement. The Company's debt facilities contain customary representations, warranties, restrictions and covenants including financial covenants that 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 potion of Consolidated Indebtedness); and (iv) to ensure the aggregate Fair Market Value of the Collateral Vessels will not be less than 135% of the aggregate outstanding principal amount of the Term Loans and Revolving Loans of each Facility. Certain of the Company's vessel leases also contain similar financial covenants.

While the Company is in compliance with all of its loan covenants, a decrease in vessel values or a failure to meet collateral maintenance requirements could cause the Company to breach certain covenants in its existing credit facilities, term loans and vessel leases, or in future financing agreements that the Company may enter into from time to time. If the Company breaches such covenants and is unable to remedy the relevant breach or obtain a waiver, the Company's lenders could accelerate its debt and lenders could foreclose on the Company's owned vessels and the owners of certain vessels that the Company charters in could terminate such charters.

A range of economic, competitive, financial, business, industry and other factors will affect future financial performance, and, accordingly, the Company's ability to generate cash flow from operations and to pay debt and to meet the financial covenants under the Company's debt facilities. Many of these factors, such as charter rates, economic and financial conditions in the tanker industry and the global economy or competitive initiatives of competitors, are beyond the Company's control. If INSW does not generate sufficient cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as:

- refinancing or restructuring its debt;
- selling tankers or other assets;
- reducing or delaying investments and capital expenditures; or
- seeking to raise additional capital.

Undertaking alternative financing plans, if necessary, might not allow INSW to meet its debt obligations. The Company's ability to restructure or refinance its debt will depend on the condition of the capital markets, its access to such markets and its financial condition at that time. Any refinancing of debt could be at higher interest rates and might require the Company to comply with more onerous covenants, which could further restrict INSW's business operations. In addition, the terms of existing or future debt instruments may restrict INSW from adopting some alternative measures. These alternative measures may not be successful and may not permit INSW to meet its scheduled debt service obligations. The Company's inability to generate sufficient cash flow to satisfy its debt obligations, to meet the covenants of its credit agreements and term loans and/or to obtain alternative financing in such circumstances, could materially and adversely affect INSW's business, financial condition, results of operations and cash flows.

INSW is a holding company and depends on the ability of its subsidiaries to distribute funds to it in order to satisfy its financial obligation or pay dividends.

International Seaways, Inc. is a holding company and its subsidiaries conduct all of its operations and own all of its operating assets. It has no significant assets other than the equity interests in its subsidiaries. As a result, its ability to satisfy its financial obligations or pay dividends depends on its subsidiaries and their ability to distribute funds to it. In addition, the terms of certain of the Company's financing agreements restrict the ability of certain of those subsidiaries to distribute funds to International Seaways, Inc.

The Company will be required to make additional capital expenditures to expand the number of vessels in its fleet and to maintain all of its vessels, which depend on additional financing.

The Company's business strategy is based in part upon the expansion of its fleet through the purchase of additional vessels at attractive points in the tanker cycle. The Company currently has newbuilding construction contracts for the purchase of three dual fuel VLCCs which provide for installment payments of the purchase price to be made by the Company as the vessels are being built. If the Company is unable to fulfil its obligations under such contracts, the shipyard constructing such vessels may be permitted to terminate such contracts and the Company may be required to forfeit all or a portion of the down payments it made under such contracts and it may also be sued for any outstanding balance. In addition, as a vessel must be drydocked within five years of its delivery from a shipyard, with survey cycles of no more than 60 months for the first three surveys, and 30 months thereafter, not including any unexpected repairs, the Company will incur significant maintenance costs for its existing and any newly-acquired vessels. As a result, if the Company does not utilize its vessels as planned, these maintenance costs could have material adverse effects on the Company's business, financial condition, results of operations and cash flows.

The Company depends on third-party service providers for technical and commercial management of its fleet.

The Company currently outsources to third-party service providers certain management services of its fleet, including technical management, certain aspects of commercial management and crew management. In particular, the Company has entered into ship management agreements that assign technical management responsibilities to a third-party technical manager for each conventional tanker in the Company's fleet (collectively, the "Ship Management Agreements"). The Company has also transferred commercial management of much of its fleet to certain other third-party service providers, principally commercial pools.

In such outsourcing arrangements, the Company has transferred direct control over technical and commercial management of the relevant vessels, while maintaining significant oversight and audit rights, and must rely on third-party service providers to, among other things:

- comply with contractual commitments to the Company, including with respect to safety, quality and environmental compliance of the operations of the Company's vessels;
- comply with requirements imposed by the U.S. government, the United Nations ("U.N.") and the EU (i) restricting calls on ports located in countries that are subject to sanctions and embargoes and (ii) prohibiting bribery and other corrupt practices;
- respond to changes in customer demands for the Company's vessels;
- obtain supplies and materials necessary for the operation and maintenance of the Company's vessels; and
- mitigate the impact of labor shortages and/or disruptions relating to crews on the Company's vessels.

The failure of third-party service providers to meet such commitments could lead to legal liability or other damages to the Company. The third-party service providers the Company has selected may not provide a standard of service comparable to that the Company would provide for such vessels if the Company directly provided such service. The Company relies on its third-party service providers to comply with applicable law, and a failure by such providers to comply with such laws may subject the Company to liability or damage its reputation even if the Company did not engage in the conduct itself. Furthermore, damage to any such third party's reputation, relationships or business may reflect on the Company directly or indirectly, and could have a material adverse effect on the Company's reputation and business.

The third-party technical manager has the right to terminate the Ship Management Agreements at any time with 90 days' notice. If the third-party technical manager exercises that right, the Company will be required either to enter into substitute agreements with other third parties or to assume those management duties. The Company may not succeed in negotiating and entering into such agreements with other third parties and, even if it does so, the terms and conditions of such agreements may be less favorable to the Company. Furthermore, if the Company is required to dedicate internal resources to managing its fleet (including, but not limited to, hiring additional qualified personnel or diverting existing resources), that could result in increased costs and reduced efficiency and profitability. Any such changes could result in a temporary loss of customer approvals, could disrupt the Company's business and have a material adverse effect on the Company's business, results of operations and financial condition.

INSW's business depends on voyage charters, and any future decrease in spot charter rates could adversely affect its earnings.

Voyage charters, including vessels operating in commercial pools that predominantly operate in the spot market, constituted 96% of INSW's aggregate TCE revenues in the year ended December 31, 2022, 81% in 2021 and 79% in 2020. Accordingly, INSW's shipping revenues are significantly affected by prevailing spot rates for voyage charters in the markets in which the Company's vessels operate. The spot charter market may fluctuate significantly from time to time based upon tanker and oil supply and demand. The spot market is very volatile, and, in the past, there have been periods when spot charter rates have declined below the operating cost of vessels. The successful operation of INSW's vessels in the competitive spot charter market depends on, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. If spot charter rates decline in the future, then INSW may be unable to operate its vessels trading in the spot market profitably, or meet its other obligations, including payments on indebtedness. Furthermore, as charter rates for spot charters are fixed for a single voyage, which may last up to several weeks during periods in which spot charter rates are rising or falling, INSW will generally experience delays in realizing the benefits from or experiencing the detriments of those changes. See also Item 1, "Business — Fleet Operations — Commercial Management."

INSW may not be able to renew Time Charters when they expire or enter into new Time Charters.

INSW's ability to renew expiring contracts or obtain new charters will depend on the prevailing market conditions at the time of renewal. As of December 31, 2022, INSW employed four of its vessels on time charters, with expiration dates ranging between March 2023 and August 2024. The Company's existing time charters may not be renewed at comparable rates or if renewed or entered into, those new contracts may be at less favorable rates. In addition, there may be a gap in employment of vessels between current charters and subsequent charters. If, upon expiration of the existing time charters, INSW is unable to obtain time charters or voyage charters at desirable rates, the Company's business, financial condition, results of operations and cash flows may be adversely affected.

Termination of, or a change in the nature of, INSW's relationship with any of the commercial pools in which it participates could adversely affect its business.

As of December 31, 2022, nine of the Company's 10 VLCCs participate in the TI pool; 12 of its 13 Suezmaxes participate in the PENFIELD pool; all of the Company's four Aframaxes participate in the DAKOTA pool; all eight of its LR1s participate in the PI pool; and 37 of the 38 MRs participate in the CPTA pool or NTP pool. INSW's participation in these pools is intended to enhance the financial performance of the Company's vessels through higher vessel utilization. Any participant in any of these pools has the right to withdraw upon notice in accordance with the relevant pool agreement. Changes in the management of, and the terms of, these pools (including as a result of changes adopted in conjunction with the IMO 2020 regulations), decreases in the number of vessels participating in these pools, or the termination of these pools, could result in increased costs and reduced efficiency and profitability for the Company.

In addition, in recent years the EU has published guidelines on the application of the EU antitrust rules to traditional agreements for maritime services such as commercial pools. While the Company believes that all the commercial pools it participates in comply with EU rules, there has been limited administrative and judicial interpretation of the rules. Restrictive interpretations of the guidelines could adversely affect the ability to commercially market the respective types of vessels in commercial pools.

In the highly competitive international market, INSW may not be able to compete effectively for charters.

The Company's vessels are employed in a highly competitive market. Competition arises from other vessel owners, including major oil companies, which may have substantially greater resources than INSW. Competition for the transportation of crude oil and other petroleum products depends on price, location, size, age, condition and the acceptability of the vessel operator to the charterer. The Company believes that because ownership of the world tanker fleet is highly fragmented, no single vessel owner is able to influence charter rates.

INSW may not realize the benefits it expects from past acquisitions or acquisitions or other strategic transactions it may make in the future.

From time to time, INSW considers, and may make, acquisitions of individual vessels, groups of vessels, or shipping businesses. The success of any such acquisitions will depend upon a number of factors, some of which may not be within its control. These factors include INSW's ability to:

- identify suitable tankers and/or shipping companies for acquisitions at attractive prices, which may not be possible if asset prices rise too quickly;
- obtain financing;
- integrate any acquired tankers or businesses successfully with INSW's then-existing operations; and
- enhance INSW's customer base.

INSW intends to finance these acquisitions by using available cash from operations and through incurrence of debt, other financing sources or bridge financing, any of which may increase its leverage ratios, or by issuing equity, which may have a dilutive impact on its existing shareholders. At any given time INSW may be engaged in a number of discussions that may result in one or more acquisitions, some of which may be material to INSW as a whole. These opportunities require confidentiality and may involve negotiations that require quick responses by INSW. Although there can be no certainty that any of these discussions will result in definitive agreements or the completion of any transactions, the announcement of any such transaction may lead to increased volatility in the trading price of INSW's securities.

Acquisitions and other transactions can also involve a number of special risks and challenges, including:

- diversion of management time and attention from the Company's existing business and other business opportunities;
- delays in closing or the inability to close an acquisition for any reason, including third-party consents or approvals;
- any unanticipated negative impact on the Company of disclosed or undisclosed matters relating to any vessels or operations acquired; and
- assumption of debt or other liabilities of the acquired business, including litigation related to the acquired business.

The success of acquisitions or strategic investments depends on the effective integration of newly acquired businesses or assets into INSW's current operations. Such integration is subject to risks and uncertainties, including realization of anticipated synergies and cost savings, the ability to retain and attract personnel and clients, the diversion of management's attention from other business concerns, and undisclosed or potential legal liabilities of the acquired company or asset. INSW may not realize the strategic and financial benefits that it expects from any of its past acquisitions, or any future acquisitions. Further, if a portion of the purchase price of a business is attributable to goodwill and if the acquired business does not perform up to expectations at the time of the acquisition, some or all of the goodwill may be written off, adversely affecting INSW's earnings.

The smuggling or alleged smuggling of drugs or other contraband onto the Company's vessels may lead to governmental claims against the Company.

The Company expects that its vessels will call in ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent the Company's vessels are found with or accused to be carrying contraband, whether inside or attached to the hull of our vessels and whether with or without the knowledge of any of its crew, the Company may face governmental or other regulatory claims which could have an adverse effect on the Company's business, financial condition, results of operations and cash flows. Additionally, such events could have ancillary consequences under INSW's financing and other agreements.

Operating costs and capital expenses will increase as the Company's vessels age and may also increase due to unanticipated events relating to secondhand vessels and the consolidation of suppliers.

In general, capital expenditures and other costs necessary for maintaining a vessel in good operating condition increase as the age of the vessel increases. As of December 31, 2022, the weighted average age of the Company's total owned and operated fleet was 10.2 years. In addition, older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Accordingly, it is likely that the operating costs of INSW's currently operated vessels will rise as the age of the Company's fleet increases. In addition, changes in governmental regulations and compliance with Classification Society standards

may restrict the type of activities in which the vessels may engage and/or may require INSW to make additional expenditures for new equipment. Every commercial tanker must pass inspection by a Classification Society authorized by the vessel's country of registry. The Classification Society certifies that a tanker is safe and seaworthy in accordance with the applicable rule and regulations of the country of registry of the tanker and the international conventions of which that country is a member. If a Classification Society requires the Company to add equipment, INSW may be required to incur substantial costs or take its vessels out of service. Market conditions may not justify such expenditures or permit INSW to operate its older vessels profitably even if those vessels remain operational. If a vessel in INSW's fleet does not maintain its class and/or fails any survey, it will be unemployable and unable to trade between ports until its class is restored or such failure is remedied. This would negatively impact the Company's results of operation.

In addition, the Company's fleet includes a number of vessels purchased in the secondhand market or otherwise acquired after they have been constructed, such as through the merger. While the Company typically inspects secondhand vessels before it purchases or otherwise acquires them, those inspections do not necessarily provide INSW with the same level of knowledge about those vessels' condition that INSW would have had if these vessels had been built for and operated exclusively by it. The Company may not discover defects or other problems with such vessels before purchase, which may lead to expensive, unanticipated repairs, and could even result in accidents or other incidents for which the Company could be liable.

Furthermore, recent mergers have reduced the number of available suppliers, resulting in fewer alternatives for sourcing key supplies. With respect to certain items, INSW is generally dependent upon the original equipment manufacturer for repair and replacement of the item or its spare parts. Supplier consolidation may result in a shortage of supplies and services, thereby increasing the cost of supplies or potentially inhibiting the ability of suppliers to deliver on time. These cost increases or delays could result in downtime, and delays in the repair and maintenance of the Company's vessels and have a material adverse effect on INSW's business, financial condition, results of operations and cash flows.

The Company's lightering business faces significant competition and market volatility, and revenues and profitability for these operations may vary significantly from period to period.

The Company provides STS transfer services, primarily in the crude oil and refined petroleum products industries. The seaborne markets for STS transfer business are highly competitive and our competitors may in some cases have greater resources than we do. The business also faces competition from alternative methods of delivering crude oil and refined petroleum products shipments to ports and vessels, including several offshore loading and offloading facilities either in operation or in various stages of planning in the USG region. Furthermore, the market for STS transfer services faces different competitive dynamics than our other tanker businesses, meaning that our expertise in the tanker markets may not apply in the same ways to our lightering business, and demand for lightering services has historically varied significantly from period to period based on customer activity in the regions in which we operate. Accordingly, our ability to maintain or grow our market share in STS transfer services may be limited, and the Company's lightering revenues may be volatile or decline in the future.

The Company is subject to credit risks with respect to its counterparties on contracts, and any failure by those counterparties to meet their obligations could cause the Company to suffer losses on such contracts, decreasing revenues and earnings.

The Company has entered into, and in the future will enter into, various contracts, including charter agreements and other agreements associated with the operation of its vessels. The Company charters its vessels to other parties, who pay the Company a daily rate of hire. The Company also enters voyage charters. Historically, the Company has not experienced material problems collecting charter hire. The Company also time charters or bareboat charters some of its vessels from other parties and its continued use and operation of such vessels depends on the vessel owners' compliance with the terms of the time charter or bareboat charter. Additionally, the Company enters into derivative contracts (related to interest rate risk) from time to time. As a result, the Company is subject to credit risks. The ability of each of the Company's counterparties to perform its obligations under a contract will depend on a number of factors that are beyond the Company's control and may include, among other things, general economic conditions; availability of debt or equity financing; the condition of the maritime and offshore industries; the overall financial condition of the counterparty; charter rates received for specific types of vessels; and various expenses. Charterers are sensitive to the commodity markets and may be impacted by market forces affecting commodities such as oil. In addition, in depressed market conditions, the Company's charterers and customers may no longer need a vessel that is currently under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, the Company's customers may fail to pay charter hire or attempt to renegotiate charter rates. If the counterparties fail to meet their obligations, the Company could suffer losses on such contracts which would decrease revenues, cash flows and earnings.

The Company relies on the skills of its senior management team, and if the Company were required to replace them, it could negatively impact the effectiveness of management and the Company's results of operations could be negatively impacted.

INSW's success depends to a significant extent upon the expertise, capabilities and efforts of its senior executives in managing the Company's activities. INSW is led by executives with significant experience in their respective areas of responsibility, and the loss or unavailability of one or more of INSW's senior executives for an extended period of time could adversely affect the Company's business and results of operations.

The Company may face unexpected drydock costs for its vessels.

Vessels must be drydocked periodically. The cost of repairs and renewals required at each drydock are difficult to predict with certainty, can be substantial and the Company's insurance does not cover these costs. In addition, vessels may have to be drydocked in the event of accidents or other unforeseen damage, and INSW's insurance may not cover all of these costs. Vessels in drydock will not generate any income. Large drydocking expenses could adversely affect the Company's results of operations and cash flows. In addition, the time when a vessel is out of service for maintenance is determined by a number of factors including regulatory deadlines, market conditions, shipyard availability and customer requirements, and accordingly the length of time that a vessel may be off-hire may be longer than anticipated, which could adversely affect the Company's business, financial condition, results of operations and cash flows.

Technological innovation could reduce the Company's charter income and the value of the Company's vessels.

The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance, the impact of the stress of operations and new regulations. If new tankers are built that are more efficient or more flexible or have longer physical lives than the Company's vessels, competition from these more technologically advanced vessels could adversely affect the charter rates that the Company receives for its vessels and the resale value of the Company's vessels could significantly decrease. As a result, the Company's business, financial condition, results of operations and cash flows could be adversely affected.

The Company stores, processes, maintains, and transmits confidential information through information technology ("IT") systems. Cybersecurity issues, such as data breaches and computer malwares, affecting INSW's IT systems or those of its third-party vendors, suppliers or counterparties, could disrupt INSW's business, result in the unintended disclosure or misuse of confidential or proprietary information, disruption in regular business operations, damage its reputation, increase its costs, and cause losses.

The Company collects, stores and transmits sensitive and business critical data, including its own proprietary business information and that of its counterparties, and personally identifiable information of counterparties and employees, using both its own IT systems and those of third-party vendors. In addition, the Company relies on the transmission of similarly sensitive data from the Company's third-party suppliers and vendors. The safe storage, accurate processing, timely availability and secure transmission of this information is critical to INSW's operations. The Company's dependency on IT systems includes accounting, billing, disbursement, cargo booking and tracking, vessel scheduling and stowage, vessel operations, customer service, banking, payroll and messaging systems. The Company's IT infrastructure, or those of its customers or third-party vendors, suppliers or counterparties, are vulnerable to data breaches, computer malwares, and other security problems as well as failures caused by the occurrence of natural disasters or other unexpected problems. Many companies, including companies in the shipping industry, have increasingly reported breaches in the security of their information technology systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage. The Company has experienced attempted attacks on its email system to obtain unauthorized access to confidential information.

The Company may be required to spend significant capital and other resources to further protect itself and its systems against threats of security breaches and computer malware, or to alleviate problems caused by security breaches or malwares. Security breaches and malware could also expose the Company to claims, litigation and other possible liabilities. Any inability to prevent security breaches (including the inability of INSW's third party vendors, suppliers or counterparties to prevent security breaches) could also cause existing clients to lose confidence in the Company's IT systems and could adversely affect INSW's reputation, cause losses to INSW

or our customers, damage our brand, and increase our costs. In order to mitigate the financial impact of any losses arising from security breaches or computer malwares, the Company has purchased insurance in an amount of $10 million that covers losses arising from such breaches or malwares, including data recovery, extortion, ransomware and business interruption.

INSW's revenues are subject to seasonal variations.

INSW operates its tankers in markets that have historically exhibited seasonal variations in demand for tanker capacity, and therefore, charter rates. Peaks in tanker demand quite often precede seasonal oil consumption peaks, as refiners and suppliers anticipate consumer demand. Charter rates for tankers are typically higher in the fall and winter months as a result of increased oil consumption in the Northern Hemisphere. Unpredictable weather patterns and variations in oil reserves disrupt tanker scheduling. Because a majority of the Company's vessels trade in the spot market, seasonality has affected INSW's operating results on a quarter-to-quarter basis and could continue to do so in the future. Such seasonality may be outweighed in any period by then current economic conditions or tanker industry fundamentals.

Effective internal controls are necessary for the Company to provide reliable financial reports and effectively prevent fraud.

The Company maintains a system of internal controls to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The process of designing and implementing effective internal controls is a continuous effort that requires the Company to anticipate and react to changes in its business and the economic and regulatory environments and to expend significant resources to maintain a system of internal controls that is adequate to satisfy its reporting obligations as a public company.

Any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. Any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase the Company's operating costs and harm its business. Furthermore, investors' perceptions that the Company's internal controls are inadequate or that the Company is unable to produce accurate financial statements on a timely basis may harm its stock price.

Work stoppages or other labor disruptions may adversely affect INSW's operations.

INSW could be adversely affected by actions taken by employees of other companies in related industries (including third parties providing services to INSW) against efforts by management to control labor costs, restrain wage or benefit increases or modify work practices or the failure of other companies in its industry to successfully negotiate collective bargaining agreements.

Future discontinuation of LIBOR may adversely affect the interest rate on certain of our debt facilities which reference LIBOR.

Certain of our debt facilities bear interest at a rate which references LIBOR. On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. As of January 1, 2022, consistent with FCA's prior announcement, British pound, euro, Swiss franc and Japanese yen settings and the one-week and two-month U.S. dollar LIBOR settings are no longer available. Further, until the end of 2022, one-month, three-month, and six-month British pound and Japanese yen LIBOR settings were published on a changed methodology (i.e., "synthetic") basis, but these synthetic rates could only be used in legacy LIBOR contracts, other than cleared derivatives, that have not been changed at or ahead of the end of 2021. The remaining U.S. dollar LIBOR settings will permanently cease immediately after June 30, 2023, providing additional time to address the legacy contracts that reference such U.S. dollar LIBOR settings. In light of the discontinuation of the use of LIBOR after December 31, 2021, the Company performed an assessment of the risks associated with the expected transition to an alternative reference rate and has determined that its primary exposure to LIBOR is in relation to its floating rate debt facilities and the interest rate derivatives to which it is a party. Through a review of the Company's debt agreements and interest rate derivative contracts the Company believes there are adequate provisions within such agreements that provide guidance on how the Company and its counterparties under such agreements will address what happens when LIBOR is no longer available.

The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new index calculated by short term repurchase agreements, backed by Treasury securities called the Secured Overnight Financing Rate ("SOFR"). Whether or not SOFR attains market traction as a LIBOR replacement remains a question and the future of LIBOR at this time is uncertain. The Company's current

view is that SOFR will be the alternative reference rate that the Company's LIBOR-based agreements will transition to as the 2023 sunset date draws closer. However, because of this uncertainty, we cannot reasonably estimate the expected impact of a transition away from LIBOR to our business.

Risks Related to Legal and Regulatory Matters

Climate change and greenhouse gas restrictions may adversely affect our operating results.

An increasing concern for, and focus on climate change, has promoted extensive existing and proposed international, national and local regulations intended to reduce greenhouse gas emissions. Compliance with such regulations (including increased assessment, and greater reporting, of the environmental effects of our business) and our efforts to participate in reducing greenhouse gas emissions ("GHGs") will likely increase our compliance costs, require significant capital expenditures to reduce vessel emissions and require changes to our business.

Our business consists of transporting crude oil and refined petroleum products. Regulatory changes and growing public concern about the environmental impact of climate change may lead to reduced demand for crude oil and refined petroleum products and decreased demand for our services, while increasing or creating greater incentives for use of alternative energy sources. We expect regulatory and consumer efforts aimed at combating climate change to intensify and accelerate. Although we do not expect demand for oil to decline dramatically over the short-term, in the long-term climate change likely will significantly affect demand for oil and for alternatives. Any such change could adversely affect our ability to compete in a changing market and our business, financial condition and results of operations.

Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and, in recent years, have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Diminished access to capital could hinder our growth. Companies that do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and their business, financial condition and share price may be adversely affected.

We may face increasing pressures from investors, lenders and other market participants, which are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors remain invested in us and make further investments in us, especially given our business of transporting crude oil and refined petroleum products. In addition, it is likely we will incur additional costs and require additional resources to monitor, report and comply with wide-ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Compliance with complex laws, regulations, and, in particular, environmental laws or regulations, including those relating to the emission of greenhouse gases, may adversely affect INSW's business.

The Company's operations are affected by extensive and changing international, national and local environmental protection laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictional waters of the countries in which INSW's vessels operate, as well as the countries of its vessels' registration. Many of these requirements are designed to reduce the emission of greenhouse gases and the risk of oil spills. They also regulate other water pollution issues, including discharge of ballast water and effluents and air emissions, including emission of greenhouse gases. These requirements impose significant capital and operating costs on INSW, including, without limitation, ones related to engine adjustments and ballast water treatment.

Environmental laws and regulations also can affect the resale value or significantly reduce the useful lives of the Company's vessels, require a reduction in carrying capacity, ship modifications or operational changes or restrictions (and related increased operating costs) or retirement of service, lead to decreased availability or higher cost of insurance coverage for environmental matters or result in the denial of access to, or detention in, certain jurisdictional waters or ports. Under local, United States and international laws, as well as international treaties and conventions, INSW could incur material liabilities, including cleanup obligations, in the event that there is a release of petroleum or other hazardous substances from its vessels or otherwise in connection with its operations. INSW could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with its current or historic operations. Violations of or liabilities under environmental requirements also can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of the Company's vessels.

INSW could incur significant costs, including cleanup costs, fines, penalties, third-party claims and natural resource damages, as the result of an oil spill or liabilities under environmental laws. The Company is subject to the oversight of several government agencies, including the U.S. Coast Guard and the EPA. OPA 90 affects all vessel owners shipping oil or hazardous material to, from or within the United States. OPA 90 allows for potentially unlimited liability without regard to fault for owners, operators and bareboat charterers of vessels for oil pollution in U.S. waters. Similarly, the International Convention on Civil Liability for Oil Pollution Damage, 1969, as amended, which has been adopted by most countries outside of the United States, imposes liability for oil pollution in international waters. OPA 90 expressly permits individual states to impose their own liability regimes with regard to hazardous materials and oil pollution incidents occurring within their boundaries. Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability.

In addition, in complying with OPA 90, IMO regulations, EU directives and other existing laws and regulations and those that may be adopted, shipowners likely will incur substantial additional capital and/or operating expenditures in meeting new regulatory requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Key regulatory initiatives that are anticipated to require substantial additional capital and/or operating expenditures in the next several years include more stringent limits on the sulfur content of fuel oil for vessels operating in certain areas and more stringent requirements for management and treatment of ballast water.

Certain of the Company's vessels are subject to more stringent numeric discharge limits of ballast water under the EPA's VGP, with additional vessels becoming subject in future years, even though those vessels have obtained a valid extension from the USCG for implementation of treatment technology under the USCG's final rules. The EPA has determined that it will not issue extensions under the VGP but has stated that vessels that (i) have received an extension from the USCG, (ii) are in compliance with all of the VGP requirements other than numeric discharge limits and (iii) meet certain other requirements will be entitled to "low enforcement priority". While INSW believes that any vessel that is or may become subject to the more stringent numeric discharge limits of ballast water meets the conditions for "low enforcement priority," no assurance can be given that they will do so. If the EPA determines to enforce the limits for such vessels, such action could have a material adverse effect on INSW. See Item 1, "Business —Environmental and Security Matters Relating to Bulk Shipping.

Other government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future and require the Company to incur significant capital expenditures on its vessels to keep them in compliance, or even to recycle or sell certain vessels altogether. Such expenditures could result in financial and operational impacts that may be material to INSW's financial statements. Additionally, the failure of a shipowner or bareboat charterer to comply with local, domestic and international regulations may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. If any of our vessels are denied access to, or are detained in, certain ports, reputation, business, financial results and cash flows could be materially and adversely affected.

Accidents involving highly publicized oil spills and other mishaps involving vessels can be expected in the tanker industry, and such accidents or other events could be expected to result in the adoption of even stricter laws and regulations, which could limit the Company's operations or its ability to do business and which could have a material adverse effect on INSW's business, financial results and cash flows. In addition, the Company is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to its operations. The Company believes its vessels are maintained in good condition in compliance with present regulatory requirements, are operated in compliance with applicable safety and environmental laws and regulations and are insured against usual risks for such amounts as the Company's management deems appropriate. The vessels' operating certificates and licenses are renewed periodically during each vessel's required annual survey. However,

government regulation of tankers, particularly in the areas of safety and environmental impact may change in the future and require the Company to incur significant capital expenditures with respect to its ships to keep them in compliance.

Due to concern over the risk of climate change, a number of countries, including the United States, and international organizations, including the EU, the IMO and the U.N., have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. Such actions could result in significant financial and operational impacts on the Company's business, including requiring INSW to install new emission controls, acquire allowances or pay taxes related to its greenhouse gas emissions, or administer and manage a greenhouse gas emission program. See Item 1, "Business — Environmental and Security Matters Relating to Bulk Shipping".

Employment of the Company's vessels could be adversely affected by an inability to clear the oil majors' risk assessment process.

The shipping industry, and especially vessels that transport crude oil and refined petroleum products, is heavily regulated. In addition, the "oil majors" such as BP, Chevron Corporation, Phillips 66, ExxonMobil Corp., Royal Dutch Shell and Total S.A. have developed a strict due diligence process for selecting their shipping partners out of concerns for the environmental impact of spills. This vetting process has evolved into a sophisticated and comprehensive risk assessment of both the vessel manager and the vessel, including audits of the management office and physical inspections of the ship. Under the terms of the Company's charter agreements (including those entered into by pools in which the Company participates), the Company's charterers require that the Company's vessels and the technical managers pass vetting inspections and management audits, respectively. The Company's failure to maintain any of its vessels to the standards required by the oil majors could put the Company in breach of the applicable charter agreement and lead to termination of such agreement. Should the Company not be able to successfully clear the oil majors' risk assessment processes on an ongoing basis, the future employment of the Company's vessels could also be adversely affected. since it might lead to the oil majors' terminating existing charters.

The Company's vessels may be directed to call on ports located in countries that are subject to restrictions imposed by the U.S. government, the U.N. the United Kingdom ("U.K.") or the EU, which could negatively affect the trading price of the Company's common shares.

From time to time, certain of the Company's vessels, on the instructions of the charterers or pool manager responsible for the commercial management of such vessels, have called and may again call on ports located in countries or territories, and/or operated by persons, subject to sanctions and embargoes imposed by the U.S. government, the U.N., the U.K. or the EU and countries identified by the U.S. government, the U.N., the U.K. or the EU as state sponsors of terrorism. The U.S., U.N., the U.K. and EU sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or expanded over time. Some sanctions may also apply to transportation of goods (including crude oil) originating in sanctioned countries (particularly Iran, Venezuela and Russia), even if the vessel does not travel to those countries, or is otherwise acting on behalf of sanctioned persons. Sanctions may include the imposition of penalties and fines against companies violating national law or companies acting outside the jurisdiction of the sanctioning power themselves becoming the target of sanctions.

Although INSW believes that it is in compliance with all applicable sanctions and embargo laws and regulations and intends to maintain such compliance, and INSW does not, and does not intend to, engage in sanctionable activity, INSW might fail to comply or may inadvertently engage in a sanctionable activity in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation or sanctionable activity could result in fines or other penalties, or the imposition of sanctions against the Company, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company and negatively affect INSW's reputation and investor perception of the value of INSW's common stock.

The Company may be subject to litigation and government inquiries or investigations that, if not resolved in the Company's favor and not sufficiently covered by insurance, could have a material adverse effect on it.

The Company has been and is, from time to time, involved in various litigation matters and subject to government inquiries and investigations. These matters may include, among other things, regulatory proceedings and litigation arising out of or relating to contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, and other disputes that arise in the ordinary course of the Company's business.

Although the Company intends to defend these matters vigorously, it cannot predict with certainty the outcome or effect of any such matter, and the ultimate outcome of these matters or the potential costs to resolve them could involve or result in significant expenditures or losses by the Company, or result in significant changes to INSW's insurance costs, rules and practices in dealing with its customers, all of which could have a material adverse effect on the Company's future operating results, including profitability, cash flows, and financial condition. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on the Company's financial condition. The Company's recorded liabilities and estimates of reasonably possible losses for its contingent liabilities are based on its assessment of potential liability using the information available to the Company at the time and, as applicable, any past experience and trends with respect to similar matters. However, because litigation is inherently uncertain, the Company's estimates for contingent liabilities may be insufficient to cover the actual liabilities from such claims, resulting in a material adverse effect on the Company's business, financial condition, results of operations and cash flows. See Item 3, "Legal Proceedings" in this Annual Report on Form 10-K and Note 19, "Contingencies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Maritime claimants could arrest INSW's vessels, which could interrupt cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of the Company's vessels could interrupt INSW's cash flow and require it to pay a significant amount of money to have the arrest lifted. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, meaning any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in the Company's fleet for claims relating to another vessel in its fleet which, if successful, could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

Governments could requisition the Company's vessels during a period of war or emergency, which may negatively impact the Company's business, financial condition, results of operations and available cash.

A government could requisition one or more of the Company's vessels for title or hire. Requisition for title occurs when a government takes control of a vessel and becomes the owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of the Company's vessels may negatively impact the Company's business, financial condition, results of operations and available cash.

We may be subject to U.S. federal income tax on U.S. source shipping income, which would reduce our net income and cash flows.

If we do not qualify for an exemption pursuant to Section 883, or the "Section 883 exemption," of the U.S. Internal Revenue Code of 1986, as amended, or the "Code," then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our results of operations and cash flows would be reduced by the amount of such tax. We will qualify for the Section 883 exemption for 2023 and forward if, among other things, (i) our common shares are treated as primarily and regularly traded on an established securities market in the United States or another qualified country ("publicly traded test"), or (ii) we satisfy one of two other ownership tests. Under applicable U.S. Treasury Regulations, the publicly traded test will not be satisfied in any taxable year in which persons who directly, indirectly or constructively own five percent or more of our common shares (sometimes referred to as "5% shareholders") own 50% or more of the vote and value of our common shares for more than half the days in such year, unless an exception applies. We can provide no assurance that ownership of our common shares by 5% shareholders will allow us to qualify for the Section 883 exemption in 2023 and any other future taxable years. If we do not qualify for the Section 883 exemption, our gross shipping income derived from U.S. sources, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the United States (but not both beginning and ending in the United States), generally would be subject to a four percent tax without allowance for deductions.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A non-U.S. corporation generally will be treated as a "passive foreign investment company," or a "PFIC," for U.S. federal income tax purposes if, after applying certain look through rules, either (i) at least 75% of its gross income for any taxable year consists of

"passive income" or (ii) at least 50% of the average value of assets (determined on a quarterly basis) held for the production of "passive income." We refer to assets which produce or are held for production of "passive income" as "passive assets." For purposes of these tests, "passive income" generally includes dividends, interest, gains from the sale or exchange of investment property and rental income and royalties other than rental income and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable U.S. Treasury Regulations. Passive income does not include income derived from the performance of services. Although there is no authority under the PFIC rules directly on point, and existing legal authority in other contexts is inconsistent in its treatment of time charter income, we believe that the gross income we derive or are deemed to derive from our time and spot chartering activities is services income, rather than rental income. Accordingly, we believe that (i) our income from time and spot chartering activities does not constitute passive income and (ii) the assets that we own and operate in connection with the production of that income do not constitute passive assets. Therefore, we believe that we are not now and have never been a PFIC with respect to any taxable year. There is no assurance that the IRS or a court of law will accept our position and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, because there are uncertainties in the application of the PFIC rules and PFIC status is determined annually and is based on the composition of a company's income and assets (which are subject to change), we can provide no assurance that we will not become a PFIC in any future taxable year. If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain as a PFIC for subsequent taxable years), our U.S. shareholders would be subject to a disadvantageous U.S. federal income tax regime with respect to distributions received from us and gain, if any, derived from the sale or other disposition of our common shares. These adverse tax consequences to shareholders could negatively impact our ability to issue additional equity in order to raise the capital necessary for our business operations.

Risks Related to the Common Stock

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate case law or bankruptcy law and, as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States.

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act (the "BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction. In addition, the Marshall Islands does not have a well-developed body of bankruptcy law. As such, in the case of a bankruptcy involving us, there may be a delay of bankruptcy proceedings and the ability of securityholders and creditors to receive recovery after a bankruptcy proceeding, and any such recovery may be less predictable.

It may be difficult to serve process on or enforce a United States judgment against us, our officers and our directors because we are a foreign corporation.

We are a corporation formed in the Republic of the Marshall Islands. In addition, a substantial portion of our assets are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in U.S. courts against us or our directors and officers, including in actions based upon the civil liability provisions of U.S. federal or state securities laws. Furthermore, there is substantial doubt that the courts of the Republic of the Marshall Islands or of the non-U.S. jurisdictions in which our offices are located would enter judgments in original actions brought in those courts predicated on U.S. federal or state securities laws.

The market price of the Company's securities may fluctuate significantly.

The Company's common stock is listed on New York Stock Exchange. However, the market price of the Company's common stock may fluctuate substantially. You may not be able to resell your common stock at or above the price you paid for such securities due to a number of factors, some of which are beyond the Company's control. These risks include those described or referred to in this "Risk Factors" section and under "Forward -Looking Statements," as well as, among other things: fluctuations in the Company's operating results; activities of and results of operations of the Company's competitors; changes in the Company's relationships with the

Company's customers or the Company's vendors; changes in business or regulatory conditions; changes in the Company's capital structure; any announcements by the Company or its competitors of significant acquisitions, strategic alliances or joint ventures; additions or departures of key personnel; investors' general perception of the Company; failure to meet market expectations; future sales of the Company's securities by it, directors, executives and significant stockholders; changes in domestic and international economic and political conditions; and other events or factors, including those resulting from natural disasters, war, acts of terrorism or responses to these events. Any of the foregoing factors could also cause the price of the Company's equity securities to fall and may expose the Company to securities class action litigation. Any securities class action litigation could result in substantial cost and the diversion of management's attention and resources.

In addition, the stock market has recently experienced volatility that, in some cases, has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of the Company's common stock, regardless of its actual operating performance.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about the Company's business, the price and/or trading volume of shares of the Company's common stock could decline.

The trading market for shares of the Company's common stock depends, in part, on the research and reports that securities or industry analysts publish about the Company and its business. If too few analysts commence and maintain coverage of the Company, the trading price for its shares might be adversely affected. Similarly, if analysts publish inaccurate or unfavorable research about the Company's business, the price and/or trading volume of shares of the Company's common stock could decline.

Our limited duration stockholders rights plan dated as of May 8, 2022 (the "Rights Plan"), also known as a "poison pill", may discourage, delay or prevent a change of control of the Company or changes in our management and, therefore, depress the market price of the Company's common stock.

The Rights Plan is intended to enable all Company stockholders to realize the long-term value of their investment in the Company. The Rights Plan reduces the likelihood that any person or group gains control of the Company through open market accumulation, or other tactics potentially disadvantaging the interests of all stockholders, without paying all stockholders an appropriate control premium or providing the Company's Board of Directors sufficient time to make informed decisions in the best interests of all stockholders. While the Rights Agreement was effective immediately, the Rights become exercisable only if a person or group acquires beneficial ownership, as defined in the Rights Agreement, of 17.5% or more of the Company's common stock in a transaction not approved by the Company's Board of Directors. In that situation, each holder of a Right (other than the acquiring person or group) will have the right to purchase, upon payment of the then-current exercise price, a number of shares of Company common stock having a market value of twice the exercise price of the Right. In addition, at any time after a person or group acquires 17.5% or more of the Company's common stock (unless such person or group acquires 50% or more), the Company's Board of Directors may exchange one share of the Company's common stock for each outstanding Right (other than Rights owned by such person or group, which would have become null and void). The Rights Plan is not intended to interfere with any transaction that the Board of Directors determines is in the best interests of stockholders, nor does the Rights Plan prevent the Board of Directors from considering any proposal. The Rights Plan will expire on May 7, 2023, subject to earlier termination by the Company's Board of Directors if the Board determines that market and other conditions warrant.

Notwithstanding the foregoing advantages provided by the Rights Plan to the interests of all stockholders, the Rights Plan may depress the market price of the Company's common stock by acting to discourage, delay or prevent a change of control of the Company or changes in the management of the Company that the stockholders of the Company may deem advantageous.

Future offerings of debt or equity securities by the Company may materially adversely affect the share price, and future capitalization measures could lead to substantial dilution of existing stockholders' interests in the Company.

The Company may seek to raise additional equity through the issuance of new shares or convertible or exchangeable bonds to finance future organic growth or acquisitions. Increasing the number of issued shares would dilute the ownership interests of existing stockholders. Stockholders' ownership interests could also be diluted if other companies or equity interests in companies are acquired in exchange for new shares of the Company's common stock to be issued and if the Company's Board of

Directors makes grants of equity awards to the Company's directors, officers and employees pursuant to any equity incentive or compensation plan, any such grants would also cause dilution.

INSW may not continue to pay cash dividends on its Common Stock.

INSW paid a cash dividend of six cents per share on its Common Stock during the first quarter of 2022 and a cash dividend of twelve cents per share on its Common Stock during each of the second, third and fourth quarters of 2022 and a supplemental cash dividend of $1.00 per share in December 2022, totaling $69.8 million for 2022. Further the Company paid a cash dividend of six cents per share on its Common Stock during each of the four quarters of 2021 and 2020, totaling $9.4 million and $6.8 million, respectively. The Company also paid a special cash dividend of $1.12 per share immediately prior to the Merger in July 2021. Any future determinations to pay dividends on its Common Stock will be at the discretion of its Board of Directors and will depend upon many factors, including INSW's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors its Board of Directors may deem relevant. The timing, declaration, amount and payment of any future dividends will be at the discretion of INSW's Board of Directors. INSW has no obligation to, and may not be able to, declare or pay dividends on its Common Stock. If INSW does not declare and pay dividends on its Common Stock, its share price could decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease approximately 13,100 square feet of office space for the Company's New York headquarters. We do not own or lease any production facilities, plants, mines or similar real properties.

At December 31, 2022, the Company owned or operated an aggregate of 74 vessels, which included 16 chartered-in vessels. See tables presented under Item 1, "Business—Fleet Operations."

ITEM 3. LEGAL PROCEEDINGS

See Note 19, "Contingencies" to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data" of this Form 10-K for information regarding legal proceedings in which we are involved.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information, Holders and Dividends

The Company's common stock is listed for trading on the New York Stock Exchange ("NYSE") under the trading symbol INSW. The range of high and low closing sales prices of the Company's common stock as reported on the NYSE for each of the quarters during the last two years are set forth below:

	Common stock (INSW)	
(In dollars)	High	Low
2022		
First Quarter	$ 18.61	$ 13.74
Second Quarter	$ 24.90	$ 18.72
Third Quarter	$ 36.00	$ 18.22
Fourth Quarter	$ 46.23	$ 33.12
2021		
First Quarter	$ 21.58	$ 15.79
Second Quarter	$ 21.09	$ 17.07
Third Quarter	$ 19.86	$ 14.69
Fourth Quarter	$ 19.03	$ 13.86

As of February 23, 2023, there were 61 stockholders of record of the Company's common stock.

During the first quarter of 2022, the Company's Board of Directors declared a regular quarterly cash dividend of $0.06 per share. The regular quarterly dividend was subsequently doubled to $0.12 per share for the second, third and fourth quarters of 2022. On November 7, 2022, in addition to declaring the fourth quarterly dividend for the year, the Board of Directors also declared a supplemental dividend of $1 per share of common stock. Pursuant to such dividend declarations, the Company made dividend payments totaling $69.8 million during the year ended December 31, 2022.

On February 27, 2023, 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 $1.88 per share of common stock, both payable on March 28, 2023 to shareholders of record at the close of business on March 14, 2023. The declaration and timing of future cash dividends, if any, will be at the discretion of the Board of Directors and will depend upon, among other things, our future operations and earnings, capital requirements, general financial condition, contractual restrictions, restrictions imposed by applicable law or the SEC and such other factors as our Board of Directors may deem relevant.

Purchase and Sale of Equity Securities

On August 4, 2020, the Company's Board of Directors authorized the renewal of the Company's $30.0 million stock repurchase program for another 24-month period ending August 4, 2022. Subsequently, on October 28, 2020, the Company's Board of Directors authorized an increase in the share repurchase program from $30.0 million to $50.0 million. Under the program, the Company could opportunistically repurchase up to $50.0 million worth of shares of the Company's common stock from time to time over a 24-month period, on the open market or otherwise, in such quantities, at such prices, in such manner and on such terms and conditions as management determined was in the best interests of the Company. Shares owned by employees, directors and other affiliates of the Company were not eligible for repurchase under this program without further authorization from the Board. During the last quarter of 2021, the Company repurchased and retired 1,077,070 shares of its common stock in open-market purchases, at an average price of $15.44 per share, for a total cost of $16.7 million. In August 2022, the Company's Board of Directors authorized an increase in the share repurchase program to $60.0 million from $33.3 million and extended the expiration of the program to December 31, 2023.

During the year ended December 31, 2022, the Company repurchased and retired 687,740 shares of its common stock in open-market purchases, at an average price of $29.08 per share, for a total cost of $20.0 million. As of December 31, 2022, the remaining buyback authorization under the Company's $60.0 million stock repurchase program expiring in December 2023 was $40.0 million. Future buybacks under the stock repurchase program will be at the discretion of our Board of Directors and subject to limitations under the Company's debt facilities.

See Note 13, "Capital Stock and Stock Compensation," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data" of this Form 10-K for a description of shares withheld to cover tax withholding liabilities relating to the vesting of outstanding restricted stock units held by certain members of management, which is incorporated by reference in this Item 5.

Completion of Merger Transaction

On July 16, 2021 (the "Effective Time"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated as of March 30, 2021, by and among INSW, Diamond S Shipping Inc., a Republic of the Marshall Islands corporation ("Diamond S"), and Dispatch Transaction Sub, Inc., a Republic of the Marshall Islands corporation and wholly-owned subsidiary of INSW ("Merger Sub"), Merger Sub merged with and into Diamond S (the "Merger"), with Diamond S surviving such merger as a wholly owned subsidiary of INSW. Immediately following the Effective Time, the Company contributed all of the outstanding stock of Diamond S to International Seaways Operating Corporation, a direct wholly-owned subsidiary of the Company.

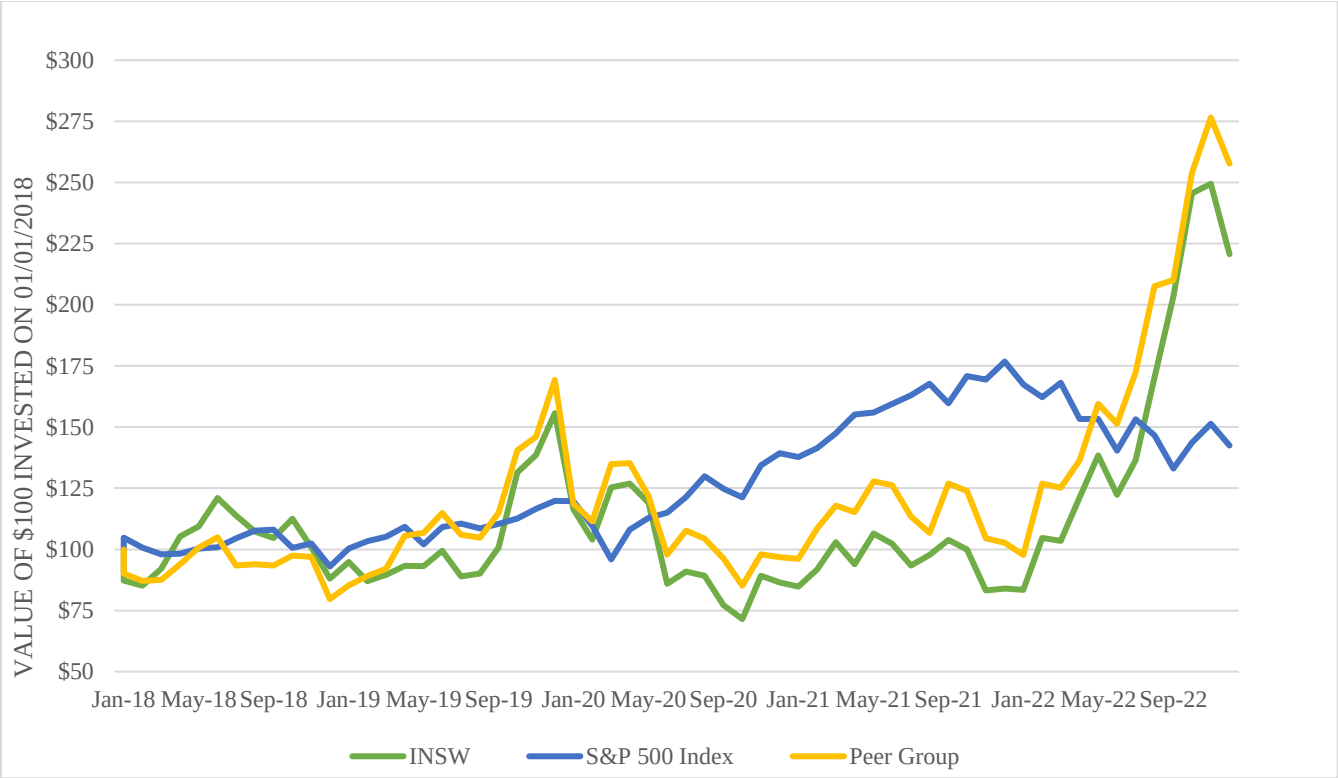
At the Effective Time, each common share of Diamond S (the "Diamond S Common Shares") issued and outstanding immediately prior to the Effective Time (excluding Diamond S Common Shares owned by Diamond S, the Company, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) was cancelled in exchange for the right to receive 0.55375 of a share of common stock of the Company (the "INSW Common Stock") and cash payable in respect of fractional shares. The aforementioned 0.55375 exchange ratio set forth in the Merger Agreement resulted in the issuance of 22,536,647 shares of INSW Common Stock, with the pre-Merger INSW shareholders and the former Diamond S shareholders owning approximately 55.75% and 44.25%, respectively, of the 50,674,393 issued and outstanding common stock of the Company immediately following the Effective Time.

As provided for under the terms of the Merger Agreement, on July 15, 2021, prior to the Effective Time, INSW paid a special dividend to its shareholders of record as of July 14, 2021 in an aggregate amount equal to $31.5 million ($1.12 per share).

Stockholder Return Performance Presentation

Set forth below is a line graph for the period between January 1, 2018 and December 31, 2022 comparing the percentage change in the cumulative total stockholder return on the Company's common stock against the cumulative return of (i) the published Standard and Poor's 500 index and (ii) a peer group index consisting of Frontline Ltd. (FRO), Tsakos Energy Navigation Limited (TNP), Teekay Tankers Ltd. Class A (TNK), DHT Holdings, Inc. (DHT), Ardmore Shipping Corporation (ASC), Scorpio Tankers, Inc. (STNG), Euronav NV (EURN), and the Company, referred to as the peer group index.

STOCK PERFORMANCE GRAPH
COMPARISON OF CUMULATIVE TOTAL RETURN*
THE COMPANY, S&P 500 INDEX, PEER GROUP INDEX



**Assumes that the value of the investment in the Company's common stock and each index was $100 on January 1, 2018 and that all dividends were reinvested.*

Equity Compensation Plan Information

See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," for further information on the number of shares of the Company's common stock that may be issued under the 2020 Management Incentive Compensation Plan and the 2020 Non-Employee Director Incentive Compensation Plan.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

This MD&A, which should be read in conjunction with our accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data," provides a discussion and analysis of our business, current developments, financial condition, cash flows and results of operations. 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.

- *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.

- *Critical Accounting Estimates and Policies.* This section identifies those accounting policies that are considered important to our results of operations and financial condition, require significant judgment and involve significant management estimates.

A detailed discussion of the 2021 to 2020 year-over-year changes is not included herein and can be found in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021 filed on March 2, 2022.

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 years ended December 31, 2022 and 2021 we derived 62% and 44%, respectively, of our TCE revenues from our Product Carriers segment. Revenues from our Crude Tankers segment constituted the balance of our TCE revenues during these periods.

As described in Note 2, "Merger Transaction," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data," on July 16, 2021 pursuant to the Merger Agreement dated as of March 30, 2021, the Company completed a stock-for-stock merger with Diamond S. As of December 31, 2022, we owned or operated an International Flag fleet of 74 vessels aggregating 8.1 million dwt, including 16 vessels that have been chartered-in under leases for durations exceeding one year at inception. In addition to our operating fleet of 74 vessels, three dual-fuel LNG VLCC newbuilds are scheduled for delivery to the Company in the first half of 2023, bringing the total operating and newbuild fleet to 77 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 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. 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 96% and 81% of our total TCE revenues in the spot market for the years ended December 31, 2022 and 2021, respectively, primarily driven by the higher average daily spot market rates earned across all of INSW's fleet sectors in 2022 compared with 2021.

COVID-19

The COVID-19 pandemic resulted in a significant decline in global demand for oil during 2020; although oil demand has recovered since 2020, new outbreaks may continue to have a negative impact on oil demand in the future. As our business is the transportation of crude oil and refined petroleum products on behalf of our customers, any significant decrease in demand for the cargo we transport could adversely affect demand for our vessels and services.

We continue to monitor the impact of COVID-19 on the Company's financial condition and operations and on the tanker industry in general. While it is not always possible to distinguish incremental costs or off-hire associated with the impact of COVID-19 on our operations, we estimate that for the three years ended December 31, 2022, incremental operating costs associated with COVID-19 were approximately $2.6 million, $4.3 million, and $1.8 million, respectively.

Given the dynamic nature of the pandemic, including the development of variants of the virus that cause COVID-19 and the levels of effectiveness and delivery of vaccines and other actions to contain or treat the virus, the duration of any future potential business disruption and the related financial impact and effects on us and our suppliers, customers and industry, cannot be reasonably estimated at this time and could materially affect our business, results of operations and financial condition.

Russian-Ukraine Conflict

The ongoing military conflict in Ukraine has had a significant direct and indirect impact on the trade of crude oil and refined petroleum products. This conflict has resulted in the United States, United Kingdom, and the European Union, among other countries, implementing sanctions and executive orders against citizens, entities, and activities connected to Russia. Some of these sanctions and executive orders target the Russian oil sector, including a prohibition on the import of oil from Russia to the United States or the United Kingdom, and the European Union's recent ban on Russian crude oil and petroleum products which took effect in December 2022 and February 2023, respectively.

Russia's invasion of Ukraine also led to a disruption in supply chains for crude oil and refined petroleum products, changing volumes and trade routes, thus increasing ton-mile demand for the seaborne transportation of refined petroleum products, which resulted in a prolonged spike in freight rates. Self-sanctioning by Western oil majors and many ship owners resulted in lower product flows, primarily diesel, from Russia to Europe, while high arbitrage spreads incentivized Middle Eastern and U.S. diesel flows to Europe, increasing ton-mile demand for vessels.

The U.S., EU nations and other countries could impose wider sanctions and take other actions. Further sanctions imposed or actions taken by the U.S., EU nations or other countries, and retaliatory measures by Russia in response, could lead to increased volatility in global oil demand, which could have a material impact on our business, results of operations and financial condition. In addition, it is possible that third parties with which we do business may be impacted by events in Russia and Ukraine, which could adversely affect us.

OPERATIONS AND OIL TANKER MARKETS

The International Energy Agency ("IEA") estimates global oil consumption for the fourth quarter of 2022 at 100.5 million barrels per day ("b/d"), down 0.4% from the same quarter in 2021. The estimate for global oil consumption for 2023 is 101.7 million b/d, an increase of 1.8% over 2022. OECD demand in 2023 is estimated to increase by 0.9% to 46.4 million b/d, while non-OECD demand is estimated to increase by 2.6% to 55.3 million b/d.

Global oil production in the fourth quarter of 2022 was 101.2 million b/d, an increase of 3.3% from the fourth quarter of 2021. OPEC crude oil production averaged 29.1 million b/d in the fourth quarter of 2022, a decrease of 0.3 million b/d from the third quarter of 2022, and an increase of 1.4 million b/d from the fourth quarter of 2021. Non-OPEC production increased by 1.7 million b/d to 66.8

million b/d in the fourth quarter of 2022 compared with the fourth quarter of 2021. Oil production in the U.S. in the fourth quarter of 2022 increased by 4.5% to 12.4 million b/d compared to the third quarter of 2022 and by 7.0% from the fourth quarter of 2021.

U.S. refinery throughput decreased by 0.6 million b/d to 16.3 million b/d in the fourth quarter of 2022 compared with the third quarter of 2022. U.S. crude oil imports in the fourth quarter of 2022 increased by 0.3 million b/d to 6.2 million b/d compared with the fourth quarter of 2021, with imports from OPEC countries increasing by 0.1 million b/d and imports from non-OPEC countries increasing by 0.2 million b/d.

China's average crude oil imports declined to 10.2 million b/d in 2022, a decrease of 0.9% when compared with 2021. However, December 2022 imports of 11.3 million b/d were up 4% year-over-year, the third highest monthly figure for the year.

After a protracted period of inventory draws, global inventories began to stabilize during 2022. Total commercial stocks in the OECD increased by approximately 26 million barrels in the year ending November 2022, the most recent available combined inventory data. Days of forward cover for OECD commercial stocks stood at 59.5 days in November 2022, 3.5 days below the five-year average.

During the fourth quarter of 2022, the tanker fleet of vessels over 10,000 dwt increased, net of vessels recycled, by 4.4 million dwt as the crude fleet increased by 3.3 million dwt, with VLCCs, Suezmaxes and Aframaxes growing by 2.4 million dwt, 0.3 million dwt and 0.6 million dwt, respectively. The product carrier fleet increased by 1.2 million dwt, with MRs growing 1.1 million dwt. Year-over-year, the size of the tanker fleet increased by 22.3 million dwt with the VLCCs, Suezmaxes, Aframaxes and MRs increasing by 11.3 million dwt, 5.2 million dwt, 2.7 million dwt and 3.0 million dwt, respectively. The LR1/Panamax fleet remained flat.

During the fourth quarter of 2022, the tanker orderbook declined by 2.1 million dwt overall compared with the third quarter of 2022. The crude tanker orderbook decreased by 1.6 million dwt, with a decrease in the VLCC orderbook of 2.7 million dwt, and an increase in the Suezmax orderbook of 1.1 million dwt. The product carrier orderbook decreased by 0.5 million dwt, with declines in the LR1 and MR sectors of 0.1 million dwt and 0.4 million dwt, respectively. Year-over-year, the total tanker orderbook decreased by 20.6 million dwt, with all sectors seeing declines.

The fourth quarter of 2022 saw the continued strengthening in rates experienced during the year, as disruptions in trade flows caused by the Russian invasion of Ukraine positively affected tanker earnings. Fourth quarter earnings, in addition to being the strongest of the year, were also significantly over 10-year average rates.

RESULTS FROM VESSEL OPERATIONS

During 2022, income from vessel operations increased by $554.8 million to $442.7 million from a loss of $112.1 million in 2021. Such increase resulted principally from a $597.9 million year-over-year increase in TCE revenues and $50.7 million in merger and integration related costs incurred in 2021 related to the Company's Merger with Diamond S. Such items were partially offset by increased vessel expenses and depreciation and amortization, which are reflective of the Company's larger post-Merger fleet.

The increase in TCE revenues in 2022 of $597.9 million, or 234%, to $853.7 million from $255.9 million in 2021 primarily reflects a net aggregate $504.9 million rates-based increase resulting from higher average daily rates earned across all of INSW's fleet sectors. Significant days-based increases in the Suezmax and MR fleets, which reflects the Merger-driven fleet growth, also contributed a total of $82.1 million to the increase in TCE revenues.

The following tables provide a quarterly trend analysis of spot TCE rates earned between the fourth quarter of 2021 and 2022 by our Crude Tankers and Product Carriers fleet. See the "Operations and Oil Tanker Markets" discussion above and segment discussion below for a description of the market factors that impacted the quarterly trend of spot rates during 2022.

	Spot Earnings for the Quarter Ended				
Crude Tankers	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
VLCC:					
Average rate	$ 14,326	$ 12,269	$ 16,441	$ 24,427	$ 64,596
Revenue days	778	801	808	812	799
Suezmax:					
Average rate	$ 13,069	$ 13,610	$ 23,684	$ 34,244	$ 59,064
Revenue days	1,084	1,060	963	849	1,029
Aframax:					
Average rate	$ 11,537	$ 13,216	$ 34,116	$ 38,287	$ 62,030
Revenue days	275	307	326	366	284
Panamax:					
Average rate	$ 15,037	$ 20,551	$ —	$ —	$ —
Revenue days	105	70	—	—	—

	Spot Earnings for the Quarter Ended				
Product Carriers	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022
LR1					
Average rate	$ 17,422	$ 20,300	$ 25,910	$ 40,973	$ 63,950
Revenue days	614	678	787	830	818
MR					
Average rate	$ 11,311	$ 14,030	$ 30,436	$ 35,986	$ 39,678
Revenue days	3,040	3,115	3,386	3,411	3,350
Handy					
Average rate	$ 11,300	$ 12,251	$ 19,521	$ —	$ —
Revenue days	316	343	126	—	—

See Note 5, "Business and Segment Reporting," to the Company's consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data," for additional information on the Company's segments, including equity in income of affiliated companies and reconciliations of (i) time charter equivalent revenues to shipping revenues and (ii) adjusted income/(loss) from vessel operations for the segments to income/(loss) before income taxes, as reported in the consolidated statements of operations.

Crude Tankers

(Dollars in thousands, except daily rate amounts)	2022	2021
TCE revenues	$ 321,857	$ 144,286
Vessel expenses	(98,844)	(95,805)
Charter hire expenses	(15,380)	(16,282)
Depreciation and amortization	(62,596)	(57,870)
Adjusted income/(loss) from vessel operations [a]	$ 145,037	$ (25,671)
Average daily TCE rate	$ 34,724	$ 15,986
Average number of owned vessels [b]	18.5	24.8
Average number of vessels chartered-in under leases	9.0	2.9
Number of revenue days [c]	9,269	9,026
Number of ship-operating days [d]		
Owned vessels	6,770	9,061
Vessels bareboat chartered-in under leases [e]	3,285	1,062
Vessels spot chartered-in under leases [f]	14	—

[a] Adjusted income/(loss) from vessel operations by segment is before general and administrative expenses, third-party debt modification fees, merger and integration related costs and (gain)/loss on disposal of vessels and other property, including impairments.

[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] Includes six VLCCs and one Aframax that secure lease financing arrangements.

[f] The Company's Crude Tankers Lightering business spot chartered-in one vessel under an operating lease during the year ended December 31, 2022 for one full service lightering job.

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2022 and 2021 between spot and fixed earnings and the related revenue days. The information 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 $787 and $592 per day in 2022 and 2021, 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.

	2022		2021	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
VLCC:				
Average rate	$ 29,361	$ 44,043	$ 13,604	$ 45,280
Revenue days	3,220	310	2,948	412
Suezmax [1]:				
Average rate	$ 32,579	$ 28,287	$ 12,624	$ 26,953
Revenue days	3,901	365	2,193	168
Aframax:				
Average rate	$ 36,488	$ —	$ 10,803	$ 25,740
Revenue days	1,283	—	1,087	144
Panamax[2]:				
Average rate	$ 19,851	$ —	$ 13,346	$ 11,007
Revenue days	70	—	437	1,370

[1] During 2021, certain of the Company's Suezmaxes were employed on transitional voyages in the spot market outside of their ordinary course operations in Penfield Maritime's Suezmax Pool. These transitional voyages are excluded from the Table above.

[2] The 2022 spot earnings primarily relate to the results of a positioning voyage of one of the Company's 2004-built Panamaxes in the Panamax International Pool during the first quarter of 2022, prior to its sale for recycling in April 2022.

During 2022, TCE revenues for the Crude Tankers segment increased by $177.6 million, or 123%, to $321.9 million from $144.3 million in 2021. Such increase principally resulted from (i) an aggregate rates-based increase in the Suezmax, VLCC and Aframax fleets of $162.8 million due to higher average daily blended rates in these sectors, (ii) a $19.3 million days-based increase in the Suezmax fleet which reflected the Company's acquisition of 13 Suezmaxes as a part of the Merger, two of which have been subsequently disposed of by the Company, (iii) a $10.2 million increase relating to activity growth in the Crude Tankers Lightering business, and (iv) a $2.8 million days-based increase in the VLCC fleet, which primarily reflected 360 fewer off-hire days in 2022. These increases were partially offset by (v) a $19.2 million days-based decrease in the Panamax fleet driven by the sale of four 2002-built Panamaxes and one 2003-built Panamax between August and December 2021 and the Company taking advantage of the strong demand for steel to recycle its two remaining Panamaxes in April 2022.

Vessel expenses increased by $3.0 million to $98.8 million in 2022 from $95.8 million in 2021. Such increase was driven by the Suezmaxes and Aframax acquired in the Merger, offset substantially by the impact of the sales in the Panamax fleet described above. Charter hire expenses decreased by $0.9 million to $15.4 million in 2022 from $16.3 million in 2021. The decrease reflects a $0.5 million reduction in charter hire expense in the Crude Tankers Lightering business as well as the impact of the bareboat charters for two of the Company's Aframaxes being classified as finance leases subsequent to the Company providing notice in December 2022 that it intends to exercise its purchase options under the bareboat charters. Depreciation and amortization increased by $4.7 million to $62.6 million in 2022 from $57.9 million in 2021. Such increase resulted principally from the net impact of the changes in the Suezmax and Panamax fleets noted above, along with the impacts of drydockings and ballast water treatment system and scrubber installations performed during 2021 and 2022. The scrubber installation on one of the Company's 2021-built Suezmaxes was completed in September 2022.

Excluding depreciation and amortization and general and administrative expenses, operating income for the Crude Tankers Lightering business was $16.7 million for 2022 compared to $6.0 million for 2021. The increase in the current year's operating income as compared to the prior year's primarily reflects higher levels of lightering activity in 2022. During 2022, 472 service support only lighterings were performed, as compared to 343 service support only lighterings in the prior year. Additionally, during 2022 one full-service lightering was performed, while no full-service lighterings were performed in 2021.

Product Carriers

(Dollars in thousands, except daily rate amounts)	2022	2021
TCE revenues	$ 531,853	$ 111,574
Vessel expenses	(141,830)	(87,251)
Charter hire expenses	(16,752)	(7,653)
Depreciation and amortization	(47,706)	(28,739)
Adjusted income/(loss) from vessel operations	$ 325,565	$ (12,069)
Average daily TCE rate	$ 30,221	$ 10,842
Average number of owned vessels	43.7	30.0
Average number of vessels chartered-in under leases	6.9	1.6
Number of revenue days	17,599	10,291
Number of ship-operating days		
Owned vessels	15,951	10,938
Vessels bareboat chartered-in under leases [(a)]	1,467	32
Vessels time chartered-in under leases	1,035	569

[(a)] Includes one LR2 and four MRs that secure lease financing arrangements.

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2022 and 2021 between spot and fixed earnings and the related revenue days. The information 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 $665 and $624 per day in 2022 and 2021, respectively, as well as revenue and revenue days for which recoveries were recorded by the Company under its loss of hire insurance policies.

	2022		2021	
	Spot Earnings	Fixed Earnings	Spot Earnings	Fixed Earnings
LR2:				
Average rate	$ —	$ 17,613	$ —	$ 17,637
Revenue days	—	362	—	364
LR1 [(1)]:				
Average rate	$ 38,706	$ —	$ 14,768	$ —
Revenue days	3,113	—	2,052	—
MR [(2)]:				
Average rate	$ 30,345	$ 20,927	$ 10,506	$ 16,044
Revenue days	13,262	140	6,492	176
Handy:				
Average rate	$ 13,861	$ —	$ 8,790	$ —
Revenue days	469	—	635	—

(1) During 2022 and 2021, each of the Company's LR1s participated in the Panamax International Pool and transported crude oil cargoes exclusively.

(2) During 2022 and 2021, certain MRs acquired by the Company through the Merger were employed on transitional voyages prior to delivering to commercial pools. These transitional voyages are excluded from the tables above.

During 2022, TCE revenues for the Product Carriers segment increased by $420.3 million, or 377%, to $531.9 million from $111.6 million in 2021. The growth in TCE revenues was primarily as a result of substantial period-over-period increases in average daily blended rates earned by the MR and LR1 fleet sectors, which accounted for a rates-based increase of approximately $341.4 million. Also contributing to the increased TCE revenues were days-based increases. In conjunction with the Merger, the Company acquired 44 MRs. The Company subsequently sold seven of the MRs during the third quarter of 2021, one during March 2022, one during the second quarter of 2022, and one during the fourth quarter of 2022. The net effect of these transactions was the primary driver of a 6,734-day increase in MR revenue days during the current year, which contributed a $62.8 million days-based increase in TCE revenues. Additionally, there was a $14.9 million days-based increase in the LR1 fleet, which reflected (i) the deliveries of two time chartered-in 2008-built LR1s between August and October 2021, and one time chartered-in 2009-built LR1 in February 2022, and (ii) the purchase of a 2011-built LR1 in February 2022, partially offset by (iii) the redelivery of a 2006-built LR1 to its owners at the expiry of its two year charter in August 2021. The Company also acquired six Handysize vessels in the Merger, and subsequently sold two in the fourth quarter of 2021, and the remaining four during the second quarter of 2022. These Handysizes contributed a total of $1.2 million more TCE revenue during 2022 than in 2021.

Vessel expenses during 2022 increased by $54.6 million to $141.8 million from $87.3 million in 2021. Such increase is primarily the result of an increase of 6,557 operating days in the MR fleet, which was principally driven by the additions to the fleet as a result of the Merger. Charter hire expenses increased by $9.1 million to $16.8 million in 2022 from $7.7 million in 2021 primarily as a result of the time chartered-in LR1s described above. Depreciation and amortization increased by $19.0 million to $47.7 million in the current year from $28.7 million in the prior year. Such increase resulted primarily from the net vessel additions noted above.

General and Administrative Expenses

During 2022, general and administrative expenses increased by $13.2 million to $46.4 million from $33.2 million in 2021. The primary drivers for such increase were principally related to the Merger and were comprised of (i) increased compensation and benefits costs of $6.4 million, of which $3.3 million relates to increases in the annual employee bonus accrual based upon the Company's strong operating and financial performance in 2022, and $1.7 million relates to non-cash stock compensation, (ii) $4.0 million of costs relating to shareholder activism-related matters, and financing and corporate projects that were ultimately not pursued to completion, (iii) increased travel and entertainment expenses of $0.9 million reflecting the impact of the easing of COVID-19 related travel restrictions (iv) an increase in the non-cash provision for expected credit losses of $0.3 million, and (v) increased

insurance costs of $0.3 million, substantially attributable to the non-cash amortization of a prepaid Directors and Officers run-off policy related to the Merger.

Equity in Income of Affiliated Companies

During 2022 equity in income of affiliated companies decreased by $21.1 million to $0.7 million from $21.8 million in 2021. This decrease was attributable to the sale of the Company's interest in the FSO joint ventures on June 7, 2022. The Company recognized a $9.5 million loss on such sale.

Other Income/(Expense)

Other income was $2.3 million for the year ended December 31, 2022 compared with $5.9 million of other expense for the year ended December 31, 2021. The current period other income includes $3.7 million of interest income from invested cash, resulting from a significant increase in the average balance of invested cash and the rate earned on such investments during 2022 compared to 2021. Such income in 2022 was partially offset by (i) the write-off of unamortized deferred financing costs totaling $1.3 million, in connection with the prepayment and extinguishment of certain of the Company's debt facilities and (ii) the net effect of currency losses and net actuarial gains associated with the Company's retirement benefit obligation in the United Kingdom. Similarly, the 2021 expense includes (i) loan breakage fees of $0.3 million related to the prepayment of the Sinosure Credit Facility and a write-off of $1.6 million of unamortized deferred financing costs associated with such loan prepayment in November 2021, which was treated as an extinguishment of debt, (ii) a $4.2 million loss related to the extinguishment of the financing component of the interest rate swap agreement associated with the Sinosure Credit Facility, and (iii) a write-off of $0.5 million of unamortized deferred financing costs associated with the $390 Million Facility Term Loan due to the principal prepayments made in December 2021, upon the sale and leaseback of three vessels that were part of the collateral for this facility. Such charges in 2021 were partially offset by interest income on cash deposits, net actuarial gains and currency gains associated with the retirement benefit obligation in the United Kingdom.

Interest Expense

The components of interest expense are as follows:

(Dollars in thousands)	2022	2021
Interest before items shown below	$ 62,847	$ 26,954
Interest cost on defined benefit pension obligation	497	81
Impact of interest rate hedge derivatives	(1,259)	10,376
Capitalized interest	(4,364)	(615)
Interest expense	$ 57,721	$ 36,796

Interest expense was $57.7 million in 2022, compared with $36.8 million in 2021. Interest expense increased as a result of (i) higher average outstanding debt balances during 2022 compared to 2021, principally attributable to the debt that was assumed in connection with the Merger, and the refinancing of then existing debt between November 2021 and May 2022 with resulting higher principal amounts outstanding and (ii) higher average floating interest rates during 2022 compared with 2021. During 2022, the Company incurred approximately $18.6 million in interest expense related to $750 Million Facility, which was partially offset by the impact of the $525 Million Term Loan Facility and $360 Million Term Loan Facility payoff in May 2022. Additionally, the Company entered into three new sale and leaseback transactions during 2022, which incurred $2.3 million interest expense. See Note 10, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data," for further information on the Company's debt facilities.

Income Tax Provision

If we do not qualify for an exemption pursuant to Section 883, or the "Section 883 exemption," of the U.S. Internal Revenue Code of 1986, as amended, or the "Code," then we will be subject to U.S. federal income tax on our shipping income that is derived from U.S. sources. If we are subject to such tax, our results of operations and cash flows would be reduced by the amount of such tax. We qualified for the Section 883 exemption for the tax year ended December 31, 2022. We will qualify for the Section 883 exemption for 2023 and forward if, among other things, (i) our common shares are treated as primarily and regularly traded on an established securities market in the United States or another qualified country ("publicly traded test"), or (ii) we satisfy one of two other

ownership tests. Under applicable U.S. Treasury Regulations, the publicly traded test will not be satisfied in any taxable year in which persons who directly, indirectly or constructively own five percent or more of our common shares (sometimes referred to as "5% shareholders") own 50% or more of the vote and value of our common shares for more than half the days in such year, unless an exception applies. We can provide no assurance that ownership of our common shares by 5% shareholders will allow us to qualify for the Section 883 exemption in future taxable years. If we do not qualify for the Section 883 exemption, our gross shipping income derived from U.S. sources, i.e., 50% of our gross shipping income attributable to transportation beginning or ending in the United States (but not both beginning and ending in the United States), generally would be subject to a four percent tax without allowance for deductions.

In 2021, we obtained advice regarding freight taxes in a certain jurisdiction related to the uncertainty surrounding the application of a law given the limited transparency into the actions of the tax authorities in this jurisdiction. During 2022, the Company increased its reserve for uncertain tax liabilities for this jurisdiction by $0.2 million.

See Note 12, "Taxes," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," for further details on the income tax provision line.

EBITDA and Adjusted EBITDA

EBITDA represents net income/(loss) 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/(loss), as reflected in the consolidated statements of operations set forth in Item 8, "Financial Statements and Supplementary Data," to EBITDA and Adjusted EBITDA:

(Dollars in thousands)	2022	2021
Net income/(loss)	$ 387,891	$ (134,660)
Income tax provision	88	1,618
Interest expense	57,721	36,796
Depreciation and amortization	110,388	86,674
Noncontrolling interest	—	(174)
EBITDA	556,088	(9,746)
Amortization of time charter contracts acquired	842	2,428
Third-party debt modification fees	1,158	110
Loss on sale of investments in affiliated companies	9,513	—
Merger and integration related costs	—	50,740
Gain on disposal of vessels and assets, net of impairments	(19,647)	(9,753)
Gain on sale of interest in DASM	(135)	—
Write-off of deferred financing costs	1,266	2,113
Loss on extinguishment of debt	—	4,465
Adjusted EBITDA	$ 549,085	$ 40,357

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 December 31, 2022, we had total liquidity on a consolidated basis of $541.1 million comprised of $243.7 million of cash, $80.0 million of short-term investments and $217.4 million of undrawn revolver capacity.

Working capital at December 31, 2022 was $385.2 million compared with a negative $10.0 million at December 31, 2021. Current assets are highly liquid, consisting principally of cash, interest-bearing deposits, short-term investments consisting of time deposits with original maturities of between 90 and 180 days, and receivables. Current liabilities include current installments of long-term debt and finance lease liabilities of $204.7 million and $178.7 million at December 31, 2022 and 2021, respectively.

The Company's total cash increased by $144.8 million during the year ended December 31, 2022. This increase reflects cash provided by operating activities of $287.8 million, proceeds from the sale of the Company's 50% ownership interest in the FSO Joint Venture of $140.1 million, proceeds from disposal of vessels and other assets of $99.2 million, and proceeds from issuance of lease financing, net of issuance and deferred financing costs, of $108.0 million. Such cash inflows were partially offset by $116.0 million in expenditures for vessels and other property including construction costs for three dual-fuel LNG-powered VLCCs, a net outflow of $196.4 million related to debt extinguishment, scheduled principal amortization for the Company's secured debt facilities and lease financing arrangements and the refinancing of the $390 Million Credit Facility, $525 Million Credit Facility and $360 Million Credit Facility, $20.0 million in expenditures made under the Company's stock repurchase program, $80.0 million of cash invested in the short-term investments described above and cash dividends of $69.8 million.

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 December 31, 2022, we had total debt and finance lease obligations outstanding (net of original issue discount and deferred financing costs) of $1,065.3 million and a net debt (including finance lease obligations) to total capitalization ratio of 33.3%, which compares with 46.2% at December 31, 2021.

Sources, Uses and Management of Capital

During the low end of the tanker cycle in 2021, we maintained a strong balance sheet, which allowed us to take advantage of attractive strategic opportunities. During 2022, we continued to lower our financial leverage to what we believed to be appropriate for the current strong point in the tanker cycle.

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.

The following is a summary of the significant capital allocation initiatives we executed during 2022 and the sources of capital we have at our disposal for future use as well as our current commitments for future uses of capital:

During the first quarter of 2022, the Company's Board of Directors declared a regular quarterly cash dividend of $0.06 per share. The regular quarterly dividend was subsequently doubled to $0.12 per share for the second, third and fourth quarters of 2022. Additionally, during the fourth quarter a supplemental dividend of $1.00 per share was declared. Pursuant to such dividend declarations, the Company made dividend payments totaling $69.8 million during 2022.

In January 2022, continuing our 2021 post-merger fleet optimization program, the Company entered into memoranda of agreements for the sale of a 2010-built MR for a sale price of $16.5 million and the purchase of a 2011-built LR1 for a purchase price of $19.5 million with the same counterparty. The LR1 was delivered into our niche commercial pool, Panamax International, which has historically outperformed the market. The Company closed both transactions during the first quarter of 2022, recognizing a gain of $4.5 million on the sale of the 2010-built MR and a net cash outflow of $3.0 million representing the difference in value between the two vessels. The LR1 vessel replaced the MR as collateral under the $525 Million Credit Facility with no further mandatory principal repayment required. During 2022, the Company also delivered two 2008-built MRs, one 2002-built Panamax, one 2004-built Panamax and four 2006-built Handysize product carriers to buyers. The aggregate net proceeds from the sale of these eight vessels after the prepayment of associated debt was approximately $68.0 million.

On January 14, 2022, the Company entered into a lease financing arrangement with Hyuga Kaiun Co., Ltd ("Hyuga") for the sale and leaseback of a 2011-built MR, which was a $390 Million Facility Collateral Vessel, for a net sale price of $16.7 million (the "Hyuga Lease Financing"). The transaction generated net proceeds of $5.7 million, after prepaying $11.0 million of the $390 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to a nine-year bareboat charter at a bareboat rate of $6,300 per day for the first three years, $6,200 per day for the second three years, and $6,000 per day for the last three years, with purchase options exercisable commencing at the end of the fourth year and a $2.0 million purchase obligation at the end of the nine-year term.

On April 25, 2022, the Company entered into a lease financing arrangement with Kaiyo Ltd. ("Kaiyo") for the sale and leaseback of a 2010-built MR, which was a $390 Million Facility Collateral Vessel, for a net sale price of $15.2 million (the "Kaiyo Lease Financing"). The transaction generated net proceeds of $5.4 million, after prepaying $9.8 million of the $390 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to an eight-year bareboat charter at a bareboat rate of $6,250 per day for the first four years, and $6,150 per day for the remaining four years, with purchase options exercisable commencing at the end of the fourth year and a $1.5 million purchase obligation at the end of the eight-year term.

On May 12, 2022, the Company entered into a lease financing arrangement with Kabushiki Kaisha ("Kaisha") for the sale and leaseback of a 2010-built MR, which was a $525 Million Facility Collateral Vessel, for a net sale price of $15.2 million (the "Kaisha Lease Financing"). The transaction generated net proceeds of $10.6 million, after prepaying $4.6 million of the $525 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to an eight-year bareboat charter at a bareboat rate of $6,250 per day for the first four years, and $6,150 per day for the remaining four years, with purchase options exercisable commencing at the end of the fourth year and a $1.5 million purchase obligation at the end of the eight-year term.

On May 20, 2022, International Seaways Operating Corporation, the borrower, and certain of their subsidiaries entered into a credit agreement comprising $750 million of secured debt facilities (the "$750 Million Credit Facility") with Nordea Bank Abp, New York Branch ("Nordea"), Crédit Agricole Corporate & Investment Bank ("CA-CIB"), BNP Paribas, DNB Markets Inc. and Skandinaviska Enskilda Banken AB (PUBL) (or their respective affiliates), as mandated lead arrangers and bookrunners; Danish Ship Finance A/S and ING Bank N.V., London Branch (or their respective affiliates), as mandated lead arrangers; and National Australia Bank Limited, as co-arranger. Nordea is acting as administrative agent, collateral agent and security trustee under the credit agreement, and CA-CIB is acting as sustainability coordinator. Capitalized terms used in this paragraph and elsewhere not otherwise defined herein shall have the meanings set forth in the credit agreement.

The $750 Million Credit Facility consists of (i) a five-year senior secured term loan facility in an aggregate principal amount of $530 million (the "$750 Million Facility Term Loan") and (ii) a five-year revolving credit facility in an aggregate principal amount of $220 million (the "750 Million Facility Revolving Loan. The $750 Million Facility Term Loan contains an uncommitted accordion feature whereby, for a period of up to 24 months following the closing date, the amount of the loan thereunder may be increased up to an additional incremental $250 million (in increments of at least $10 million) for the acquisition of Additional Vessels, subject to certain conditions.

On May 24, 2022, the available amount of $530 million under the $750 Million Facility Term Loan was drawn in full, and $70 million of the $220 million available under the $750 Million Facility Revolving Loan was also drawn. Those proceeds, together with available cash, were used (i) to repay the $163 million outstanding principal balance under the $390 Million Credit Facility; (ii) to repay the $284 million outstanding principal balance under the $525 Million Credit Facility; (iii) to repay the $128 million outstanding principal balance under the $360 Million Credit Facility; and to pay certain expenses related to the refinancing, including certain structuring and arrangement fees, legal and administrative fees totaling $10.5 million.

The $750 Million Facility Term Loan amortizes in 19 quarterly installments of approximately $30.6 million (other than the final payment of $9.8 million) commencing November 20, 2022. The maturity date of the $750 Million Credit Facility is May 20, 2027, and is subject to acceleration upon the occurrence of certain events (as described in the credit agreement).

The $70 million drawn under the $750 Million Facility Revolving Loan was repaid on June 15, 2022, using a portion of the proceeds from the sale of the FSO Joint Venture.

In August 2022, the Company's Board of Directors authorized an increase in the share repurchase program to $60.0 million from $33.3 million and extended the expiration of the program to December 31, 2023. During the third quarter of 2022, share repurchases of $20.0 million were executed under such program.

On August 5, 2022, the Company redeemed the $25 million aggregate principal outstanding of the 8.5% Senior Notes due June 2023.

On November 17, 2022, the Company repaid the $17.8 million outstanding balance of the Macquarie Credit Facility in full and the facility was terminated in accordance with its terms.

See Note 10, "Debt," to the accompanying consolidated financial statements as set forth in Item 8, "Financial Statements and Supplementary Data" for further details on these and our other debt facilities.

As of December 31, 2022, the Company has vessel construction commitments for three dual-fuel LNG-powered VLCCs. The Company also has contractual commitments for the purchase and installation of 16 ballast water treatment systems and ten Mewis ducts, and the final outstanding installment payments due for four ballast water treatment systems that had been installed as of December 31, 2022. The Company's debt service commitments and aggregate purchase commitments for vessel construction and betterments as of December 31, 2022, are presented in the Aggregate Contractual Obligations Table below.

During the first quarter of 2023, we have continued to execute on our capital allocation strategy, balance sheet enhancement efforts and fleet optimization program through the following actions:

In December 2022 the Company tendered notice of its intention to exercise its options to purchase two 2009-built Aframaxes that are currently bareboat chartered-in. Under the terms of the options, the Company expects to purchase the two vessels in March 2023 for an aggregate purchase price of $43.0 million, representing an over 45% discount to the current market values of for these vessels.

In January 2023 we executed a memorandum of agreement to sell a 2008-built MR for approximately $20.5 million. The vessel will be delivered to its buyers by April 2023. This sale will save the Company the cost of having to conduct a third special survey and installing a ballast water treatment system on the vessel. Also, the sale will result in a principal prepayment of approximately $9.7 million of the $750 Million Facility Term Loan.

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 $1.88 per share of common stock on February 27, 2023. Both dividends will be paid on March 28, 2023 to stockholders of record as of March 14, 2023.

Outlook

We executed various liquidity enhancing initiatives during 2021 and 2022 that significantly diversified our financing sources and spread our debt maturities out between 2026 and 2031, putting the Company in a strong position to navigate through any period of weaker rates. Vessel prices remain at the top end of the 10-year average, but we believe the tanker market fundamentals should remain strong for the next few years, though we expect volatility during 2023 due to macroeconomic uncertainty. Our balance sheet and diverse fleet, positions us to support our operations over the next twelve months as we continue to advance our disciplined capital allocation strategy of fleet renewal, incremental debt reduction and tanker-cycle appropriate returns to shareholders and provides us with flexibility to continue pursuing potential strategic opportunities that may arise within the diverse sectors in which we operate.

Aggregate Contractual Obligations

A summary of the Company's long-term contractual obligations as of December 31, 2022 follows:

(Dollars in thousands)	2023	2024	2025	2026	2027	Beyond 2027	Total
$750 Million Facility Term Loan - floating rate[1]	$ 152,367	144,015	135,447	126,951	9,861	—	$ 568,641
ING Credit Facility - floating rate[2]	3,563	3,435	3,291	17,734	—	—	28,023
Ocean Yield Lease Financing - floating rate[2]	57,687	55,313	52,641	50,123	47,602	242,394	505,760
COSCO Lease Financing - floating rate[2]	9,041	8,591	8,152	7,713	7,280	24,073	64,850
BoComm Lease Financing - fixed rate[3]	24,255	23,827	23,762	23,762	23,762	187,994	307,362
Toshin Lease Financing - fixed rate[3]	2,232	2,223	2,160	2,160	2,151	9,157	20,083
Hyuga Lease Financing - fixed rate[3]	2,268	2,456	2,232	2,232	2,232	8,576	19,996
Kaiyo Lease Financing - fixed rate[3]	2,250	2,250	2,250	2,410	2,214	6,555	17,929
Kaisha Lease Financing - fixed rate[3]	2,250	2,250	2,438	2,225	2,214	6,715	18,092
Operating lease obligations[4]							
Time Charter-ins	2,150	—	—	—	—	—	2,150
Office and other space	229	973	998	1,024	1,077	5,831	10,132
Finance lease obligations[5]							
Bareboat Charter-ins	41,971	—	—	—	—	—	41,971
Vessel and vessel betterment commitments[6]	16,396	1,254	—	—	—	—	17,650
Total	$ 316,659	$ 246,587	$ 233,371	$ 236,334	$ 98,393	$ 491,295	$ 1,622,639

(1) Amounts shown include contractual interest obligations of floating rate debt estimated based on the applicable margin for the $750 Million Facility Term Loan of 2.40%, plus the fixed rate stated in the related interest rate swap of 2.84% for the $475 million notional amount and the effective three-month term SOFR of 4.28% for the remaining outstanding term loan balance.

(2) Amounts shown include contractual interest obligations of floating rate debts estimated based on the applicable margin plus the effective three-month LIBOR rate as of December 31, 2022 of 4.74% for the COSCO Lease Financing, 4.63% for the ING Credit Facility and 4.46% for the Ocean Yield Lease Financing.

(3) Amounts shown include contractual implicit interest obligations of the lease financing under the bareboat charters. In addition, BoComm Lease Financing includes 3.5% interest during the construction period and 1% commitment fee, prior to the commencement of the bareboat charter. BoComm Lease Financing amounts include both the outstanding principal amount and the undrawn amount as of December 31, 2022 of $72.1 million and $172.7 million, respectively.

(4) As of December 31, 2022, the Company had charter-in commitments for two vessels on leases that are accounted for as operating leases. The full amounts due under bareboat charter-ins, office and other space leases and the lease component of the amounts due under long term time charter-ins are discounted and reflected on the Company's consolidated balance sheet as lease liabilities with corresponding right of use asset balances.

(5) Amounts shown include purchase option price obligations and remaining charter-in commitments for two 2009-built Aframaxes that are currently bareboat chartered-in. As a result of the exercise of the options in December 2022, the Company expects to purchase the two vessels in March 2023.

(6) Represents the Company's commitments for the purchase and installation of ballast water treatment systems on 16 vessels, installation of mewis duct systems on ten vessels, and the Company's remaining commitment for the construction of three dual-fuel LNG VLCCs not funded by the BoComm Lease Financing.

In addition to the above long-term contractual commitments, we have certain obligations for our shore-based employees as of December 31, 2022, related to a defined benefit pension plan in the U.K. as follows:

(Dollars in thousands)	2023	2024	2025	2026	2027	Beyond 2027	Total
Defined benefit pension plan contributions[(1)]	$ 681	$ 702	$ 723	$ 744	$ 767	$ 3,303	$ 6,920
Total	$ 681	$ 702	$ 723	$ 744	$ 767	$ 3,303	$ 6,920

(1) Represents estimated employer contributions under the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the "Scheme"), pursuant to the Scheme's secondary funding objective. The Scheme is currently fully funded for financial reporting purposes. The Company and the trustees of the Scheme have agreed to target achieving a funding level that would permit the securing of the Scheme's obligations with an insurance company by 2030. The contributions are subject to change after an actuarial estimate of the Scheme's funding level is produced.

Carrying Value of Vessels

At December 31, 2022, 67 of the Company's 70 owned and chartered-in vessels were pledged as collateral under certain of the Company's debt and lease financing facilities. The following table presents information with respect to the carrying amount of the Company's vessels by type. Instances in which the fair market values of the Company's vessels, which are estimated by a third-party vessel appraisal, are below their carrying values as of December 31, 2022, are indicated in the footnote(s) to the table. The carrying value of each of the Company's vessels does not necessarily represent its fair market value or the amount that could be obtained if the vessel were sold. The Company's estimates of market values for its vessels assume that the vessels are all in good and seaworthy condition without need for repair and, if inspected, would be certified as being in class without notations. In addition, because vessel values are highly volatile, these estimates may not be indicative of either the current or future prices that the Company could achieve if it were to sell any of the vessels. The Company would not record a loss for any of the vessels for which the fair market value is below its carrying value unless and until the Company either determines to sell the vessel for a loss or determines that the vessel is impaired as discussed below in "Critical Accounting Policies — Vessel Impairment." The Company believes that the future undiscounted cash flows expected to be earned over the estimated remaining useful lives for those vessels that have experienced declines in market values below their carrying values would exceed such vessels' carrying values.

Footnotes to the following table exclude those vessels with an estimated market value in excess of their carrying value.

(Dollars in thousands)	Average Vessel Age (weighted by dwt)	Number of Owned Vessels	Carrying Value
Crude Tankers			
VLCC	8.8	10	$ 631,522
Suezmax	8.8	13	407,204
Aframax	7.7	2	57,173
Total Crude Tankers[(1)]	8.8	25	$ 1,095,899
Product Carriers			
LR2	8.4	1	$ 52,002
LR1	13.6	6	96,234
MR	13.4	38	432,964
Total Product Carriers	13.2	45	$ 581,200
Fleet total	10.2	70	$ 1,677,099

(1) As of December 31, 2022, the Crude Tankers segment includes a vessel with a carrying value of $70.5 million, which the Company believes exceeds its aggregate market value of approximately $60.4 million by $10.1 million.

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. See Note 17, “Pension and other postretirement benefit plans,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data,” for additional information.

Risk Management

Interest rate risk

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 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.

The Company uses interest rate swaps for the management of interest rate risk exposure associated with changes in variable interest rate payments due on its credit facilities. See Note 9, “Fair Value of Financial Instruments, Derivative and Fair Value Disclosures,” to the Company’s consolidated financial statements set forth in Item 8, “Financial Statements and Supplementary Data,” for additional information on the Company various interest rate derivatives.

Currency and exchange rate risk

The shipping industry’s functional currency is the U.S. dollar. All of the Company’s revenues and most of its operating costs are in U.S. dollars. The Company incurs certain operating expenses, such as some vessel and general and administrative expenses, in currencies other than the U.S. Dollar, and the foreign exchange risk associated with these operating expenses is immaterial. If foreign exchange risk becomes material in the future, the Company may seek to reduce its exposure to fluctuations in foreign exchange rates through the use of short-term currency forward contracts and through the purchase of bulk quantities of currencies at rates that management considers favorable. For contracts which qualify as cash flow hedges for accounting purposes, hedge effectiveness would be assessed based on changes in foreign exchange spot rates with the change in fair value of the effective portions being recorded in accumulated other comprehensive income/(loss).

Fuel price volatility risk

The Company has installed scrubbers on its ten VLCCs and two of its Suezmaxes. During 2022, the average price differential between very low sulfur fuel and high sulfur fuel in Singapore and Fujairah, the most common bunkering locations for VLCCs, was approximately $277 per ton. Assuming a VLCC bunker consumption rate of 50 metric tons per day, this translated to approximately $13,800 per day in lower bunker consumption costs on our VLCCs during 2022. In addition to installing scrubbers on certain of the larger vessels in the Company’s fleet, significant consideration continues to be given to other ways of managing the risk of volatility in the price spread between high-sulfur fuel and low-sulfur fuel as well as the risk of limited supply of compliant fuel or HFO along the routes that the Company’s vessels typically travel.

Interest Rate Sensitivity

The following table presents information about the Company’s financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents the principal cash flows and related weighted average interest rates by expected maturity dates of the Company’s debt obligations.

Principal (Notional) Amount (dollars in millions) by Expected Maturity and Average Interest (Swap) Rate

(Dollars in millions)	2023	2024	2025	2026	2027	Beyond 2027	Total	Fair Value at Dec. 31, 2022
Liabilities								
Debt								
Fixed rate debt	$ 17.0	$ 20.3	$ 21.2	$ 21.7	$ 22.9	$ 201.1	$ 304.1	$ 120.7
Average interest rate	4.01%	4.58%	4.56%	4.54%	4.51%	5.22%		
Variable rate debt [(1)]	$ 157.3	$ 157.3	$ 157.3	$ 171.9	$ 43.9	$ 217.7	$ 905.3	$ 905.3
Average interest rate [(1)]	7.01%	7.23%	7.61%	8.52%	8.64%	8.63%		

(1) Rates are discussed in the aggregate contractual obligations section above.

As of December 31, 2022, the Company had secured term loans or lease financings, and revolving credit facilities under which borrowings bear interest at a rate based on LIBOR or SOFR, plus the applicable margin, as stated in the respective financing arrangements. The Company has entered into interest rate swaps agreements covering a notional amount of $447.6 million of the $750 Million Facility Term Loan that was outstanding as of December 31, 2022, with major financial institutions participating in such 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.

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. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application. 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 set forth in Item 8, "Financial Statements and Supplementary Data."

Vessel Lives and Salvage Values

The carrying value of each of the Company's vessels represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of 25 years from the date such vessel was originally delivered from the shipyard. A vessel's carrying value is reduced to its new cost basis (i.e., its current fair value) if a vessel impairment charge is recorded.

If the estimated useful lives assigned to the Company's vessels prove to be shorter than previously estimated because of new regulations, an extended period of weak markets, the broad imposition of age restrictions by the Company's customers, or other future events, it could result in higher depreciation expense and impairment losses in future periods related to a reduction in the useful lives of any affected vessels.

Company management estimates the steel recycle value of all of its vessels to be $300 per lightweight ton consistent with its commitment to implement and practice environmentally and socially responsible ship recycling. The Company's assumptions used in the determination of estimated salvage value take into account current steel recycling prices, the historic pattern of annual average steel recycling rates over the five years ended December 31, 2022, which ranged from $270 to $670 per lightweight ton, estimated changes in future market demand for recycled steel and estimated future demand for vessels. Steel recycling prices also fluctuate depending upon type of ship, bunkers on board, spares on board and delivery range. Market conditions that could influence the volume and pricing of vessel recycling activity in 2023 and beyond include the combined impact of scheduled newbuild deliveries and charter rate expectations for vessels potentially facing age restrictions imposed by oil majors as well as the impact of ballast water treatment systems regulatory requirements or proposals, costs and timing of pending special surveys, which are likely to be expensive for vessels over 15 years of age and IMO requirements for the use of low-sulfur fuels and other carbon reduction initiatives. These factors will influence owners' decisions to accelerate the disposal of older vessels, especially those with upcoming special surveys.

Although management believes that the assumptions used to determine the steel recycling value for its vessels are reasonable and appropriate, such assumptions are highly subjective, in part, because of the cyclicality of the nature of future demand for recycled steel.

Vessel Impairment

The carrying values of the Company's vessels may not represent their fair market value or the amount that could be obtained by selling the vessel at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuildings. Historically, both charter rates and vessel values tend to be cyclical. Management evaluates the carrying amounts of vessels held and used by the Company for impairment only when it determines that it will sell a vessel or when events or changes in circumstances occur that cause management to believe that future cash flows for any individual vessel will be less than its carrying value. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount. This assessment is made at the individual vessel level as separately identifiable cash flow information for each vessel is available.

In developing estimates of future cash flows, the Company must make assumptions about future performance, with significant assumptions being related to charter rates, operating expenses, utilization, drydocking and capital expenditure requirements, residual value and the estimated remaining useful lives of the vessels. These assumptions are based on historical trends as well as future expectations. Specifically, in estimating future charter rates, management takes into consideration rates currently in effect for existing time charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of (i) rates as forecasted by third-party analysts, and (ii) the trailing 12-year historical average rates, based on monthly average rates published by a third-party maritime research service. Management uses the published 12-year historical average rates in its assumptions because it is management's belief that the 12-year period captures a distribution of strong and weak charter rate periods, which results in the use of an average mid-cycle rate that is more in line with management's forecast of a return to mid-cycle charter rate levels in the medium term. Recognizing that the transportation of crude oil and petroleum products is cyclical and subject to significant volatility based on factors beyond the Company's control, management believes the use of estimates based on the combination of rates forecasted by third-party analysts and 12-year historical average rates calculated as of the reporting date to be reasonable.

Estimated outflows for operating expenses and capital expenditures and drydocking requirements are based on historical and budgeted costs and are adjusted for assumed inflation. Utilization is based on historical levels achieved and estimates of residual value for recycling are based upon the pattern of steel recycling rates used in management's evaluation of salvage value for purposes of recording depreciation. Finally, for vessels that are being considered for disposal before the end of their respective useful lives, the Company utilizes weighted probabilities assigned to the possible outcomes for such vessels being sold or recycled before the end of their respective useful lives.

The determination of fair value is highly judgmental. In estimating the fair value of INSW's vessels for purposes of Step 2 of the impairment tests, the Company considers the market and income approaches by using a combination of third-party appraisals and discounted cash flow models prepared by the Company. In preparing the discounted cash flow models, the Company uses a methodology consistent with the methodology discussed above in relation to the undiscounted cash flow models prepared by the Company and discounts the cash flows using its current estimate of INSW's weighted average cost of capital.

The more significant factors that could impact management's assumptions regarding time charter equivalent rates include (i) loss or reduction in business from significant customers, (ii) unanticipated changes in demand for transportation of crude oil and petroleum products, (iii) changes in production of or demand for oil and petroleum products, generally or in particular regions, (iv) greater than anticipated levels of tanker newbuilding orders or lower than anticipated levels of tanker recycling, and (v) changes in rules and regulations applicable to the tanker industry, including legislation adopted by international organizations such as IMO and the EU or by individual countries. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially, in the future.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations —Risk Management” and “—Interest Rate Sensitivity.”

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31
DOLLARS IN THOUSANDS

	December 31, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 243,744	$ 97,883
Short-term investments	80,000	—
Voyage receivables, net of allowance for credit losses of $261 and $31, including unbilled of $279,567 and $100,137	289,775	107,096
Other receivables	12,583	5,651
Inventories	531	2,110
Prepaid expenses and other current assets	8,995	11,759
Current portion of derivative asset	6,987	—
Total Current Assets	642,615	224,499
Restricted cash	—	1,050
Vessels and other property, less accumulated depreciation	1,680,010	1,802,850
Vessels construction in progress	123,940	49,291
Deferred drydock expenditures, net	65,611	55,753
Operating lease right-of-use assets	8,471	23,168
Finance lease right-of-use assets	44,391	—
Investments in and advances to affiliated companies	36,414	180,331
Long-term derivative assets	4,662	1,296
Time charter contracts acquired, net	—	842
Other assets	9,220	7,700
Total Assets	$ 2,615,334	$ 2,346,780
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 51,069	$ 44,964
Current portion of operating lease liabilities	1,596	8,393
Current portion of finance lease liabilities	41,870	—
Current installments of long-term debt	162,854	178,715
Current portion of derivative liabilities	—	2,539
Total Current Liabilities	257,389	234,611
Long-term operating lease liabilities	7,740	12,522
Long-term debt, net	860,578	926,270
Long-term portion of derivative liabilities	—	757
Other liabilities	1,875	2,288
Total Liabilities	1,127,582	1,176,448
Commitments and contingencies		
Equity:		
Capital - 100,000,000 no par value shares authorized; 49,120,648 and 49,612,019 shares issued and outstanding	1,502,235	1,591,446
Accumulated deficit	(21,447)	(409,338)
	1,480,788	1,182,108
Accumulated other comprehensive income/(loss)	6,964	(12,360)
Total equity before noncontrolling interest	1,487,752	1,169,748
Noncontrolling interest	—	584
Total Equity	1,487,752	1,170,332
Total Liabilities and Equity	$ 2,615,334	$ 2,346,780

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

	2022	2021	2020
Shipping Revenues:			
Pool revenues, including $210,409, $72,557 and $194,258 from affiliated companies accounted for by the equity method	$ 774,922	$ 175,997	$ 272,980
Time and bareboat charter revenues	33,034	50,094	88,719
Voyage charter revenues	56,709	46,455	59,949
	864,665	272,546	421,648
Operating Expenses:			
Voyage expenses	10,955	16,686	19,643
Vessel expenses	240,674	183,057	128,373
Charter hire expenses	32,132	23,934	30,114
Depreciation and amortization	110,388	86,674	74,343
General and administrative	46,351	33,235	28,976
Third-party debt modification fees	1,158	110	232
Merger and integration related costs	—	50,740	—
(Gain)/loss on disposal of vessels and other assets, net of impairments	(19,647)	(9,753)	100,087
Total operating expenses	422,011	384,683	381,768
Income/(loss) from vessel operations	442,654	(112,137)	39,880
Equity in income of affiliated companies	714	21,838	4,119
Operating income/(loss)	443,368	(90,299)	43,999
Other income/(expense)	2,332	(5,947)	(12,817)
Income/(loss) before interest expense and income taxes	445,700	(96,246)	31,182
Interest expense	(57,721)	(36,796)	(36,712)
Income/(loss) before income taxes	387,979	(133,042)	(5,530)
Income tax provision	(88)	(1,618)	(1)
Net income/(loss)	387,891	(134,660)	(5,531)
Less: Net loss attributable to noncontrolling interest	—	(1,168)	—
Net income/(loss) attributable to the Company	$ 387,891	$ (133,492)	$ (5,531)
Weighted Average Number of Common Shares Outstanding:			
Basic	49,381,459	38,407,007	28,372,375
Diluted	49,844,904	38,407,007	28,372,375
Per Share Amounts:			
Basic net income/(loss) per share	$ 7.85	$ (3.48)	$ (0.20)
Diluted net income/(loss) per share	$ 7.77	$ (3.48)	$ (0.20)

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2022	2021	2020
Net income/(loss)	$ 387,891	$ (134,660)	$ (5,531)
Other Comprehensive Income/(Loss), net of tax:			
Net change in unrealized gains/(losses) on cash flow hedges	21,775	19,235	(12,366)
Defined benefit pension and other postretirement benefit plans:			
Net change in unrecognized prior service costs	(335)	54	46
Net change in unrecognized actuarial losses	(2,116)	964	277
Other Comprehensive Income/(Loss), net of tax	19,324	20,253	(12,043)
Comprehensive income/(loss)	407,215	(114,407)	(17,574)
Less: Comprehensive loss attributable to noncontrolling interest	—	(1,168)	—
Comprehensive income/(loss) attributable to the Company	$ 407,215	$ (113,239)	$ (17,574)

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
DOLLARS IN THOUSANDS

	2022	2021	2020
Cash Flows from Operating Activities:			
Net income/(loss)	$ 387,891	$ (134,660)	$ (5,531)
Items included in net income/(loss) not affecting cash flows:			
Depreciation and amortization	110,388	86,674	74,343
Loss on write-down of vessels and other assets	1,697	3,497	103,022
Amortization of debt discount and other deferred financing costs	5,224	2,313	2,898
Amortization of time charter hire contracts acquired	842	2,428	—
Deferred financing costs write-off	1,266	2,113	13,073
Stock compensation	6,746	10,529	5,631
Earnings of affiliated companies	(10,297)	(21,838)	(4,013)
Merger and integration related costs, noncash	—	31,053	—
Change in fair value of interest rate collar recorded through earnings	—	—	1,271
Other – net	(2,242)	2,969	1,747
Items included in net income/(loss) related to investing and financing activities:			
Gain on disposal of vessels and other assets, net	(21,344)	(13,250)	(2,935)
Loss on extinguishment of debt	—	4,465	1,197
Loss on sale of investment in affiliated companies	9,513	—	—
Cash distributions from affiliated companies	3,111	9,835	4,644
Payments for drydocking	(43,327)	(42,416)	(25,642)
Insurance claims proceeds related to vessel operations	5,301	1,846	5,238
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	(182,679)	(16,470)	40,483
Increase/(decrease) in deferred revenue	2,609	(1,636)	2,995
Net change in inventories, prepaid expenses and other current assets and accounts payable, accrued expense, and other current and long-term liabilities	13,102	(3,644)	(2,281)
Net cash provided by/(used in) by operating activities	287,801	(76,192)	216,140
Cash Flows from Investing Activities:			
Cash acquired, net of equity issuance costs related to merger	—	54,047	—
Expenditures for vessels, vessel improvements and vessels under construction	(115,976)	(78,035)	(50,049)
Proceeds from disposal of vessels and other assets	99,157	165,809	73,121
Expenditures for other property	(710)	(979)	(507)
Investments in and advances to affiliated companies, net	1,362	(7,554)	2,347
Proceeds from sale of investment in affiliated companies	138,966	—	—
Repayments of advances from joint venture investees	—	—	7,456
Investments in short-term time deposits	(105,000)	—	—
Proceeds from maturities of short-term time deposits	25,000	—	—
Net cash provided by investing activities	42,799	133,288	32,368
Cash Flows from Financing Activities:			
Borrowings on long term debt, net of lenders' fees and deferred financing costs	640,141	83,712	362,989
Repayments of debt	(798,740)	(619,273)	(504,911)
Proceeds from sale and leaseback financing, net of issuance and deferred financing costs	108,005	447,086	—
Payments on sale and leaseback financing and finance lease	(39,240)	(5,678)	—
Cash payments on derivatives containing other-than-insignificant financing element	—	(15,697)	(2,681)
Cash dividends paid	(69,841)	(40,939)	(6,770)
Repurchases of common stock	(20,017)	(16,660)	(29,997)
Distribution to noncontrolling interest	—	(5,266)	—
Cash paid to tax authority upon vesting or exercise of stock-based compensation	(6,097)	(1,125)	(1,541)
Other – net	—	—	(163)
Net cash used in by financing activities	(185,789)	(173,840)	(183,074)
Net (decrease)/increase in cash, cash equivalents and restricted cash	144,811	(116,744)	65,434
Cash, cash equivalents and restricted cash at beginning of year	98,933	215,677	150,243
Cash, cash equivalents and restricted cash at end of year	$ 243,744	$ 98,933	$ 215,677

See notes to consolidated financial statements

INTERNATIONAL SEAWAYS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
DOLLARS IN THOUSANDS

	Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests	Total
Balance at January 1, 2020	$ 1,313,178	$ (270,315)	$ (20,570)	$ —	$ 1,022,293
Net loss	—	(5,531)	—	—	(5,531)
Other comprehensive loss	—	—	(12,043)	—	(12,043)
Dividends declared	(6,770)	—	—	—	(6,770)
Forfeitures of vested restricted stock awards	(1,541)	—	—	—	(1,541)
Compensation relating to restricted stock awards	918	—	—	—	918
Compensation relating to restricted stock units awards	3,639	—	—	—	3,639
Compensation relating to stock option awards	1,074	—	—	—	1,074
Repurchase of common stock	(29,997)	—	—	—	(29,997)
Balance at December 31, 2020	1,280,501	(275,846)	(32,613)	—	972,042
Issuance of common stock related to merger	359,148	—	—	30,478	389,626
Derecognition of noncontrolling interest	—	—	—	(23,460)	(23,460)
Net loss	—	(133,492)	—	(1,168)	(134,660)
Other comprehensive income	—	—	20,253	—	20,253
Dividends declared	(40,947)	—	—	—	(40,947)
Distribution to noncontrolling interest	—	—	—	(5,266)	(5,266)
Forfeitures of vested restricted stock awards	(1,125)	—	—	—	(1,125)
Compensation relating to restricted stock awards	3,868	—	—	—	3,868
Compensation relating to restricted stock units awards	5,416	—	—	—	5,416
Compensation relating to stock option awards	1,245	—	—	—	1,245
Repurchase of common stock	(16,660)	—	—	—	(16,660)
Balance at December 31, 2021	1,591,446	(409,338)	(12,360)	584	1,170,332
Net income	—	387,891	—	—	387,891
Other comprehensive income	—	—	19,324	—	19,324
Dividends declared	(69,843)	—	—	—	(69,843)
Impact of deconsolidating DASM	—	—	—	(584)	(584)
Forfeitures of vested restricted stock awards and exercised stock options	(6,097)	—	—	—	(6,097)
Compensation relating to restricted stock awards	1,175	—	—	—	1,175
Compensation relating to restricted stock units awards	4,583	—	—	—	4,583
Compensation relating to stock option awards	988	—	—	—	988
Repurchase of common stock	(20,017)	—	—	—	(20,017)
Balance at December 31, 2022	$ 1,502,235	$ (21,447)	$ 6,964	$ —	$ 1,487,752

See notes to consolidated financial statements

NOTE 1 — DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION:

Nature of the Business

International Seaways, Inc. ("INSW"), a Marshall Islands corporation, and its wholly owned subsidiaries (the "Company" or "INSW," or "we" or "us" or "our") are engaged primarily in the ocean transportation of crude oil and petroleum products in international markets. The Marshall Islands is the principal flag of registry of the Company's vessels. The Company's business is currently organized into two reportable segments: Crude Tankers and Product Carriers. The crude oil fleet is comprised of most major crude oil vessel classes. The products fleet transports refined petroleum product cargoes from refineries to consuming markets characterized by both long and short-haul routes.

As of December 31, 2022, the Company owned or operated a fleet of 74 oceangoing vessels, including 16 vessels that have been chartered-in under leases. In addition to its operating fleet of 74 vessels, three dual-fuel LNG VLCC newbuilds are scheduled for delivery to the Company in the first half of 2023, bringing the total operating and newbuild fleet to 77 vessels as of December 31, 2022. The Company's operating fleet list excludes vessels chartered-in where the duration of the charter was one year or less at inception. Vessels chartered-in may be bareboat charters or time charters. Under either a bareboat charter or time charter, a customer pays a daily or monthly rate for a fixed period of time for use of the vessel. Under a bareboat charter, the customer pays all costs of operating the vessel, including voyage expenses, such as fuel, canal tolls and port charges, and vessel expenses such as crew costs, vessel stores and supplies, lubricating oils, maintenance and repair, insurance and communications associated with operating the vessel. Under a time charter, the customer pays all voyage expenses and the shipowner pays all vessel expenses.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions within the Company have been eliminated. Investments in 50% or less owned affiliated companies, in which the Company exercises significant influence, are accounted for by the equity method.

NOTE 2 — MERGER TRANSACTION

Completion of Merger Transaction

On July 16, 2021 (the "Effective Time"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated as of March 30, 2021, by and among INSW, Diamond S Shipping Inc., a Republic of the Marshall Islands corporation ("Diamond S"), and Dispatch Transaction Sub, Inc., a Republic of the Marshall Islands corporation and wholly-owned subsidiary of INSW ("Merger Sub"), Merger Sub merged with and into Diamond S (the "Merger"), with Diamond S surviving such merger as a wholly owned subsidiary of INSW. Immediately following the Effective Time, the Company contributed all of the outstanding stock of Diamond S to International Seaways Operating Corporation, a direct wholly-owned subsidiary of the Company.

At the Effective Time, each common share of Diamond S (the "Diamond S Common Shares") issued and outstanding immediately prior to the Effective Time (excluding Diamond S Common Shares owned by Diamond S, the Company, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) was cancelled in exchange for the right to receive 0.55375 of a share of common stock of the Company (the "INSW Common Stock") and cash payable in respect of fractional shares. The aforementioned 0.55375 exchange ratio set forth in the Merger Agreement resulted in the issuance of 22,536,647 shares of INSW Common Stock, with the pre-Merger INSW shareholders and the former Diamond S shareholders owning approximately 55.75% and 44.25%, respectively, of the 50,674,393 issued and outstanding common stock of the Company immediately following the Effective Time.

As provided for under the terms of the Merger Agreement, on July 15, 2021, prior to the Effective Time, INSW paid a special dividend to its shareholders of record as of July 14, 2021 in an aggregate amount equal to $31.5 million ($1.12 per share).

Amended and Restated Debt Agreements

In connection with the Merger, lenders under Diamond S' existing credit facilities agreed, among other things, to consent to the Merger and waive any event of default that would arise as a result of the Merger.

On May 27, 2021, the Company entered into Amendment and Restatement Agreements with (i) Diamond S, Nordea Bank Abp, New York Branch, as Administrative Agent, and the lenders constituting the Required Lenders under that certain credit agreement of Diamond S first dated as of March 27, 2019 (the "$360 Million Credit Agreement") in order to amend and restate Diamond S' $360 Million Credit Agreement (as amended and restated, the "Amended and Restated $360 Million Credit Agreement") and (ii) Diamond S, Nordea Bank Abp, New York Branch, as Administrative Agent, and the lenders constituting the Required Lenders under that certain credit agreement of Diamond S, first dated as of December 23, 2019 (the "$525 Million Credit Agreement"), in order to amend and restate Diamond S' $525 Million Credit Agreement (as amended and restated, the "Amended and Restated $525 Million Credit Agreement" and together with the Amended and Restated $360 Million Credit Agreement, the "Amendment and Restatement Agreements"). On May 27, 2021, the Company executed a guarantee of Diamond S' obligations under each of the Amended and Restated $360 Million Credit Agreement and the Amended and Restated $525 Million Credit Agreement (the "INSW Guarantees").

At the Effective Time, as a result of the consummation of the Merger, and following the payment by Diamond S of fees required to be paid to the lenders, the Amendment and Restatement Agreements and INSW Guarantees became effective.

Directors and Certain Officers

Pursuant to the Merger Agreement, following the Effective Time, the Company now has a board of directors (the "Board") consisting of ten directors comprised of (i) a chairman, Douglas D. Wheat, designated by the Company, (ii) six additional directors, designated by the Company and (iii) three additional directors, designated by Diamond S.

Effective as of the Effective Time, as contemplated by the Merger Agreement to permit three directors designated by Diamond S to serve on the Board, Mr. Ty E. Wallach resigned as a member of the Board. Mr. Wallach was a member of the Human Resources and Compensation committee of the Board. In connection with his resignation from the Board, the Board approved the accelerated vesting of his 5,035 shares of restricted INSW Common Stock.

The three vacancies created by the resignation of Mr. Wallach and the expansion of the Board were filled by the Board with Mr. Craig H. Stevenson, Jr., Mrs. A. Kate Blankenship and Mr. Nadim Qureshi, the three directors designated by Diamond S in accordance with the Merger Agreement. Each of Mr. Stevenson, Mrs. Blankenship and Mr. Qureshi was a director of Diamond S immediately prior to the Effective Time and has served as a member of the Board since the Effective Time. During this period, Mrs. Blankenship served as a member of the Audit Committee of the Board and Mr. Qureshi served on the Human Resources and Compensation Committee of the Board. In connection with joining the Board, Mr. Stevenson, Mrs. Blankenship and Mr. Qureshi entered into customary indemnification agreements with the Company.

On July 14, 2021, in connection with the consummation of the Merger, the Company entered into a letter agreement with Mr. Stevenson (the "Letter Agreement"). The Letter Agreement provided that during the period from July 14, 2021, until the earlier of six months following such date and the date of termination of such engagement, in addition to serving as a director, Mr. Stevenson would provide services to the Company as special advisor to the Chief Executive Officer of the Company. During the advisory period, Mr. Stevenson received a total consulting fee equal to $0.5 million, paid in equal monthly installments.

Following the Merger, the senior management of INSW remained in their roles and have continued to lead the Company.

Accounting for the Merger

Based on the terms of the Merger Agreement, the Merger was determined to not meet the requirements of a business combination under the guidelines of ASC 805, *Business Combinations*, and ASU 2017-01, *Business Combinations* (Topic 805). The Merger consisted of acquiring vessels and associated assets and liabilities, which were concentrated in a group of similar identifiable assets, and therefore not considered a business. As a result, the Merger was treated as an asset acquisition, whereby all assets acquired and liabilities assumed were recorded at the cost of the acquisition, including transaction costs, on the basis of their relative fair value.

The following table presents a summary of how the consideration paid by INSW for the net assets acquired was determined:

(Dollars in thousands, except per share data)		Amounts	
Diamond S outstanding shares		40,566,455	
Exchange ratio		0.55375	
INSW common stock issued to Diamond S shareholders		22,463,653	
Replacement unvested restricted stock awards issued to Diamond S employees		72,994	(a)
Total INSW common stock issued		22,536,647	
Closing price per share	$	16.00	
Total value of INSW common stock and replacement awards issued	$	360,586	
Replacement awards allocated to post-combination vesting	$	(556)	(a)
Consideration transferred	$	360,030	
Consideration transferred not related to value of net assets acquired	$	(31,053)	(b)
Consideration transferred related to value of net assets acquired	$	328,977	

(a) Unvested Diamond S restricted stock awards of 131,845 as of the Effective Time were assumed by INSW and replaced with INSW restricted stock awards of 72,994, after giving effect to the exchange ratio and appropriate adjustments to reflect the consummation of the Merger. ASC 805, *Business Combinations*, requires an allocation of the fair-value-based measure of a replacement award to pre-combination service and post-combination service, with the value attributable to pre-combination service included in the consideration transferred and the value attributable to post-combination service recognized as compensation cost by the acquirer. The fair-value-based measure of such replacement award attributable to post-combination service was determined to be $0.6 million.

(b) ASC 805 requires an evaluation of all consideration transferred by the acquirer to identify the inclusion of any payments that might be related to goods and services that are separate from the combination. Pursuant to the Merger Agreement, Diamond S' management services agreements with Capital Ship Management Corp ("CSMC") were terminated and a termination fee of approximately $31.1 million was paid by Diamond S. As INSW was the recipient of the future economic benefits of such restructuring activities, such termination fee was deemed to be a cost incurred by the acquiree on behalf of the acquirer and was considered as part of the consideration transferred that was not related to the fair value of the net assets acquired. As a result, the consideration transferred allocated to the net assets acquired was reduced by the termination fee amount.

Supplemental cash flow information for the year ended December 31, 2021 associated with the stock-for-stock acquisition of vessels and associated assets and liabilities aggregating $329.0 million were non-cash investing activities. The Company incurred and paid $0.9 million in equity issuance costs during the year ended December 31, 2021.

The following table presents the fair values of the tangible and intangible assets acquired and liabilities assumed as well as the calculation of the excess of the net assets acquired over the consideration transferred by INSW:

(Dollars in thousands)		Fair Value
Vessels and other property, net	$	1,260,513
Cash		48,538
Voyage receivables, net of allowance for credit losses of $1,213		47,264
Other receivables		7,223
Inventories		17,352
Prepaid expenses and other current assets		4,830
Restricted cash		6,392
Advances to Norient pool		7,911
Time charter contracts acquired, net		4,868
Operating lease right-of-use assets		5,087
Other noncurrent assets		1,487
Accounts payable, accrued expenses and other current liabilities		(37,937)
Operating lease liabilities		(5,087)
Current and noncurrent debt		(678,622)
Derivative liabilities, net		(346)
Noncontrolling interests		(30,478)
Net asset value acquired	$	658,995
Consideration transferred related to value of net assets acquired	$	328,977
Excess of net asset value acquired over consideration transferred	$	330,018

The Company reassessed whether it had correctly identified all of the assets acquired and all of the liabilities assumed and determined that it did and that the fair values of the net assets acquired remained in excess of the consideration transferred. As the merger was accounted for as an asset acquisition, in accordance with ASC 805, the $330.0 million excess of net assets acquired over the consideration transferred was allocated on a relative fair value basis to all qualifying assets, which were determined to be the vessels, the above market time charter contracts, and the operating lease right-of-use assets acquired.

The $1,260.5 million value of the 64 vessels acquired was comprised of (i) $1,249.1 million in vessel fair values assessed in accordance with ASC 820, *Fair Value Measurement*, using an average of current valuations obtained from third-party vessel appraisals, (ii) $6.6 million of the initial lube oil inventory on board the vessels on the acquisition date and (iii) $4.8 million in deposits for ballast water treatment system installations. Deferred drydock expenditures were taken into consideration in the vessel appraisals obtained to determine the market values of the vessels acquired and were therefore not identified as a separate asset acquired. In accordance with the requirements of accounting for the Merger as an asset acquisition, the value of the vessels was adjusted down to $943.2 million after the allocation of $328.1 million of the $330.0 million excess of net assets acquired over the consideration transferred and the capitalization of approximately $10.8 million of legal, advisory and other professional fees directly related to the Merger. The $10.8 million is included in expenditures for vessels and vessel improvements in the accompanying consolidated statement of cash flows for the year ended December 31, 2021.

In accordance with ASC 820, the above market time charter contracts were recorded at their estimated fair value of $4.9 million at the time of the Merger taking into consideration future cash flows under the stated time charter rates compared to estimated future market-based charter rates using a discounted cash flow model. The value of the time charter contracts acquired was adjusted down to $4.4 million after the allocation of $0.5 million of the $330.0 million excess of net assets acquired over the consideration transferred.

The operating lease right-of-use asset and the corresponding operating lease liabilities of $5.1 million, respectively, relate to Diamond S' former headquarters office space lease expiring July 2026. The value of the operating lease right-of-use asset was adjusted down to $3.7 million after the allocation of $1.4 million of the $330.0 million excess of net assets acquired over the consideration transferred. The Company derecognized the lease liability and right of use asset for this office space upon termination of the lease on September 30, 2021 and recognized a gain of $0.8 million, net of broker and termination fees. Such gain is included in (gain)/loss on disposal of vessels and other assets, including impairments in the accompanying consolidated statement of operations for the year ended December 31, 2021.

The fair value of Diamond S' secured borrowings assumed as part of the Merger was measured using the income approach, which took into account the future cash flows that a market participant would expect to receive from holding the liability as an asset. The carrying amount of the variable rate borrowings under the secured debt facilities at the time of the Merger approximated the fair value estimated based on then current market rates and an appropriate credit spread. The credit spread was estimated as the margin over LIBOR in Diamond S' then recently entered secured debt facilities, which varied from 2.5% to 3.25%, and represented INSW management's best estimate of such credit spreads. All unamortized deferred financing costs associated with existing financing arrangements of Diamond S were eliminated as part of the fair value measurement.

In connection with the Merger, the Company acquired 51% of the net assets of two joint venture entities which were determined to be variable interest entities ("VIEs") of which the Company was considered the primary beneficiary. According to ASC 805, a primary beneficiary's initial consolidation of a VIE whose assets and liabilities do not constitute a business is excluded from the scope of business combination. Accordingly, the Company applied ASC 810, *Consolidation*, for initial measurement and recognition of the net assets of the two joint ventures upon initial consolidation. The net assets of the VIEs were measured at fair value in accordance with ASC 805.

Merger and integration related costs represent transactions that were separate from the acquisition of assets and assumption of liabilities in the Merger and were comprised of the following:

(Dollars in thousands)	2021
CSMC termination fee, noncash	$ 31,053
Accelerated vesting triggered by involuntary termination	5,530
Severance	7,101
Technical manager transition costs	4,582
Other integration costs	2,474
Merger and integration related costs	$ 50,740

As discussed above, the CSMC termination fee is accounted for separately from the asset acquisition, as part of the consideration transferred, that is not related to the fair value of the acquired net assets.

On July 16, 2021, the Company recognized non-cash stock compensation cost of $5.3 million related to the accelerated vesting of 600,816 outstanding Diamond S restricted stock and restricted stock units awards upon change of control and involuntary termination as the involuntary termination trigger was initiated by INSW. In addition, the Company recognized stock compensation of $0.2 million in relation to the accelerated vesting of INSW restricted stock awards that vested on December 31, 2021, due to a post-merger reduction in force.

The Company incurred severance costs for the former executives and certain employees of Diamond S totaling $7.1 million during the year ended December 31, 2021. Approximately $1.0 million in severance costs incurred in relation to the December 31, 2021 post-Merger reduction in force was accrued and included in accounts payable, accrued expenses and other current liabilities in the accompanying consolidated balance sheet as of December 31, 2021 and paid out during the year ended December 31, 2022.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. *Cash and cash equivalents* — Interest-bearing deposits that are highly liquid investments and have a maturity of three months or less when purchased are included in cash and cash equivalents. Restricted cash was nil as of December 31, 2022. Restricted cash of $1.1 million as of December 31, 2021 represented legally restricted cash relating to the Company's Macquarie Credit Facility, which was prepaid in November 2022 (See Note 10, "Debt").

2. *Short-term investments* - Short-term investments consist of time deposits with original maturities of between 90 and 364 days.

3. *Concentration of credit risk* — The Company is subject to concentrations of credit risk principally from cash and cash equivalents and voyage receivables due from charterers and pools in which the Company participates. The Company manages its credit risk exposure through assessment of the creditworthiness of its counterparties. Cash equivalents consist primarily of time deposits, and money market funds. The Company places its cash and cash equivalents in what we believe to be credit-worthy financial institutions. The Company's money market funds are carried at fair market value. Voyage receivables consist of (i) operating lease receivables associated with revenues from leases accounted for under ASC 842, *Leases* (ASC 842), which are primarily

accrued earnings due from pools; and (ii) billed and unbilled non-operating lease receivables associated with revenues from services accounted for under ASC 606, *Revenue from Contracts with Customers* (ASC 606), which are due within one year. The Company performs ongoing evaluations to determine customer credit and limits the amount of credit extended to customers. The Company maintains allowances for estimated credit losses and these losses have generally been within its expectations.

With respect to non-operating lease receivables, the Company recognizes as an allowance its estimate of expected credit losses in accordance with ASC 326, *Financial Instruments – Credit losses* (ASC 326), based on troubled accounts, historical experience, other currently available evidence, and reasonable and supportable forecasts about the future. The Company makes significant judgements and assumptions to estimate its expected losses. The Company makes judgments about the creditworthiness of customers based on ongoing credit evaluations including analysis of the counterparty's established credit rating or assessment of the counterparty's creditworthiness based on our analysis of their financial statements when a credit rating is not available, country and political risk of the counterparty, and their business strategy. The Company manages its non-operating lease receivable portfolios using delinquency as a key credit quality indicator. The Company performs the following steps in estimating expected losses: (i) gather historical losses over five years; (ii) assume outstanding billed amounts over 180 days as additional expected losses; and (iii) make forward-looking adjustments to the expected losses to reflect future economic conditions by comparing credit default swap rates of significant customers over time. In addition, the Company performs individual assessments for customers that do not share risk characteristics with other customers (for example a customer under bankruptcy or a customer with known disputes or collectability issues).

The allowance for credit losses reflects our best estimate of probable losses inherent in the voyage receivables balance and is recognized as an allowance or contra-asset to the voyage receivables balance. Provisions for credit losses associated with voyage receivables are included in general and administrative expenses on the consolidated statements of operations. The movement in the allowance for credit losses during the three years ended December 31, 2022 is summarized as follows:

(Dollars in thousands)	Allowance for Credit Losses - Voyage Receivables
Balance at January 1, 2020	$ 1,245
Provision for expected credit losses	58
Write-offs charged against the allowance	(1,119)
Recoveries of amounts previously written off	(129)
Balance at December 31,2020	55
Reversal of expected credit losses	(21)
Write-offs charged against the allowance	(3)
Balance at December 31,2021	31
Provision for expected credit losses	230
Balance at December 31,2022	$ 261

During the years ended December 31, 2022, 2021 and 2020, 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 96% and 93% of consolidated voyage receivables at December 31, 2022 and December 31, 2021, respectively.

4. *Inventories* —Inventories, which consists principally of fuel, are stated at cost determined on a first-in, first-out basis.

5. *Vessels, vessel lives, deferred drydocking expenditures and other property* —Vessels are recorded at cost and are depreciated to their estimated salvage value on the straight-line basis over their estimated useful lives, which is generally 25 years. Each vessel's salvage value is equal to the product of its lightweight tonnage and an estimated steel recycling price of $300 per ton. The carrying value of each of the Company's vessels represents its original cost at the time it was delivered or purchased less depreciation calculated using estimated useful lives from the date such vessel was originally delivered from the shipyard. A vessel's carrying value is reduced to its new cost basis (i.e., its current fair value) if a vessel impairment charge is recorded.

Interest costs are capitalized to construction in progress during the construction period of a vessel and represent the amount which theoretically could have been avoided had the Company not made installment payments on the vessel under construction. Interest capitalized aggregated $4.3 million and $0.6 million in 2022 and 2021, respectively (See Note 6, "Vessels, Deferred Drydock and

Other Property). No interest was capitalized during 2020, since the Company had no vessels under construction during this period.

Other property, including leasehold improvements, are recorded at cost and amortized on a straight-line basis over the shorter of the terms of the leases or the estimated useful lives of the assets, which range from three to seven years.

Expenditures incurred during a drydocking are deferred and amortized on the straight-line basis over the period until the next scheduled drydocking, which is generally two and a half to five years. The Company only includes in deferred drydocking costs those direct costs that are incurred as part of the drydocking to meet regulatory requirements or are expenditures that add economic life to the vessel, increase the vessel's earnings capacity or improve the vessel's efficiency. Direct costs include shipyard costs as well as the costs of placing the vessel in the shipyard. Expenditures for normal maintenance and repairs, whether incurred as part of the drydocking or not, are expensed as incurred.

6. *Impairment of long-lived assets* —The carrying amounts of long-lived assets held and used by the Company are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In such instances, an impairment charge would be recognized if the estimate of the undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than the asset's carrying amount. This assessment is made at the individual vessel level since separately identifiable cash flow information for each vessel is available. The impairment charge, if any, would be measured as the amount by which the carrying amount of a vessel exceeded its fair value. If using an income approach in determining the fair value of a vessel, the Company will consider the discounted cash flows resulting from the highest and best use of the vessel asset from a market-participant's perspective. Alternatively, if using a market approach, the Company will obtain third-party appraisals of the estimated fair value of the vessel. A long-lived asset impairment charge results in a new cost basis being established for the relevant long-lived asset. See Note 6, "Vessels, Deferred Drydock and Other Property," for further discussion on the impairment tests performed on certain of our vessels during the three years ended December 31, 2022.

7. *Deferred finance charges* — Finance charges, excluding original issue discount, incurred in the arrangement and/or amendments resulting in the modification of debt are deferred and amortized to interest expense on either an effective interest method or straight-line basis over the life of the related debt. Unamortized deferred finance charges of $6.9 million relating to the $750 Million Facility Revolving Loan and BoComm Lease Financing as of December 31, 2022, and $3.7 million relating to the $390 Million Facility Revolving Loan and BoComm Lease Financing (See Note 10, "Debt") as of December 31, 2021, respectively, are included in other assets in the consolidated balance sheets. Unamortized deferred financing charges of $13.4 million and $9.9 million as of December 31, 2022 and 2021, 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 costs amounted to $4.9 million in 2022, $2.2 million in 2021 and $2.8 million in 2020.

8. *Revenue and expense recognition* — The Company's contract revenues consist of revenues from time charters, bareboat charters, voyage charters and pool revenues. The majority of the Company's contracts for pool revenues, time and bareboat charter revenues, and voyage charter revenues are accounted for as lease revenue under ASC 842. 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.

   Under ASC 842, lease revenue for fixed lease payments is recognized over the lease term on a straight-line basis and lease revenue for variable lease payments (e.g., demurrage, pool earnings) are recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. Initial direct costs are expensed over the lease term on the same basis as lease revenue. The Company has elected the lessor practical expedient to aggregate non-lease components with the associated lease components and to account for the combined components as required by the practical expedient since its primary revenue streams described above meet the conditions required to adopt the practical expedient. Furthermore, the Company has performed a qualitative analysis of each of its primary revenue contract types to determine whether the lease component or the non-lease component is the predominant component of the contract. The Company concluded that the lease component is the predominant component for all of its primary revenue contract types, as the lessee would ascribe more value to the control and use of the underlying vessel rather than to the technical services to operate the vessel which is an add-on service to the lessee.

Revenues from time charters are accounted for as fixed rate operating leases with an embedded technical management service component and are recognized ratably over the rental periods of such charters. Bareboat charters are also accounted for as fixed rate operating leases and the associated revenue is recognized ratably over the rental periods of such charters.

Voyage charters contain a lease component if the contract (i) specifies a specific vessel asset; and (ii) has terms that allow the charterer to exercise substantive decision-making rights, which have an economic value to the charterer and therefore allow the charterer to direct how and for what purpose the vessel is used. Voyage charter revenues and expenses are recognized ratably over the estimated length of each voyage. For a voyage charter which contains a lease component, revenue and expenses are recognized based on a lease commencement-to-discharge basis and the lease commencement date is the latter of discharge of the previous cargo or voyage charter contract signing. For voyage charters that do not have a lease component, revenue and expenses are recognized based on a load-to-discharge basis. Accordingly, voyage expenses incurred during a vessel's positioning voyage to a load port in order to serve a customer under a voyage charter not containing a lease are considered costs to fulfill a contract and are deferred and recognized ratably over the load-to-discharge portion of the contract.

Under voyage charters, expenses such as fuel, port charges, canal tolls, cargo handling operations and brokerage commissions are paid by the Company whereas, under time and bareboat charters, such voyage costs are paid by the Company's customers.

For the Company's vessels operating in pools, revenues and voyage expenses are pooled and allocated to each pool's participants on a time charter equivalent ("TCE") basis in accordance with an agreed-upon formula. Accordingly, the Company accounts for its agreements with commercial pools as variable rate operating leases. For the pools in which the Company participates, management monitors, among other things, the relative proportion of the Company's vessels operating in each of the pools to the total number of vessels in each of the respective pools and assesses whether or not the Company's participation interest in each of the pools is sufficiently significant so as to determine that the Company has effective control of the pool.

Demurrage earned during a voyage charter represents variable consideration. The Company estimates demurrage at contract inception using either the expected value or most likely amount approaches. Such estimate is reviewed and updated over the term of the voyage charter contract.

The Company recognizes revenues from services in accordance with the provisions of ASC 606. The standard provides a unified model to determine how revenue is recognized. In doing so, the Company makes judgments including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Company performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

As the Company's performance obligations are services which are received and consumed by its customers as it performs such services, revenues are recognized over time proportionate to the days elapsed since the service commencement compared to the total days anticipated to complete the service. The minimum duration of services is less than one year for each of the Company's current contracts.

9. *Leases* — The Company currently has two major categories of lease contracts under which the Company is a lessee – chartered-in vessels and leased office and other space. Chartered-in vessels include bareboat charters which have a lease component only and time charters which have both lease and non-lease components. The lease component relates to the cost to a lessee to control the use of the vessel and the non-lease components relate to the cost to the lessee for the lessor to operate the vessel (technical management service components). For time charters-in, the Company has separated non-lease components from lease component and scoped out non-lease components from the application of ASC 842. For leased office and other space, the Company has elected the ASC 842 practical expedient to account for the lease and non-lease components as a single lease component as it is not practical to separate the insignificant non-lease components from the associated lease components for these types of leases. Further, the Company has elected as an accounting policy not to apply ASC 842 to its portfolio of short-term leases (i.e., leases

with an original term of 12-months or less). Instead, the lease payments are recognized in profit or loss on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. (see Note 16, "Leases," for additional information with respect to the Company's short-term leases).

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current portion of operating lease liabilities, and long-term operating lease liabilities in the Company's consolidated balance sheets. The Company has disclosed the finance leases right-of-use assets and current portion of finance lease liabilities separately in the Company's consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any prepaid lease payments made and excludes accrued lease payments and lease incentives. Our lease terms take into consideration options to extend or terminate the lease or purchase the underlying asset when it is reasonably certain that we will exercise such options. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company makes significant judgements and assumptions to estimate its incremental borrowing rate that a lessee would have to pay to borrow on a 100% collateralized basis over a term similar to the lease term and in an amount equal to the lease payments in a similar economic environment. The Company performs the following steps in estimating its incremental borrowing rate: (i) gather observable debt yields of the Company's recently issued debt facilities; and (ii) make adjustments to the yields of the actual debt facilities to reflect changes in collateral level, terms, the risk-free interest rate, and credit ratings. In addition, the Company performs sensitivity analyses to evaluate the impact of changes in the selected discount rates on the estimated lease liability.

The Company makes significant judgements and assumptions to separate the lease component from the non-lease component of its time chartered-in vessels. For purposes of determining the standalone selling price of the vessel lease and technical management service components of the Company's time charters, the Company concluded that the residual approach would be the most appropriate method to use given that vessel lease rates are highly variable depending on shipping market conditions, the duration of such charters, and the age of the vessel. The Company believes that the standalone transaction price attributable to the technical management service component is more readily determinable than the price of the lease component and, accordingly, the price of the service component is estimated using observable data (such as fees charged by third-party technical managers) and the residual transaction price is attributed to the vessel lease component.

During 2021 and 2022, the Company entered into sale and leaseback transactions in which certain of our vessels were sold to third parties and then leased back under bareboat charter-in arrangements. For each arrangement, we evaluated whether, in substance, these transactions were leases or a form of financing. We have concluded that each arrangement was a form of financing on the basis that each transaction was a sale and leaseback transaction that did not meet the criteria for a sale under ASC 842. Accordingly, such arrangement was recorded at amortized costs using the effective interest method, with the corresponding vessels remaining on the balance sheet at cost, less accumulated depreciation.

10. *Derivatives* —ASC 815, *Derivatives and Hedging*, requires the Company to recognize all derivatives on the consolidated balance sheets at fair value. Derivatives that are not effective hedges must be adjusted to fair value through earnings. If the derivative is an effective hedge, depending on the nature of the hedge, a change in the fair value of the derivative is either recorded to current earnings (fair value hedge), or recognized in other comprehensive income/(loss) and reclassified into earnings in the same period or periods during which the hedge transaction affects earnings (cash flow hedge).

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges to forecasted transactions. The Company also formally assesses (both at the hedge's inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively, as discussed below.

The Company discontinues hedge accounting prospectively when: (1) it determines that the derivative is no longer effective in offsetting changes in the cash flows of a hedged item such as forecasted transactions; (2) the derivative expires or is sold, terminated, or exercised; (3) it is no longer probable that the forecasted transaction will occur; or (4) management determines that designating the derivative as a hedging instrument is no longer appropriate or desired.

When the Company discontinues hedge accounting because it is no longer probable that the forecasted transaction will occur in the originally expected period, the gain or loss on the derivative remains in accumulated other comprehensive loss and is reclassified into earnings when the forecasted transaction affects earnings. However, if it is probable that a forecasted transaction will not occur by the end of the originally specified time period or within an additional two-month period of time thereafter, the gains and losses that were accumulated in other comprehensive loss will be recognized immediately in earnings. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the consolidated balance sheets, recognizing changes in the fair value in current-period earnings, unless it is designated in a new hedging relationship.

Any gain or loss realized upon the early termination of an interest rate cap, collar or swaps is recognized as an adjustment of interest expense over the shorter of the remaining term of the derivative instruments or the hedged debt. See Note 9, “Fair Value of Financial Instruments, Derivatives and Fair Value Disclosures,” for additional disclosures on the Company’s interest rate cap, collar and swaps and other financial instruments.

11. *Fair value measurements —* The Company accounts for certain assets and liabilities at fair value under ASC 820, *Fair Value Measurement* (ASC 820). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price. In addition, the fair value of assets and liabilities should include consideration of non-performance risk, which for the liabilities described below includes the Company's own credit risk. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market:

    Level 1 - Quoted prices in active markets for identical assets or liabilities. Our Level 1 non-derivative assets and liabilities primarily include cash and cash equivalents and short-term investments.

    Level 2 - Quoted prices for similar assets and liabilities in active markets or model-based valuation techniques for which all significant inputs are observable in the market (where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, etc.). Our Level 2 non-derivative liabilities primarily include the Company’s other outstanding debt facilities. Our Level 2 derivative assets and liabilities primarily include our interest rate swaps.

    Level 3 - Inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

12. *Income taxes* —The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

    Net deferred tax assets are recorded to the extent the Company believes these assets will more likely than not be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes in the period such determination is made.

    Uncertain tax positions are recorded in accordance with ASC 740, *Income Taxes*, on the basis of a two-step process whereby (1) the Company first determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the related tax authority.

13. *Valuation of equity method investments* — When events and circumstances warrant, investments accounted for under the equity method of accounting are evaluated for impairment. An impairment charge is recorded whenever a decline in fair value of an investment below its carrying amount is determined to be other-than-temporary. Impairment charges related to equity method investments are recorded in equity in income of affiliated companies in the accompanying consolidated statements of operations.

14. *Variable Interest Entities* — The Company determines at the inception of each arrangement whether an entity in which we have made an investment or in which we have other variable interests is considered a variable interest entity ("VIE"). We consolidate a VIE when we are the primary beneficiary, i.e., when we have the power to direct activities that most significantly affect the economic performance of the VIE and have the obligation to absorb the majority of its losses or benefits. If we are not the primary beneficiary, we account for the investment or other variable interests in a VIE in accordance with applicable generally accepted accounting principles in the United States.

    We assess whether any changes in our interest or relationship with the entity have occurred that may affect our determination of whether the entity is a VIE and, if so, whether we are or remain the primary beneficiary. See Note 8, "Variable Interest Entities," for additional information.

15. *Use of estimates* —The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, equity, revenues and expenses reported in the financial statements and accompanying notes. The most significant estimates relate to the depreciation of vessels and other property, amortization of drydocking costs, judgments involved in identifying performance obligations in revenue contracts, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each performance obligation, estimates used in assessing the recoverability of equity method investments and other long-lived assets, liabilities incurred relating to pension benefits, and income taxes. Actual results could differ from those estimates.

16. *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. The Company considers the applicability and impact of all ASUs. ASUs not referenced below were assessed and determined to be either not applicable or are not expected to have a material impact on the Consolidated Financial Statements.

    In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (ASC 848), which provides relief for companies preparing for discontinuation of interest rates such as LIBOR. A contract modification is eligible to apply the optional relief to account for the modifications as a continuation of the existing contracts without additional analysis and consider embedded features to be clearly and closely related to the host contract without reassessment, if all of the following criteria are met: (1) contract references a rate that will be discontinued; (2) modified terms directly replace (or have potential to replace) this reference rate; and (3) changes to any other terms that change (or have potential to change) amount and timing of cash flows must be related to replacement of the reference rate. In addition, this guidance provides relief from certain hedge accounting requirements. Hedge accounting may continue uninterrupted when critical terms change due to reference rate reform. For cash flow hedges, entities can (1) disregard potential discontinuation of a referenced interest rate when assessing whether a hedged forecasted interest payment is probable; (2) continue hedge accounting upon a change in the hedged risk as long as the hedge is still highly effective; (3) assess effectiveness of the hedge relationship in ways that essentially disregards a potential mismatch in the variable rate indices between the hedging instrument and the hedged item; and (4) disregard the requirement that individual hedged transactions must share the same risk exposure for hedges of portfolios of forecasted transactions that reference a rate affected by reference rate reform. Relief provided by this ASU, as amended by ASU 2022-06, *Reference Rate Reform* (ASC 848) – *Deferral of the Sunset Date of Topic 848* – issued in December 2022, is optional and expires December 31, 2024. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform* (ASC 848) to refine the scope of ASC 848 and to clarify some of its guidance. The Company has determined that its primary exposure to LIBOR is in relation to its floating rate debt facilities. On November 30, 2020, the benchmark administrator for the U.S. Dollar ("USD") LIBOR announced a proposal to extend the publication of the most commonly used USD LIBOR settings until June 30, 2023. In light of this proposal, in an interagency statement, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued guidance, strongly encouraging banks to cease entering into new contracts that use USD LIBOR as a reference rate as soon as practicable and in any event by December 31, 2021. Only in limited circumstances will it be appropriate for banks to enter into new contracts referencing USD LIBOR after December 31, 2021. The principal objective, and result, of these actions was that legacy USD LIBOR-based instruments (i.e., those maturing after December 31, 2021) could continue to use USD

LIBOR as a reference rate through June 30, 2023, without undermining the regulators' determination that LIBOR should not be available for any other purpose. On January 25, 2021, the International Swaps and Derivatives Association, Inc. ("ISDA"), published new fallback provisions for derivatives linked to key interbank offered rates ("IBOR") which will be incorporated into all new derivatives contracts that reference ISDA's standard interest rate derivatives definitions. Such fallback provisions will also be included in legacy non-cleared derivatives if the counterparties have bilaterally agreed to include them or both have adhered to the IBOR fallback protocol. The Company is actively engaged with its lending banks and the counterparties to its interest rate derivative contracts in advance of the June 30, 2023 sunset date to ensure that our contracts adhere to the ISDA fallback protocol or are actively converted to alternative risk-free reference rates. The Company's view is that the Secured Overnight Financing Rate ("SOFR") is the alternative reference rate that the Company's LIBOR-based agreements will transition to as the sunset date draws closer.

NOTE 4 — 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.

There were 64,882, 84,849 and 48,229 weighted average shares of unvested restricted common stock shares considered to be participating securities for the years ended December 31, 2022, 2021 and 2020, respectively. Such participating securities are allocated a portion of income, but not losses under the two-class method. As of December 31, 2022, there were 572,183 shares of restricted stock units and 270,250 stock options outstanding considered to be potentially dilutive securities.

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

(Dollars in thousands)	2022	2021	2020
Net income/(loss) allocated to:			
Common Stockholders	$ 387,401	$ (133,645)	$ (5,544)
Participating securities	490	153	13
	$ 387,891	$ (133,492)	$ (5,531)

There were 463,445 dilutive equity awards outstanding during the year ended December 31, 2022. There were no dilutive equity awards outstanding for the years ended December 31, 2021 and 2020. Awards of 86,524, 1,046,088 and 962,205 for the years ended December 31, 2022, 2021 and 2020, respectively, were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive.

NOTE 5 — BUSINESS AND SEGMENT REPORTING:

The Company is engaged primarily in the ocean transportation of crude oil and petroleum products in the international market through the ownership and operation of a diversified fleet of vessels. The shipping industry has many distinct market segments based, in large part, on the size and design configuration of vessels required and, in some cases, on the flag of registry. Rates in each market segment are determined by a variety of factors affecting the supply and demand for vessels to move cargoes in the trades for which they are suited. Tankers are not bound to specific ports or schedules and therefore can respond to market opportunities by moving between trades and geographical areas. The Company charters its vessels to commercial shippers and foreign governments and governmental agencies primarily on voyage charters and on time charters.

The Company has two reportable segments: Crude Tankers and Product Carriers. The joint ventures with two floating storage and offloading service vessels, which were sold in June 2022, were included in the Crude Tankers Segment. Adjusted income/(loss) from vessel operations for segment reporting is defined as income/(loss) from vessel operations before general and administrative expenses, third-party debt modification fees, merger and integration related costs and (gain)/loss on disposal of vessels and other property, including impairments. The accounting policies followed by the reportable segments are the same as those followed in the preparation of the Company's consolidated financial statements.

Information about the Company's reportable segments as of and for each of the years in the three-year period ended December 31, 2022 follows:

(Dollars in thousands)	Crude Tankers	Product Carriers	Other	Totals
2022				
Shipping revenues	$ 331,699	$ 532,966	$ —	$ 864,665
Time charter equivalent revenues	321,857	531,853	—	853,710
Depreciation and amortization	62,596	47,706	86	110,388
Loss/(gain) on disposal of vessels and other assets, including impairments	1,091	(20,738)	—	(19,647)
Adjusted income/(loss) from vessel operations	145,037	325,565	(86)	470,516
Equity in income of affiliated companies	714	—	—	714
Investments in and advances to affiliated companies at December 31, 2022	15,721	20,693	—	36,414
Adjusted total assets at December 31, 2022	1,428,846	833,798	—	2,262,644
Expenditures for vessels and vessel improvements	85,567	30,409	—	115,976
Payments for drydocking	25,963	17,364	—	43,327
2021				
Shipping revenues	$ 156,276	$ 116,270	$ —	$ 272,546
Time charter equivalent revenues	144,286	111,574	—	255,860
Depreciation and amortization	57,870	28,739	65	86,674
Loss/(gain) on disposal of vessels and other assets, including impairments	2,032	(10,602)	(1,183)	(9,753)
Adjusted loss from vessel operations	(25,671)	(12,069)	(65)	(37,805)
Equity in income of affiliated companies	21,838	—	—	21,838
Investments in and advances to affiliated companies at December 31, 2021	157,370	22,961	—	180,331
Adjusted total assets at December 31, 2021	1,453,427	780,818	—	2,234,245
Expenditures for vessels and vessel improvements	62,209	15,826	—	78,035
Payments for drydocking	23,394	19,022	—	42,416
2020				
Shipping revenues	$ 334,765	$ 86,883	$ —	$ 421,648
Time charter equivalent revenues	318,588	83,417	—	402,005
Depreciation and amortization	57,980	16,269	94	74,343
Loss on disposal of vessels and other property, including impairments	44,330	55,757	—	100,087
Adjusted income/(loss) from vessel operations	144,451	24,818	(94)	169,175
Equity in income of affiliated companies	4,119	—	—	4,119
Investments in and advances to affiliated companies at December 31, 2020	134,439	7,485	—	141,924
Adjusted total assets at December 31, 2020	1,112,342	253,990	—	1,366,332
Expenditures for vessels and vessel improvements	27,858	22,191	—	50,049
Payments for drydocking	20,313	5,329	—	25,642

Reconciliations of time charter equivalent revenues of the segments to shipping revenues as reported in the consolidated statements of operations follow:

(Dollars in thousands)	2022	2021	2020
Time charter equivalent revenues	$ 853,710	$ 255,860	$ 402,005
Add: Voyage expenses	10,955	16,686	19,643
Shipping revenues	$ 864,665	$ 272,546	$ 421,648

Consistent with general practice in the shipping industry, the Company uses time charter equivalent revenues, which represents 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, provides 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 adjusted income/(loss) from vessel operations of the segments to income/(loss) before income taxes, as reported in the consolidated statements of operations follow:

(Dollars in thousands)	2022	2021	2020
Total adjusted income/(loss) from vessel operations of all segments	$ 470,516	$ (37,805)	$ 169,175
General and administrative expenses	(46,351)	(33,235)	(28,976)
Third-party debt modification fees	(1,158)	(110)	(232)
Merger and integration related costs	—	(50,740)	—
Gain/(loss) on disposal of vessels and other assets, including impairments	19,647	9,753	(100,087)
Consolidated income/(loss) from vessel operations	442,654	(112,137)	39,880
Equity in income of affiliated companies	714	21,838	4,119
Other income/(expense)	2,332	(5,947)	(12,817)
Interest expense	(57,721)	(36,796)	(36,712)
Income/(loss) before income taxes	$ 387,979	$ (133,042)	$ (5,530)

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

(Dollars in thousands)	December 31, 2022	December 31, 2021
Adjusted total assets of all segments	$ 2,262,644	$ 2,234,245
Corporate unrestricted cash and cash equivalents	243,744	97,883
Restricted cash	—	1,050
Short-term investments	80,000	—
Other unallocated amounts	28,946	13,602
Consolidated total assets	$ 2,615,334	$ 2,346,780

Certain additional information about the Company's operations for each of the years in the three year period ended December 31, 2022 follows:

(Dollars in thousands)	Crude Tankers	Product Carriers	Other	Consolidated
Total vessels, deferred drydock and other property at December 31, 2022	$ 1,265,019	$ 604,114	$ 428	$ 1,869,561
Total vessels, deferred drydock and other property at December 31, 2021	1,230,717	$ 676,990	$ 187	1,907,894
Total vessels, deferred drydock and other property at December 31, 2020	919,974	224,507	67	1,144,548

NOTE 6 — VESSELS, DEFERRED DRYDOCK AND OTHER PROPERTY:
Vessels and other property, excluding vessel held for sale, consist of the following:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Vessels, at cost	$ 2,004,420	$ 2,044,514
Accumulated depreciation	(327,321)	(244,622)
Vessels, net	1,677,099	1,799,892
Other property, at cost	7,493	7,672
Accumulated depreciation and amortization	(4,582)	(4,714)
Other property, net	2,911	2,958
Total vessels and other property	1,680,010	1,802,850
Construction in Progress	123,940	49,291

The aggregate carrying value of the 67 owned and chartered-in vessels pledged as collateral under the Company's debt and lease financing facilities (see Note 10, "Debt") was $1,632.6 million. A breakdown of the carrying value of the Company's owned and chartered-in vessels by reportable segment and fleet as of December 31, 2022 and 2021 follows:

As of December 31, 2022 (Dollars in thousands)	Cost	Accumulated Depreciation	Net Carrying Value	Average Vessel Age (by dwt)	Number of Owned Vessels
Crude Tankers					
VLCC	$ 825,570	$ (194,048)	$ 631,522	8.8	10
Suezmax	449,663	(42,459)	407,204	8.8	13
Aframax	64,492	(7,319)	57,173	7.7	2
Total Crude Tankers	1,339,725	(243,826)	1,095,899 [(1)]	8.8	25
Product Carriers					
LR2	74,830	(22,828)	52,002	8.4	1
LR1	116,784	(20,550)	96,234	13.6	6
MR	473,081	(40,117)	432,964	13.4	38
Total Product Carriers	664,695	(83,495)	581,200	13.2	45
Fleet Total	$ 2,004,420	$ (327,321)	$ 1,677,099	10.2	70

(1) Includes one VLCC with a carrying value of $70.5 million, which the Company believes exceeds its market value of approximately $60.4 million by $10.1 million.

As of December 31, 2021 (Dollars in thousands)	Cost	Accumulated Depreciation	Net Carrying Value	Average Vessel Age (by dwt)	Number of Owned Vessels
Crude Tankers					
VLCC	$ 825,189	$ (162,717)	$ 662,472	7.9	10
Suezmax	437,969	(24,446)	413,523	7.8	13
Aframax	64,202	(4,020)	60,182	6.7	2
Panamax	17,708	(3,500)	14,208	18.8	2
Total Crude Tankers	1,345,068	(194,683)	1,150,385	8.1	27
Product Carriers					
LR2	74,758	(20,124)	54,634	7.4	1
LR1	97,070	(14,433)	82,637	12.9	5
MR	496,350	(14,434)	481,916	12.4	41
Handy	31,268	(948)	30,320	15.6	4
Total Product Carriers	699,446	(49,939)	649,507	12.5	51
Fleet Total	$ 2,044,514	$ (244,622)	$ 1,799,892	9.5	78

Vessel activity for the three years ended December 31, 2022 is summarized as follows:

(Dollars in thousands)	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance at January 1, 2020	$ 1,650,670	(361,088)	$ 1,289,582
Purchases and vessel additions	48,436	—	
Disposals	(70,353)	2,763	
Depreciation	—	(61,866)	
Impairment	(341,065)	238,043	
Balance at December 31, 2020	1,287,688	(182,148)	1,105,540
Purchases and vessel additions	962,609	—	
Disposals	(199,793)	6,539	
Depreciation	—	(71,506)	
Impairment	(5,990)	2,493	
Balance at December 31, 2021	2,044,514	(244,622)	1,799,892
Purchases and vessel additions	41,499	—	
Disposals	(76,881)	4,033	
Depreciation	—	(89,747)	
Impairment	(4,712)	3,015	
Balance at December 31, 2022	$ 2,004,420	$ (327,321)	$ 1,677,099

The total of purchases and vessel additions will differ from expenditures for vessels as shown in the consolidated statements of cash flows because of the timing of when payments were made.

Vessel Impairments

The Company gave consideration on a quarterly basis as to whether events or changes in circumstances had occurred since December 31, 2021, that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable. During the quarter ended March 31, 2022, the Company concluded that the contracted sales of one 2004-built Panamax and two 2006-built Handysize product carriers resulted in the recognition of held-for-sale impairment charges aggregating $1.7 million.

The Company also recognized an aggregate loss of approximately $0.7 million during the quarter ended March 31, 2022, related to the cost to terminate the purchase and installation contracts for ballast water treatment systems on three of the Company's MRs that were sold during 2021.

During the year ended December 31, 2021, the Company gave consideration on a quarterly basis as to whether events or changes in circumstances had occurred since December 31, 2020 that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable. During the quarter ended June 30, 2021, the Company concluded that the contracted sale of one 2003-built Panamax resulted in a held-for-sale impairment. Held-for-sale impairment charges aggregating $3.5 million were recorded during the second quarter of 2021 including a charge of $3.4 million to write the value of the vessel down to its estimated fair value at June 30, 2021, and a charge of $0.1 million for estimated costs to sell the vessel.

During the year ended December 31, 2020, the Company gave consideration on a quarterly basis as to whether events or changes in circumstances had occurred since December 31, 2019 that could indicate that the carrying amounts of the vessels in the Company's fleet may not be recoverable. Factors considered included declines in valuations for vessels of certain sizes and ages, any negative changes in forecasted near term charter rates, and an increase in the likelihood that the Company will sell certain of its vessels before the end of their estimated useful lives in conjunction with the Company's fleet renewal program. In addition, the economic impacts of the novel coronavirus (COVID-19) did not have immediate material negative impacts on the markets for our vessels and there was a very strong rate environment for our fleets for fixtures concluded during the latter portion of the first quarter of 2020 into the second quarter of 2020, which was principally due to temporary increases in oil production and a growth in demand for floating storage. Commencing from the latter part of the second quarter of 2020, principally as the result of the impact of the COVID-19 pandemic, oil production declined and consequently so did the need for floating storage. This development negatively impacted the demand for oil tankers during the second half of 2020. The Company concluded that (i) the increased likelihood of disposal prior to the end of their respective useful lives constituted impairment triggering events as of June 30, 2020 for each of a 2002-built and a 2003-built VLCC; (ii) the memoranda of agreements entered into during October 2020 for the sales of these two older VLCCs constituted further impairment triggering events as of September 30, 2020; and (iii) the declines in vessel valuations and in forecasted near term charter rates constituted impairment triggering events for one additional 2002-built VLCC, one Aframax, two LR1s, and four MRs as of December 31, 2020.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests as of June 30, 2020, the Company utilized weighted probabilities assigned to possible outcomes for each of the two vessels for which impairment triggering events were determined to exist. As the Company was considering selling the two VLCCs as a part of its fleet renewal program, 25% probabilities were assigned to the possibility that the two VLCCs would be sold prior to the end of their respective useful lives. The carrying value for one of the two VLCCs was estimated to be unrecoverable in the Step 1 test. In estimating the fair value of the vessel for the purposes of Step 2 of the impairment test, the Company developed fair value estimates that utilized a market approach which considered an average of two vessel appraisals obtained from third-party valuation specialists. Based on the tests performed, an impairment charge totaling $5.5 million was recorded on the 2002-built VLCC to write-down its carrying value to its estimated fair value at June 30, 2020.

Interest and activity in the sale and purchase market for older VLCCs increased subsequent to June 30, 2020 and the Company entered into memoranda of agreements for the sale of the two VLCCs in early October 2020. Accordingly, a 100% probability was attributed to the two VLCCs being sold before the end of their useful lives in developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests as of September 30, 2020. The carrying values for the two VLCCs were estimated to be unrecoverable in the Step 1 test. In estimating the fair values of the vessels for the purposes of Step 2 of the impairment test, the Company considered the market approach by using the sales prices per the memoranda of agreements. Based on the tests performed, an impairment charge totaling $11.7 million was recorded on the two VLCCs to write-down their carrying values to their estimated fair values at September 30, 2020.

In developing estimates of undiscounted future cash flows for performing Step 1 of the impairment tests as of December 31, 2020, the Company utilized weighted probabilities assigned to possible outcomes for the vessels that the Company was considering selling or recycling before the end of their respective useful lives. The Company made assumptions about future performance, with significant assumptions being related to charter rates, operating expenses, utilization, drydocking and capital expenditure requirements, residual value and the estimated remaining useful lives of the vessels. These assumptions were based on historical trends as well as future expectations. The estimated daily time charter equivalent rates used for unfixed days were based on a combination of (i) rates as forecasted by third-party analysts, and (ii) the trailing 12-year historical average rates, based on monthly average rates published by a third-party maritime research service. Management used the published 12-year historical average rates in its assumptions because it was management's belief that the 12-year period captures an even distribution of strong and weak charter rate periods, which results in the use of an average mid-cycle rate that is in line with management's forecast of a return to mid-cycle charter rate levels in the medium term. Recognizing that the transportation of crude oil and petroleum products is cyclical and subject to significant volatility based on factors beyond the Company's control, management believes the use of estimates based on the combination of rates forecasted by third-party analysts and 12-year historical average rates calculated as of the reporting date to be reasonable.

Estimated outflows for operating expenses and capital expenditures and drydocking requirements were based on historical and budgeted costs and were adjusted for assumed inflation. Utilization was based on historical levels achieved and estimates of a residual value for recycling were based upon published 12-year historical data or the pattern of steel recycling prices used in management's evaluation of salvage value for purposes of recording depreciation.

In estimating the fair value of the vessel for the purposes of Step 2 of the impairment test, the Company developed fair value estimates that utilized a market approach which considered an average of two vessel appraisals obtained from third-party valuation specialists. Based on the tests performed, the Company recorded impairment charges totaling $85.9 million on its one remaining older VLCC, one Aframax, two LR1s, and its four MRs to write-down their carrying values to their estimated fair values at December 31, 2020.

Vessel Acquisitions and Construction Commitments

In January 2022, the Company entered into memoranda of agreements for the sale of a 2010-built MR for a sale price of $16.5 million and the purchase of a 2011-built LR1 for a purchase price of $19.5 million with the same counterparty. The LR1 was delivered into our niche commercial pool, Panamax International. The Company closed both transactions during the first quarter of 2022, recognizing a gain of $4.5 million on the sale of the 2010-built MR and a net cash outflow of $3.0 million representing the difference in value between the two vessels.

On December 6, 2022, the Company gave notice of its intent to exercise its options to purchase two 2009-built Aframaxes that are currently bareboat chartered-in. Under the terms of the options, the Company expects to purchase the two vessels in March 2023 for

an aggregate purchase price of $43.0 million. As a result of the purchase option exercise, these two Aframaxes are reflected as finance lease right of use assets on the accompanying consolidated balance sheet as of December 31, 2022. See Note 16, "Leases" for further details.

On March 11, 2021, the Company entered into agreements to construct three dual-fuel LNG VLCCs at Daewoo Shipbuilding and Marine Engineering's shipyard. The VLCCs will be able to burn LNG in their power plant, which will significantly reduce greenhouse gas emissions. Upon delivery to the Company in the first half of 2023, the vessels will be employed on seven-year time charter contracts with an oil major – Shell. The total construction cost for the vessels will be approximately $290.0 million, which will be paid for through a combination of cash on hand and funds drawn from the BoComm Lease Financing (See Note 10, "Debt"). Accumulated expenditures of $123.9 million (including capitalized interest costs of $4.3 million) are included in vessels construction in progress in the accompanying consolidated balance sheet as of December 31, 2022. The remaining commitments on the contracts for the construction of these vessels as of December 31, 2022 was $172.9 million, of which the BoComm Lease Financing is expected to provide additional funding of $172.7 million over the course of the construction and delivery of the three vessels.

See Note 2, "Merger Transaction" for a description of the acquisition of 64 vessels through a stock-for-stock merger.

Disposal/Sales of Vessel and Other Property

During 2022, the Company recognized a net aggregate gain of $18.0 million on disposal of two 2008-built MRs, one 2002-built Panamax, one 2004-built Panamax and its remaining four 2006-built Handysize product carriers.

In January 2023, the Company entered into memorandum of agreement for the sale of 2008-built MR, which is expected to be delivered to its buyer by April 2023.

During 2021, the Company recognized a net aggregate gain of $12.8 million on disposal of a 2002-built VLCC, four 2002-built Panamaxes, a 2003-built Panamax, a 2006-built Suezmax, a 2007-built Handysize product carrier, a 2006-built Handysize product carrier, and seven MRs, which were built between 2006 and 2009. See Note 8, "Variable Interest Entities," for a description of the distribution of a 2016-built Suezmax in which the Company had a 51% interest to its joint venture partner in connection with the dissolution of the joint venture.

During 2020, the Company recognized a net aggregate gain of $4.5 million on disposal of a 2002-built Aframax, a 2001-built Aframax, a 2003-built VLCC, and a 2002-built VLCC. The Company also recognized an aggregate loss of approximately $1.6 million during 2020 related to the termination of the purchase and installation contracts for ballast water treatment systems on five of the Company's Panamaxes. The contracts were terminated as a result of the Company being granted an extension by the United States Coast Guard on the requirement to install ballast water treatment systems on these Panamaxes until 2022.

Drydocking activity for the three years ended December 31, 2022 is summarized as follows:

(Dollars in thousands)	2022	2021	2020
Balance at January 1	$ 55,753	$ 36,334	$ 23,125
Additions	35,988	40,823	27,835
Sub-total	91,741	77,157	50,960
Drydock amortization	(19,809)	(14,566)	(11,780)
Amount charged to gain or loss on disposal of vessels	(6,321)	(6,838)	(2,846)
Balance at December 31	$ 65,611	$ 55,753	$ 36,334

The total additions above will differ from payments for drydocking as shown in the consolidated statements of cash flows because of the timing of when payments were made.

NOTE 7 — EQUITY METHOD INVESTMENTS:

Investments in and advances to affiliated companies as of December 31, 2022 primarily consists of working capital deposits that the Company maintains with the commercial pools in which it participates. At December 31, 2021, this balance also included

the Company's 50% interest in two joint ventures - TI Africa Limited ("TI Africa") and TI Asia Limited ("TI Asia"), which operated two Floating Storage and Offloading Service vessels that were converted from two ULCCs (collectively the "FSO Joint Venture").

Pursuant to a share purchase agreement, on June 7, 2022, the Company sold its 50% ownership interest in the FSO Joint Venture, to its joint venture partner Euronav NV. The Company received, net of adjustments for working capital and expenses, approximately $140 million in cash from the sale. The Company recorded a loss on the sale of $9.5 million and reclassified the Company's share of the unrealized losses associated with the interest rate swaps held by the FSO Joint Venture at the time of the sale of $0.1 million into earnings from accumulated other comprehensive income/(loss).

The share purchase agreement contains specified representations, warranties, covenants and indemnification provisions of the parties customary for transactions of this type.

NOTE 8 —VARIABLE INTEREST ENTITIES ("VIEs"):

Commercial pools in which the Company participates operate a large number of vessels as an integrated transportation system, which offer customers greater flexibility and a higher level of service while achieving scheduling efficiencies. Participants in the commercial pools contribute one or more vessels and generally provide an initial contribution towards the working capital of the pools at the time they enter their vessels. The pools finance their operations primarily through the earnings that they generate.

From time to time, INSW enters into joint ventures to take advantage of commercial opportunities. In each joint venture, INSW has the same relative rights and obligations and financial risks and rewards as its partners. INSW evaluated all of it pooling and joint venture arrangements to determine if they were variable interest entities ("VIEs"). INSW determined that all of the pools and all of the joint ventures met the criteria of a VIE and, therefore, INSW reviewed its participation in these VIEs to determine if it was the primary beneficiary of any of them.

INSW reviewed the legal documents that govern the creation and management of the VIEs and also analyzed its involvement to determine if INSW was a primary beneficiary in any of these VIEs. A VIE for which INSW is determined to be the primary beneficiary is required to be consolidated in its financial statements.

Consolidated VIEs

In connection with the Merger, the Company acquired 51% of the net assets of two joint ventures - Diamond Anglo Ship Management Pte. Ltd. ("DASM") and NT Suez Holdco LLC ("NT Suez").

Diamond Anglo Ship Management Pte. Ltd. — DASM was formed in January 2018 by Diamond S and Anglo Eastern Investment Holdings Ltd. ("AE Holdings"), a third-party, to provide ship management services to some of Diamond S' vessels.

On July 1, 2022, the Company and AE Holding terminated their joint venture agreement, which resulted in the Company selling its 51% interest in DASM to AE Holdings. The Company received $0.8 million in cash for the sale of its interest, after certain deductions, and recognized a $0.1 million gain on the sale of the joint venture, which is included in other income in the accompanying consolidated statements of operations for the year ended December 31, 2022.

Prior to July 1, 2022, DASM was owned 51% by the Company and 49% by AE Holdings. AE Holdings did not participate in the income or equity of DASM, and the Company was considered to be the primary beneficiary of DASM as the Company had the ability to direct the activities that most significantly impacted DASM's economic performance. The results of operations of DASM were included in the accompanying consolidated statements of operations through June 30, 2022 and the balance sheet of DASM was included in the accompanying consolidated balance sheet as of December 31, 2021.

NT Suez Holdco LLC — The NT Suez joint venture was formed in September 2014 to purchase two Suezmax newbuildings. The two vessels were delivered in October and November 2016. NT Suez was owned 51% by the Company and 49% by WLR/TRF Shipping S.a.r.l ("WLR/TRF"). The results attributable to the 49% interest in NT Suez held by WLR/TRF were included in net loss attributable to noncontrolling interest in the accompanying consolidated statements of operations for the year ended December 31, 2021.

On November 12, 2021, the Company and WLR/TRF competed the dissolution of the NT Suez joint venture and repaid all outstanding amounts under the $66 Million Credit Facility previously entered into by NT Suez for the purpose of financing the two Suezmax tankers controlled by NT Suez (See Note 10, "Debt"). The dissolution resulted in the distribution of one Suezmax tanker to each partner through a transfer of the shares of the two vessel-owning subsidiaries of NT Suez. In connection with the dissolution of the joint venture, NT Suez made a cash distribution of $5.3 million to WLR/TRF. Supplemental cash flow information for the year ended December 31, 2021 associated with the derecognition of assets, liabilities, and corresponding noncontrolling interest related to NT Suez were non-cash investing activities as follows:

Derecognition of noncontrolling interest (dollars in thousands):	
Voyage receivables	$ 203
Other receivables	91
Inventories	219
Prepaid expenses and other current assets	2
Vessels	45,791
Deferred drydock expenditures, net	1,812
Time charter contracts acquired, net	1,076
Accounts payable, accrued expenses and other current liabilities	(3,628)
Current installments of long-term debt	(22,106)
Noncontrolling interest	(23,460)
	$ —

Unconsolidated VIEs

The formation agreements for the commercial pools state that the board of the pool has decision making power over their significant decisions. In addition, all such decisions must be approved unanimously by the board. Since INSW shares power to make all significant economic decisions that affect the pools and does not control a majority of the board, INSW is not considered a primary beneficiary of the pools.

The following table presents the carrying amounts of assets and liabilities in the consolidated balance sheets related to the unconsolidated VIEs as of December 31, 2022 and 2021:

(Dollars in thousands)	2022	2021
Investments in and advances to Affiliated Companies	$ 35,593	$ 178,933

In accordance with accounting guidance, the Company evaluated its maximum exposure to loss related to these VIEs by assuming a complete loss of the Company's investment in these VIEs. The table below compares the Company's liability in the consolidated balance sheet to the maximum exposure to loss at December 31, 2022:

(Dollars in thousands)	Consolidated Balance Sheet	Maximum Exposure to Loss
Other Liabilities	$ —	$ 35,593

In addition, as of December 31, 2022, the Company had approximately $274.5 million of trade receivables from the pools that were determined to be a VIE. These trade receivables, which are included in voyage receivables in the accompanying 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 December 31, 2022.

NOTE 9 — 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, at December 31, 2022 and 2021 are as follows:

(Dollars in thousands)	December 31, 2022	December 31, 2021	Fair Value Level
Cash and cash equivalents [1]	$ 243,744	$ 98,933	Level 1
Short-term investments[2]	80,000	n/a	Level 1
$750 Million Facility Term Loan[3]	(493,565)	n/a	Level 2
$390 Million Facility Term Loan[3]	n/a	(191,050)	Level 2
$525 Million Facility Term Loan[3]	n/a	(216,289)	Level 2
$525 Million Facility Revolving Loan[3]	n/a	(44,193)	Level 2
$360 Million Facility Term Loan[3]	n/a	(105,325)	Level 2
$360 Million Facility Revolving Loan[3]	n/a	(38,889)	Level 2
Macquarie Credit Facility[3]	n/a	(19,475)	Level 2
ING Credit Facility[3]	(22,917)	(25,000)	Level 2
Ocean Yield Lease Financing[3]	(341,106)	(370,305)	Level 2
BoComm Lease Financing[4]	(63,598)	(9,608)	Level 2
Toshin Lease Financing[4]	(14,744)	(16,995)	Level 2
Hyuga Lease Financing[4]	(14,853)	n/a	Level 2
COSCO Lease Financing[3]	(47,732)	(52,746)	Level 2
Kaiyo Lease Financing[4]	(13,797)	n/a	Level 2
Kaisha Lease Financing[4]	(13,704)	n/a	Level 2
8.5% Senior Notes	n/a	(25,940)	Level 1

[1] Includes non-current restricted cash of $1.1 million at December 31, 2021.
[2] Short-term investments consist of time deposits with original maturities of between 90 and 180 days.
[3] 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.
[4] 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

The Company uses interest rate caps, collars and swaps for the management of interest rate risk exposure associated with changes in LIBOR or SOFR interest rate payments due on its credit facilities. The Company was a party to an interest rate cap agreement ("Interest Rate Cap") with a major financial institution covering a notional amount of $350 million to limit the floating interest rate exposure associated with the 2017 Term Loan Facility. The Interest Rate Cap had a cap rate of 2.605% through the termination date of December 31, 2020. In July 2019, the Company in a cashless transaction replaced the existing Interest Rate Cap with an interest rate collar agreement ("Interest Rate Collar"), which was composed of an interest rate cap and an interest rate floor. The Interest Rate Collar agreement was designated and qualified as a cash flow hedge and contained no leverage features. The Interest Rate Collar, which continued to cover a notional amount of $350 million, was effective July 31, 2019 and provided for the following rates based on one-month LIBOR:

- Balance of 2019 through December 31, 2020: cap rate of 1.98%, floor rate of 1.98%; and
- December 31, 2020 through December 31, 2022: cap rate of 2.26%, floor rate of 1.25%.

In connection with its entry into the $390 Million Facility Term Loan (see Note 10, "Debt") on January 28, 2020, the Company, in a cashless transaction, converted the $350 million notional Interest Rate Collar into an amortizing $250 million notional pay-fixed, receive-three-month LIBOR interest rate swap subject to a 0% floor. The term of the new hedging arrangement was extended to coincide with the maturity of the $390 Million Facility Term Loan of January 23, 2025 at a fixed rate of 1.97%. The interest rate swap agreement had been re-designated and qualified as a cash flow hedge and contained no leverage features. Changes in the fair value of

the Interest Rate Collar prior to the re-designation on January 28, 2020 recorded through earnings during the first quarter of 2020 totaled a loss of $1.3 million.

On April 16, 2020, the Company entered into an interest rate swap agreement with a major financial institution covering a notional amount of $25 million of the $390 Million Facility Term Loan that effectively converted the Company's interest rate exposure from a three-month LIBOR floating rate to a fixed rate of 0.50% through the maturity date of January 23, 2025, effective June 30, 2020. The interest rate swap agreement, which contained no leverage features, was designated and qualified as a cash flow hedge.

The Company was also party to a floating-to-fixed interest rate swap agreement with a major financial institution covering the balance outstanding under the Sinosure Credit Facility that effectively converted the Company's interest rate exposure from a floating rate based on three-month LIBOR to a fixed rate of 2.99% through the termination date of March 21, 2022. The interest rate swap agreement was designated and qualified as a cash flow hedge and contained no leverage features. In May 2019, the Company extended the maturity date of the interest rate swap from March 21, 2022 to March 21, 2025 and reduced the fixed three-month rate from 2.99% to 2.76%, effective March 21, 2019. In July 2020, the Company extended the maturity date of the interest rate swap from March 21, 2025 to December 21, 2027 and reduced the fixed three-month LIBOR rate from 2.76% to 2.35%, effective June 21, 2020. The new interest rate swap agreement did not in its entirety meet the definition of a derivative instrument because of its off market fixed rate at inception and was deemed to be a hybrid instrument with a financing component and an embedded at-the-market derivative. Such embedded derivative was bifurcated and accounted for separately in the same manner as the Company's other derivatives. The financing component was recorded in current and noncurrent other liabilities on the consolidated balance sheets at amortized cost. Due to an other-than-insignificant financing element on a portion of such hybrid instrument, the cash flows associated with this hybrid instrument were classified as financing activities in the consolidated statement of cash flows. In November 2021, the Company refinanced the Sinosure Credit Facility (see Note 10, "Debt") and terminated the hybrid instrument with a cash payment of $11.7 million. Upon termination, a $4.2 million loss related to the extinguishment of the financing component of the hybrid instrument was recognized in other expense in the accompanying consolidated statement of operations for the year ended December 31, 2021 and a $4.1 million loss associated with the embedded derivative component of the hybrid instrument remained in accumulated other comprehensive income/(loss) to be released into earnings as the forecasted interest accrual transactions either affect earnings or become not probable of occurring. Approximately $2.2 million and $0.4 million of such losses were released to interest expense in the accompanying consolidated statement of operations for the years ended December 31, 2022 and 2021, respectively and an additional $2.0 million is expected to amortize out of accumulated other comprehensive income to earnings within the next 12 months.

In connection with the Merger, the Company assumed the interest rate swap agreements associated with the $525 Million Facility Term Loan (see Note 10, "Debt"). The interest rate swap agreements covered a notional amount of $155.1 million of the $216.3 million outstanding balance of the $525 Million Facility Term Loan, that effectively converted the Company's interest rate exposure from a three-month LIBOR floating rate to an average fixed rate of 0.54% through the maturity date of December 23, 2024. The interest rate swap agreement had been designated and qualified as a cash flow hedge and contained no leverage features.

In May 2022, in connection with the refinancing of its $390 Million Facility Term Loan and $525 Million Facility Term Loan, the Company terminated all of its existing in-the-money LIBOR based interest swaps with an aggregate notional amount of approximately $358.6 million and received net cash proceeds of approximately $9.6 million. Upon termination, a $9.7 million gain associated with the swaps remained in accumulated other comprehensive income to be released into earnings as the forecasted interest accrual transactions either affect earnings or become not probable of occurring. Approximately $3.0 million of this gain was amortized out of accumulated other comprehensive income into earnings during the second half of 2022, with an additional $4.1 million of the gain expected to amortize out of accumulated other comprehensive income to earnings within the next 12 months.

On June 2, 2022, the Company entered into amortizing interest rate swap agreements covering a notional amount of $475 million of the $750 Million Facility Term Loan with major financial institutions participating in such 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, effective August 22, 2022. The interest rate swap agreements, which contain no leverage features, are designated and qualify as cash flow hedges.

Tabular disclosure of derivatives location

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 consolidated balance sheets related to the Company's use of derivatives as of December 31, 2022 and 2021:

Fair Values of Derivative Instruments:

(Dollars in thousands)	Current portion of derivative asset	Long-term derivative assets	Current portion of derivative liabilities	Long-term derivative liabilities	Other receivables
December 31, 2022:					
Derivatives designated as hedging instruments:					
Interest rate swaps	$ 6,987	$ 4,662	$ —	$ —	$ 547
Total	$ 6,987	$ 4,662	$ —	$ —	$ 547
December 31,2021:					
Derivatives designated as hedging instruments:					
Interest rate swaps	$	$ 1,296	$ (2,539)	$ (757)	$ —
Total	$ —	$ 1,296	$ (2,539)	$ (757)	$ —

The following tables present information with respect to gains and losses on derivative positions reflected in the consolidated statements of operations or in the consolidated statements of other comprehensive income/(loss).

The effect of cash flow hedging relationships recognized in other comprehensive income/(loss) excluding amounts reclassified from accumulated other comprehensive income/(loss), including hedges of equity method investees, for the three years ended December 31, 2022 follows:

(Dollars in thousands)	2022	2021	2020
Derivatives designated as hedging instruments:			
Interest rate swaps	$ 22,905	$ 9,404	$ (20,123)
Other-than-insignificant financing element of derivatives:			
Interest rate swaps	—	(1,508)	(1,380)
Total other comprehensive income/(loss)	$ 22,905	$ 7,896	$ (21,503)

The effect of cash flow hedging relationships on the consolidated statements of operations is presented excluding hedges of equity method investees. The effect of the Company's cash flow hedging relationships on the consolidated statement of operations for the three years ended December 31, 2022 is shown below:

(Dollars in thousands)	2022	2021	2020
Derivatives designated as hedging instruments:			
Interest rate swaps	$ (1,044)	$ 4,752	$ 4,571
Discontinued hedging instruments:			
Interest rate collar	—	—	1,352
Interest rate swap	(216)	379	—
Other-than-insignificant financing element of derivatives:			
Interest rate swaps	—	5,245	3,376
Total interest (income)/expense	$ (1,260)	$ 10,376	$ 9,299

See Note 14, “Accumulated Other Comprehensive Income/(Loss),” for disclosures relating to the impact of derivative instruments on accumulated other comprehensive loss.

Fair Value Hierarchy

The following table presents the fair values, which are pre-tax, for assets and liabilities measured on a recurring basis (excluding investments in affiliated companies):

(Dollars in thousands)	December 31, 2022	December 31, 2021	Fair Value Level
Derivative Assets (interest rate swaps)	$ 12,196	$ 1,296	Level 2[(1)]
Derivative Liabilities (interest rate swaps)	—	(3,296)	Level 2[(1)]

(1) 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.

The following table summarizes the fair values of assets for which impairment charges were recognized during the year ended December 31, 2022:

(Dollars in thousands)	Fair Value	Level 2	Impairment Charges
Crude Tankers - Vessels held for sale [(1)(2)]	$ 7,561	$ 7,561	$ (1,019)
Product Carriers - Vessels held for sale [(1)(2)]	$ 9,850	$ 9,850	$ (207)
Product Carriers - Vessels held for use [(1)(2)]	$ 9,575	$ 9,575	$ (471)

(1) A pre-tax held for sale impairment charge of $1.0 million related to one Panamax in the Crude Tankers segment was recorded during the first quarter of 2022, including a charge of $0.9 million to write the value of the vessel down to its estimated fair value, and estimated costs to sell the vessel of $0.1 million. A pre-tax held for sale impairment charge of $0.2 million related to one MR in the Product Carriers segment was recorded during the first quarter of 2022, consisting of $0.2 million costs to sell the vessel. A pre-tax held for use impairment charge of $0.5 million related to one Handysize product carrier was recorded during the first quarter of 2022 to write the value of the vessel down to its estimated fair value.

(2) Fair value measurement of $27.0 million at March 31, 2022 used to determine the impairments for the vessels was based upon a market approach, which considered the sale prices of the vessels based on the executed memoranda of agreements as discussed in Note 6, "Vessels." The sales prices are considered to be Level 2 because sales of vessels occur somewhat infrequently.

NOTE 10 —DEBT:

During 2022 and 2021, the Company entered into a number of sale and leaseback transactions. The Company’s obligations under these transactions are secured by, among other things, assignments of earnings and insurances and stock pledges and account charges in respect of the subject vessels. The arrangements also contain customary events of default, including cross-default provisions as well as subjective acceleration clauses under which the lessor could cancel the lease in the event of a material adverse change in the Company’s business. For each arrangement, the Company evaluated whether, in substance, these transactions are leases or merely a form of financing. As a result of this evaluation, we concluded that each agreement was a form of financing on the basis that each transaction was a sale and leaseback transaction that did not meet the criteria for a sale under ASC 842 and ASC 606 due to the fixed price seller repurchase options and/or mandatory seller repurchase obligations terms included in the arrangements. Accordingly, the cash received in the transactions has been accounted for as a liability, and such arrangements have been recorded at amortized cost

using the effective interest method, with the corresponding vessels remaining on the consolidated balance sheet at cost, less accumulated depreciation.

The balances in the following table reflect the amounts due under the Company's unsecured debt facilities, secured debt facilities and secured lease financing arrangements, net of any unamortized deferred financing fees or discounts/premiums:

(Dollars in thousands)	December 31, 2022	December 31, 2021
$750 Million Facility Term Loan, due 2027, net of unamortized deferred finance costs of $6,400	$ 487,164	$ —
ING Credit Facility, due 2026, net of unamortized deferred finance costs of $416 and $546	22,501	24,454
Macquarie Credit Facility, due 2025, net of unamortized deferred finance costs of $755	—	18,720
$390 Million Facility Term Loan, due 2025, net of unamortized deferred finance costs of $2,357	—	188,693
$525 Million Facility Term Loan, due 2024	—	216,289
$525 Million Facility Revolving Loan, due 2024	—	44,193
$360 Million Facility Term Loan, due 2024	—	105,325
$360 Million Facility Revolving Loan, due 2024	—	38,889
Ocean Yield Lease Financing, due 2031, net of unamortized deferred finance costs of $3,198 and $3,799	337,908	366,506
BoComm Lease Financing, due 2030, net of unamortized deferred finance costs of $917 and $114	71,140	9,494
Toshin Lease Financing, due 2031, net of unamortized deferred finance costs of $370 and $428	15,215	16,567
COSCO Lease Financing, due 2028, net of unamortized deferred finance costs of $1,187 and $1,353	46,544	51,393
Hyuga Lease Financing, due 2031, net of unamortized deferred finance costs of $323	15,093	—
Kaiyo Lease Financing, due 2030, net of unamortized deferred finance costs of $285	13,884	—
Kaisha Lease Financing, due 2030, net of unamortized deferred finance costs of $298	13,983	—
8.5% Senior Notes, due 2023, net of unamortized deferred finance costs of $538	—	24,462
	1,023,432	1,104,985
Less current portion	(162,854)	(178,715)
Long-term portion	$ 860,578	$ 926,270

Capitalized terms used hereafter have the meaning given in these consolidated financial statements or in the respective transaction documents referred to below, including subsequent amendments thereto.

$750 Million Credit Facility

On May 20, 2022, International Seaways Operating Corporation ("ISOC"), the borrower, and certain of their subsidiaries entered into a credit agreement comprising $750 million of secured debt facilities (the "$750 Million Credit Facility") with Nordea Bank Abp, New York Branch ("Nordea"), Crédit Agricole Corporate & Investment Bank ("CA-CIB"), BNP Paribas, DNB Markets Inc. and Skandinaviska Enskilda Banken AB (PUBL) (or their respective affiliates), as mandated lead arrangers and bookrunners; Danish Ship Finance A/S and ING Bank N.V., London Branch (or their respective affiliates), as mandated lead arrangers; and National Australia Bank Limited, as co-arranger. Nordea is acting as administrative agent, collateral agent and security trustee under the credit agreement, and CA-CIB is acting as sustainability coordinator. Capitalized terms used in this paragraph and elsewhere not otherwise defined herein shall have the meanings set forth in the credit agreement.

The $750 Million Credit Facility consists of (i) a five-year senior secured term loan facility in an aggregate principal amount of $530 million (the "$750 Million Facility Term Loan") and (ii) a five-year revolving credit facility in an aggregate principal amount of $220 million (the "$750 Million Facility Revolving Loan"). The $750 Million Facility Term Loan contains an uncommitted accordion feature whereby, for a period of up to 24 months following the closing date, the amount of the loan thereunder may be increased up to an additional incremental $250 million (in increments of at least $10 million) for the acquisition of Additional Vessels, subject to certain conditions.

On May 24, 2022, the available amount of $530 million under the $750 Million Facility Term Loan was drawn in full, and $70 million of the $220 million available under the $750 Million Facility Revolving Loan was also drawn. The loan proceeds, together with available cash, were used to repay (i) the $163 million outstanding principal balance under the $390 Million Credit Facility; (ii) the $284 million outstanding principal balance under the $525 Million Credit Facility; and (iii) the $127.8 million outstanding principal balance under the $360 Million Credit Facility; and to pay certain expenses related to the refinancing, including certain structuring and arrangement fees, legal and administrative fees totaling $10.5 million.

The $70 million drawn under the $750 Million Facility Revolving Loan was repaid on June 15, 2022, using a portion of the proceeds from the sale of the FSO Joint Venture (see Note 7, "Equity Method Investments").

The $750 Million Credit Facility was secured by (i) a first lien on 55 of the Company's vessels at the time of the closing of the facility, along with their earnings and insurances, and (ii) liens on certain additional assets of ISOC.

The $750 Million Facility Term Loan amortizes in 19 quarterly installments of approximately $30.6 million (other than the final payment of $9.8 million) commencing November 20, 2022. The maturity date of the $750 Million Credit Facility is May 20, 2027, and is subject to acceleration upon the occurrence of certain events (as described in the credit agreement).

The sale and delivery of a 2008-built MR, which was pledged under the $750 Million Credit Facility, on November 30, 2022, resulted in a mandatory principal prepayment of $5.8 million, reduced the number of vessels collateralizing the $750 Million Credit Facility to 54 vessels, reduced the availability under the $750 Million Facility Revolving Loan to $217.4 million, and also resulted in a $0.4 million reduction in the scheduled future quarterly principal amortization.

Interest on the $750 Million Credit Facility is calculated based upon Adjusted Term SOFR plus the Applicable Margin. The Applicable Margin is currently 2.40%. The facilities also include a sustainability-linked pricing mechanism. The adjustment in pricing will be linked to three factors:

- a Fleet Sustainability Score Target, reflecting the carbon efficiency of the INSW fleet as it relates to reductions in CO_2 emissions year-over-year, such that it aligns with the International Maritime Organization's 50% industry reduction target in GHG emissions by 2050, to be calculated in a manner consistent with the de-carbonization trajectory outlined in the Poseidon Principles (the global framework by which financial institutions can assess the climate alignment of their ship finance portfolios relative to established de-carbonization trajectories)
- a Sustainability-Linked Investment Target, reflecting targeted spending of $3 million per annum on investments in energy efficiency improvements, decarbonization, and other environmental, social and corporate governance-related initiatives; and
- a Lost Time Incident Frequency Target, reflecting performance against a Lost Time Incident Frequency average published by Intertanko.

The Company is required to deliver annually, commencing in July 2023, a sustainability certificate for the preceding calendar year setting out the sustainability-related calculations required under the credit agreement. If the Company achieves all of the targets set out in the credit agreement, the Applicable Margin will be decreased by 0.05% per annum, while if the Company fails to achieve any of the targets set out in the credit agreement, the Applicable Margin will be increased by that same amount (but in no case will any such adjustment result in the Applicable Margin being increased or decreased from the otherwise-applicable Applicable Margin by more than 0.05% per annum in the aggregate).

The $750 Million Credit Facility contains customary representations, warranties, restrictions and covenants applicable to the Company, ISOC and the subsidiary guarantors (and in certain cases, other subsidiaries).

ING Credit Facility

On November 12, 2021, the Company, together with its indirect subsidiaries Diamond S Shipping Inc. (together with the Company, the "Guarantors") and NT Suez One LLC, the borrower, entered into a credit agreement for a $25 million term loan facility with ING Bank N.V., London Branch, as lender, administrative agent, collateral agent and security trustee (the "ING Credit Facility"). The ING Credit Facility is secured by a first lien on the Suezmax owned by NT Suez One LLC, along with its earnings, insurances and certain other assets. The full $25 million was drawn down on November 12, 2021 and the Company incurred issuance and other debt financing costs of $0.6 million on this transaction. Interest on the loan is based upon LIBOR plus a margin of 2%. The loan amortizes

in quarterly installments of approximately $0.5 million commencing in February 2022 and matures on the fifth anniversary of the borrowing date in November 2026 with a final balloon payment due at maturity in an amount equal to the remaining principal amount of the loan outstanding on that date. The maturity date is subject to acceleration upon the occurrence of certain events as described in the ING Credit Facility.

The Company used substantially all of the proceeds of the loan under the ING Credit Facility to repay approximately one-half of the principal and interest amount due under the $66 Million Credit Facility (approximately $22.0 million), with the remaining balance outstanding being repaid by the other shareholder in NT Suez (see Note 8, "Variable Interest Entities"), WLR/TRF.

Macquarie Credit Facility

On September 30, 2021, the Company, Seaways Shipping II Corporation, a wholly owned subsidiary of the Company, and Seaways Shipping II Corporation's three vessel owning subsidiaries, the borrowers, executed a credit agreement for a $20.0 million term loan facility with Macquarie Bank Limited, London Branch, as lender, facility agent and security agent (the "Macquarie Credit Facility"). The Macquarie Credit Facility was comprised of three loans, each secured by a first lien on one of three LR1s owned by the Company, along with their respective earnings, insurances and certain other assets, as well as certain additional assets of the Company's subsidiaries. The facility bore interest at LIBOR plus a margin of 3.825%. The loan amortized in quarterly installments varying in amount between $0.5 million to $0.9 million commencing December 31, 2021, and was scheduled to mature on March 31, 2025, with a balloon payment of approximately $11.7 million due at maturity. The full $20.0 million was drawn down on September 30, 2021 and the Company incurred issuance and other debt financing costs of $0.8 million on this transaction.

On November 17, 2022, the Company repaid in full the outstanding balance of $17.8 million and terminated the Macquarie Credit Facility.

Debt Agreements Assumed in the Merger

As described above in Note 2, "Merger Transaction," in connection with the Merger, lenders under Diamond S' then existing credit facilities agreed, among other things, to consent to the Merger and waive any event of default that would arise as a result of the Merger. At the Effective Time, as a result of the consummation of the Merger, and following the payment by Diamond S of fees required to be paid to the lenders, the Amendment and Restatement Agreements and INSW's Guarantees of Diamond S' obligations under these agreements became effective.

The Amended and Restated $525 Million Credit Agreement consisted of a five-year term loan of $375 million (the "$525 Million Facility Term Loan") and a revolving loan of $150 million (the "$525 Million Facility Revolving Loan") that was collateralized by 36 vessels at the Effective Time, with reductions based on a 17-year age-adjusted amortization schedule, payable on a quarterly basis with a maturity date of December 23, 2024. The term loan and revolving loan bore interest at LIBOR plus a margin of 2.50%, and the interest was paid quarterly. Commitment fees on undrawn amounts related to the $525 Million Facility Revolving Loan were 0.875%. The outstanding principal amount under the $525 Million Facility Term Loan and the $525 Million Facility Revolving Loan assumed by the Company at the Effective Time was $262.5 million and $150.0 million, respectively.

The Amended and Restated $360 Million Credit Agreement consisted of a term loan of $300 million (the "$360 Million Facility Term Loan") and a revolving loan with an original availability of $60 million (the "$360 Million Facility Revolving Loan"), which as of the Effective Time had been reduced to an availability of $53 million as a result of pre-Merger vessel sales by Diamond S. The Amended and Restated $360 Million Credit Agreement was collateralized by 26 vessels at the Effective Time, with reductions based on a 17-year age-adjusted amortization schedule, payable on a quarterly basis with a maturity date of March 27, 2024. The term loan and revolving loan bore interest at LIBOR plus a margin of 2.65%, and interest was paid quarterly. Commitment fees on undrawn amounts related to the $360 Million Facility Revolving Loan were 1.06%. The outstanding principal amount under the $360 Million Facility Term Loan and the $360 Million Facility Revolving Loan assumed by the Company at the Effective Time was $167.9 million and $53.0 million, respectively.

The Company also assumed a $66 million five-year senior secured term loan facility (the "$66 Million Credit Facility") entered into by NT Suez with Credit Agricole Corporate and Investment Bank ("CA-CIB") and a syndicate of financial institutions arranged by CA-CIB on August 9, 2016 for the purpose of financing two vessels controlled by NT Suez (see Note 8, "Variable Interest Entities"). The $66 Million Credit Facility, which was collateralized by the two vessels, was a nonrecourse term loan with reductions that were based on a 15-year amortization schedule and was payable on a quarterly basis with a balloon repayment upon maturity on November

18, 2021. The $66 Million Credit Facility bore interest at LIBOR plus a margin of 3.25%. The outstanding principal amount under the $66 Million Credit Facility assumed by the Company at the Effective Time was $45.2 million.

On November 12, 2021, the Company and WLR/TRF completed the dissolution of the NT Suez joint venture and repaid all outstanding amounts under the $66 Million Credit Facility.

Ocean Yield Lease Financing

On October 26, 2021, the Company entered into lease financing arrangements with Ocean Yield ASA for the sale and leaseback of the six VLCCs that previously collateralized the Sinosure Credit Facility, for a total net sale price of $374.6 million (the "Ocean Yield Lease Financing"). The proceeds from the transactions, which were received on November 8, 2021, were used to prepay the $228.4 million outstanding loan balance under the Sinosure Credit Facility, with the balance intended for general corporate purposes, which included a $100.0 million voluntary prepayment on the $525 Million Facility Revolving Loan. The Company incurred issuance and other debt financing costs of $3.9 million on this transaction. Under these lease financing arrangements, each of the six VLCCs is subject to a 10-year bareboat charter with purchase options exercisable commencing at the end of the fourth year and purchase obligations at the end of the 10-year term equal to the outstanding principal balance of $82.5 million in total at that date. Charter hire under these arrangements is comprised of a fixed monthly repayment amount aggregating $2.4 million plus a variable interest component calculated based on three-month LIBOR plus a margin of 4.05%. The terms and conditions, including financial covenants, of the arrangements are in-line with those within the Company's existing debt facilities.

The lease financing arrangements with Ocean Yield were amended effective on February 21, 2023, to change the reference rate from three-month LIBOR to an adjusted three-month Term SOFR rate.

BoComm Lease Financing Relating to Dual-Fuel LNG VLCC Newbuilds

On November 15, 2021, the Company and three of its vessel-owning indirect subsidiaries entered into a series of sale and leaseback arrangements with entities affiliated with the Bank of Communications Limited ("BoComm") in connection with the construction of three dual-fuel LNG VLCC newbuilds (the "BoComm Lease Financing"). The three newbuilds are currently scheduled for delivery in the first half of 2023. BoComm's obligation to provide funding pursuant to the terms of the sale and leaseback agreements commenced when construction began on the first vessel in November 2021. The BoComm Lease Financing is expected to provide funding of $244.8 million in aggregate ($81.6 million each vessel) over the course of the construction and delivery of the three vessels. The outstanding principal amount and undrawn amount under the BoComm Lease Financing as of December 31, 2022 was $72.1 million and $172.7 million, respectively. As of December 31, 2022, the Company has incurred issuance and other debt financing costs of $5.4 million on this transaction. The predelivery interest rate is 3.5% and there is a commitment fee of 1% on the undrawn funding, both payable immediately prior to the delivery of each of the three vessels. The related fixed rate bareboat charter-in lease agreements for the three VLCC tankers run for a period of seven years beginning on the date on which the vessels are delivered from the yard where they are being constructed, and include purchase options and other customary terms and conditions for sale and leaseback transactions.

Toshin Lease Financing

On December 7, 2021, the Company entered into lease financing arrangement with Toshin Co., Ltd ("Toshin") for the sale and leaseback of a 2012-built MR, which was a $390 Million Facility Collateral Vessel, for a net sale price of $17.1 million (the "Toshin Lease Financing"). The transaction generated $6.9 million net proceeds, after prepaying $10.2 million of the $390 Million Facility Term Loan. The Company also incurred issuance and other debt financing costs of $0.4 million on this transaction. Under the lease financing arrangement, the vessel is subject to a 10-year fixed rate bareboat charter at a bareboat rate of $6,200 per day for the first three years, $6,000 per day for the second three years, and $5,700 per day for the last four years, with purchase options exercisable commencing at the end of the fourth year and purchase obligation at the end of the 10-year term for $1.0 million.

COSCO Lease Financing

On December 23, 2021, the Company entered into lease financing arrangements with Oriental Fleet International Company Limited ("COSCO Shipping") for the sale and leaseback of an Aframax and an LR2, both $390 Million Facility Collateral Vessels, for a net sale price of $54.0 million in total (the "COSCO Lease Financing"). The transactions generated $19.9 million net proceeds, after

prepaying $34.1 million of the $390 Million Facility Term Loan. The Company also incurred issuance and other debt financing costs of $1.4 million on this transaction. Under these lease financing arrangements, each of the two vessels is subject to a seven-year bareboat charter with purchase options exercisable commencing after the end of the second year and purchase obligations at the end of the seven-year term equal to the outstanding principal balance of $18.9 million at that date. Charter hire under these arrangements is comprised of a fixed quarterly repayment amount aggregating $1.3 million plus a variable interest component calculated based on three-month LIBOR plus a margin of 3.90%. The terms and conditions, including financial covenants, of the arrangements are in-line with those within the Company's existing debt facilities.

Hyuga Lease Financing

On January 14, 2022, the Company entered into a lease financing arrangement with Hyuga Kaiun Co., Ltd ("Hyuga") for the sale and leaseback of a 2011-built MR, which was a $390 Million Facility Collateral Vessel, for a net sale price of $16.7 million (the "Hyuga Lease Financing"). The transaction generated net proceeds of $5.7 million, after prepaying $11.0 million of the $390 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to a nine-year bareboat charter at a bareboat rate of $6,300 per day for the first three years, $6,200 per day for the second three years, and $6,000 per day for the last three years, with purchase options exercisable commencing at the end of the fourth year and a $2.0 million purchase obligation at the end of the nine-year term.

Kaiyo Lease Financing

On April 25, 2022, the Company entered into a lease financing arrangement with Kaiyo Ltd. ("Kaiyo") for the sale and leaseback of a 2010-built MR, which was a $390 Million Facility Collateral Vessel, for a net sale price of $15.2 million (the "Kaiyo Lease Financing"). The transaction generated net proceeds of $5.4 million, after prepaying $9.8 million of the $390 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to an eight-year bareboat charter at a bareboat rate of $6,250 per day for the first four years, and $6,150 per day for the remaining four years, with purchase options exercisable commencing at the end of the fourth year and a $1.5 million purchase obligation at the end of the eight-year term.

Kaisha Lease Financing

On May 12, 2022, the Company entered into a lease financing arrangement with Kabushiki Kaisha ("Kaisha") for the sale and leaseback of a 2010-built MR, which was a $525 Million Facility Collateral Vessel, for a net sale price of $15.2 million (the "Kaisha Lease Financing"). The transaction generated net proceeds of $10.6 million, after prepaying $4.6 million of the $525 Million Facility Term Loan. Under the lease financing arrangement, the vessel is subject to an eight-year bareboat charter at a bareboat rate of $6,250 per day for the first four years, and $6,150 per day for the remaining four years, with purchase options exercisable commencing at the end of the fourth year and a $1.5 million purchase obligation at the end of the eight-year term.

$390 Million Credit Facility

On January 23, 2020, the Company, International Seaways Operating Corporation, the borrower, and certain of their subsidiaries entered into a credit agreement (the "Credit Agreement") comprising $390 million of secured debt facilities (the "$390 Million Credit Facility") with Nordea Bank Abp, New York Branch ("Nordea"), ABN AMRO Capital USA LLC ("ABN"), Crédit Agricole Corporate & Investment Bank, DNB Capital LLC and Skandinaviska Enskilda Banken AB (PUBL), or their respective affiliates, as mandated lead arrangers and bookrunners, and BNP Paribas and Danish Ship Finance A/S, as lead arrangers. Nordea is acting as administrative agent, collateral agent and security trustee under the Credit Agreement, and ABN is acting as sustainability coordinator.

The $390 Million Credit Facility consisted of (i) a five-year senior secured term loan facility in an aggregate principal amount of $300 million (the "$390 Million Facility Term Loan"); (ii) a five-year revolving credit facility in an aggregate principal amount of $40 million (the "$390 Million Facility Revolving Loan"); and (iii) a senior secured term loan credit facility with a maturity date of June 30, 2022 in an aggregate principal amount of $50 million (the "$390 Million Facility Transition Term Loan").

The $390 Million Facility Term Loan and the $390 Million Facility Revolving Loan were secured by a first lien on 14 of the Company's vessels built in 2009 or later (the "$390 Million Facility Collateral Vessels"), along with their earnings, insurances and certain other assets, while the $390 Million Facility Transition Term Loan was secured by a first lien on 12 of the Company's vessels built in 2006 or earlier (the "Transition Collateral Vessels"), along with their earnings, insurances and certain other assets. In addition, both facilities are secured by liens on the collateral relating to the other facilities, as well as certain additional assets of the Borrower.

On January 28, 2020, the available amounts under the $390 Million Facility Term Loan and the $390 Million Facility Transition Term Loan were drawn in full, and $20 million of the $40 million available under the $390 Million Facility Revolving Loan was also drawn. Those proceeds, together with available cash, were used to (i) repay the $331.5 million outstanding principal balance under the 2017 Debt Facilities, (ii) repay the $23.2 million outstanding principal balance under the ABN Term Loan Facility, (iii) repurchase the $27.9 million outstanding principal amount of the Company's 10.75% subordinated notes due 2023 issued pursuant to an indenture dated June 13, 2018 with GLAS Trust Company LLC, as trustee, as amended, and (iv) pay certain expenses related to the refinancing, including certain structuring and arrangement fees, commitment, legal and administrative fees.

The $390 Million Facility Term Loan, which was scheduled to mature on January 23, 2025, with a balloon payment of approximately $120 million due at maturity, amortized in 19 quarterly installments of approximately $9.5 million commencing June 30, 2020. The $390 Million Facility Revolving Loan was also scheduled to mature on January 23, 2025. The $390 Million Facility Transition Term Loan was scheduled to amortize in 10 quarterly installments of $5 million commencing March 31, 2020 through June 30, 2022.

Interest on the $390 Million Facility Term Loan and the $390 Million Facility Revolving Loan was calculated based upon LIBOR plus the Applicable Margin (each as defined in the Credit Agreement). The initial Applicable Margin of 2.60%, will be adjusted down or up by 0.20% based on the Company's total leverage ratio, with a leverage ratio of less than 4.0:1 reducing the Applicable Margin to 2.40% and a leverage ratio of 6.0:1 or greater increasing the Applicable Margin to 2.80%. Borrowings under the Transition Term Loan Facility bore interest at LIBOR plus 3.50%.

On March 4, 2020, the $20 million outstanding balance under the $390 Million Facility Revolving Loan was repaid in full using available cash on hand and on August 10, 2020, the $40 million outstanding principal balance under the $390 Million Facility Transition Term Loan was repaid in full using available cash on hand.

Mandatory principal prepayments totaling $65.1 million were made between the fourth quarter of 2021 and the second quarter of 2022 in connection with the sale and leaseback transactions for five of the $390 Million Facility Collateral Vessels.

On May 24, 2022, the $163 million outstanding principal balance under the $390 Million Credit Facility was repaid with proceeds from the $750 Million Credit Facility as described above.

Sinosure Credit Facility

In June 2018, as part of the acquisition of six VLCCs, the Company financed the acquisition price of $434 million with the assumption of debt secured by the six vessels under a China Export & Credit Insurance Corporation ("Sinosure") credit facility funded by The Export-Import Bank of China, Bank of China (New York Branch) and Citibank, N.A. The Company acceded as a guarantor to the Sinosure Credit Facility agreement originally dated November 30, 2015, as amended; and as amended and restated by an amending and restating agreement dated June 13, 2018 (the "2018 Amending and Restating Agreement"), by and among Seaways Subsidiary VII, Inc., Seaways Holding Corporation, a wholly owned subsidiary of the Company, the Company, Citibank, N.A. (London Branch), the Export-Import Bank of China and Bank of China (New York Branch) (and its successors and assigns) and certain other parties thereto (the "Sinosure Credit Facility"). The Sinosure Credit Facility was a term loan facility comprised of six loans, each secured by one of the six VLCCs. As of the closing date of the acquisition of the six VLCCs, it had a principal amount outstanding of $310.9 million and bore interest at a rate of three-month LIBOR plus a margin of 2%. Each loan under the Sinosure Facility required quarterly amortization payments of 1 2/3% (based on the original outstanding amount of each Vessel loan) together with a balloon repayment payable on the termination date of each loan. Each of the loans under the Sinosure Credit Facility was scheduled to mature 144 months after its initial utilization date. The 2018 Amending and Restating Agreement effected certain amendments to the Original Sinosure Facility as agreed between the parties thereto and necessitated by the transaction. The Sinosure Credit Facility was guaranteed by the Company and Seaways Holding Corporation.

On November 8, 2021, the $228.4 million outstanding loan balance under the Sinosure Credit Facility was paid in full using part of the proceeds from the Ocean Yield Lease Financing. Approximately $16.1 million of cash that was restricted by the Sinosure Credit Facility was released as a result of the prepayment of the outstanding loan balance.

8.5% Senior Notes

On May 31, 2018, the Company completed a registered public offering of $25 million aggregate principal amount of its 8.5% senior unsecured notes due 2023 (the "8.5% Senior Notes"), which resulted in aggregate net proceeds to the Company of approximately $23.5 million, after deducting commissions and estimated expenses.

The Company issued the Notes under an indenture dated as of May 31, 2018 (the "Base Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "Trustee"), as supplemented by a supplemental indenture dated as of May 31, 2018 (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), between the Company and the Trustee. The Notes, which were scheduled to mature on June 30, 2023, bore interest at a rate of 8.50% per annum. Interest on the Notes was payable in arrears on March 30, June 30, September 30 and December 30 of each year. The terms of the Indenture, among other things, limited the Company's ability to merge, consolidate or sell assets.

On August 5, 2022, the Company redeemed the $25 million aggregate principal outstanding of the 8.5% Senior Notes due June 2023.

Debt Covenants

The Company was in compliance with the financial and non-financial covenants under all of its financing arrangements as of December 31, 2022.

The $750 Million Credit Facility, the ING Credit Facility and certain of the Company's lease financing arrangements contain 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 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 potion of Consolidated Indebtedness); and (iv) to ensure the aggregate Fair Market Value of the Collateral Vessels will not be less than 135% of the aggregate outstanding principal amount of the Term Loans and Revolving Loans of each Facility.

The Company's credit facilities also require it to comply with a number of covenants, including the delivery of quarterly and annual financial statements, budgets and annual projections; maintaining required insurances; compliance with laws (including environmental); compliance with the Employee Retirement Income Security Act of 1974 ("ERISA"); maintenance of flag and class of the collateral vessels; restrictions on consolidations, mergers or sales of assets; limitations on liens; limitations on issuance of certain equity interests; limitations on transactions with affiliates; and other customary covenants and related provisions.

Interest Expense

The following table summarizes interest expense before the impact of capitalized interest, including amortization of issuance and deferred financing costs (for additional information related to deferred financing costs see Note 3, "Significant Accounting Policies"), commitment, administrative and other fees, recognized during the years ended December 31, 2022, 2021 and 2020 with respect to the Company's debt facilities:

(Dollars in thousands)	2022	2021	2020
$750 Million Credit Facility	$ 18,558	$ —	$ —
ING Credit Facility	1,054	93	—
Macquarie Credit Facility	1,319	274	—
$390 Million Credit Facility	3,346	13,022	15,720
$525 Million Credit Facility	1,568	5,021	—
$360 Million Credit Facility	1,844	2,335	—
$66 Million Credit Facility	—	568	—
Sinosure Credit Facility	2,254	10,839	13,684
2017 Credit Facility	—	—	3,691
ABN Term Loan Facility	—	—	107
Vessel Lease Financing Arrangements	30,223	2,655	—
8.5% Senior Notes	1,473	2,447	2,417
10.75% Subordinated Notes	—	—	276
Total debt related interest expense	$ 61,639	$ 37,254	$ 35,895

The following table summarizes interest paid, excluding deferred financing fees paid, during the years ended December 31, 2022, 2021 and 2020 with respect to the Company's debt facilities:

(Dollars in thousands)	2022	2021	2020
$750 Million Credit Facility	$ 13,892	$ —	$ —
ING Credit Facility	796	—	—
Macquarie Credit Facility	1,087	202	—
$390 Million Credit Facility	3,514	11,410	13,678
$525 Million Credit Facility	3,786	5,569	—
$360 Million Credit Facility	1,870	2,590	—
$66 Million Credit Facility	—	624	—
Sinosure Credit Facility	—	9,256	12,199
2017 Credit Facility	—	—	2,064
ABN Term Loan Facility	—	—	156
Vessel Lease Financing Arrangements	27,674	2,991	—
8.5% Senior Notes	1,274	2,130	2,130
10.75% Subordinated Notes	—	—	359
Total debt related interest expense paid	$ 53,893	$ 34,772	$ 30,586

Debt Modifications, Repurchases and Extinguishments

In connection with the prepayment and extinguishment of certain of the Company's debt facilities, the Company recognized an aggregate net loss of $1.3 million from the write-off of unamortized deferred financing costs associated with such facilities, which is included in other income in the accompanying consolidated statement of operations, during the year ended December 31, 2022.

During the year ended December 31, 2021, in connection with the prepayments and extinguishment of certain of the Company's debt facilities, the Company recognized aggregate net losses of $6.6 million, which are included in other expense in the accompanying consolidated statement of operations. The net losses reflect (i) loan breakage fees of $0.3 million related to the Sinosure Credit Facility and a write-off of $1.6 million of unamortized deferred financing costs associated with such payoff in November 2021, which was treated as an extinguishment of debt, (ii) a $4.2 million loss related to the extinguishment of the financing component of the hybrid instrument upon termination of the interest rate swap agreement associated with the Sinosure Credit Facility, and (iii) a write-off of $0.5 million of unamortized deferred financing costs associated with the $44.3 million principal prepayment of the $390 Million Facility Term Loan in December 2021 (in connection with the lease financing arrangements on three $390 Million Credit Facility Collateral Vessels described above), which were treated as partial extinguishments.

During the year ended December 31, 2020, the Company incurred debt issuance costs aggregating $7.3 million in connection with the 2020 Debt Facilities. Issuance costs paid to lenders and third-party fees associated with the $390 Million Facility Revolving Loan aggregating $0.8 million were capitalized as deferred finance charges. Issuance costs paid to lenders and third-party fees associated

with $390 Million Facility Term Loan and Transition Term Loan Facility totaled $6.5 million, of which $6.3 million were capitalized as deferred finance charges and $0.2 million associated with third-party fees paid that were deemed to be a modification were expensed and are included in third-party debt modification fees in the accompanying consolidated statement of operations. Issuance costs incurred and capitalized as deferred finance charges have been treated as a reduction of debt proceeds. In connection with the repurchases and extinguishment of the Company's debt facilities, the Company recognized aggregate net losses of $14.3 million during the year ended December 31, 2020, which are included in other expense in the accompanying consolidated statement of operations. The net losses reflect (i) prepayment fees of $1.0 million related to the 10.75% Subordinated Notes and a write-off of $12.5 million of unamortized original issue discount and deferred financing costs associated with the payoff of the 2017 Term Loan, ABN Term Loan Facility, and the 10.75% Subordinated Notes, which were treated as extinguishments during the first quarter of 2020, and (ii) prepayment fees of $0.2 million and a write-off of $0.6 million of unamortized deferred financing costs associated with the payoff of the Transition Term Loan Facility in August 2020, which was treated as an extinguishment.

As of December 31, 2022, the aggregate annual principal payments required to be made on the Company's financing arrangements (including $172.7 million undrawn amount under the BoComm Lease Financing as of December 31, 2022) are as follows:

(Dollars in thousands)	Amount
2023	$ 174,138
2024	177,473
2025	178,255
2026	193,824
2027	66,777
Thereafter	419,103
Aggregate principal payments required	$ 1,209,570

NOTE 11 — ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Accounts payable	$ 1,826	$ 1,607
Accrued payroll and benefits	9,909	6,919
Accrued interest expense	7,723	543
Due to owners on chartered in vessels	2,644	827
Accrued drydock, repairs and vessel betterment costs	4,730	13,137
Bunkers and lubricants	603	2,431
Charter revenues received in advance	2,962	353
Insurance	527	736
Accrued vessel expenses	17,911	13,082
Accrued general and administrative expenses	1,293	1,490
Income tax payable	—	53
Other	941	3,786
Total accounts payable, accrued expense and other current liabilities	$ 51,069	$ 44,964

NOTE 12 —TAXES:

Income taxes are provided using the asset and liability method, such that income taxes are recorded based on amounts refundable or payable in the current year and include the results of any differences in the basis of assets and liabilities between U.S. GAAP and tax reporting. The Company derives substantially all of its gross income from the use and operation of vessels in international commerce. The Company's entities that own and operate vessels are primarily domiciled in the Marshall Islands and Liberia, which do not impose income tax on offshore shipping operations. The Company also has or had subsidiaries in various jurisdictions that performed administrative, commercial or technical management functions. These subsidiaries are subject to income taxes based on the services performed in countries in which those particular offices are located and, accordingly, current and deferred income taxes are recorded.

INSW, including its subsidiaries, is exempt from taxation on its U.S. source shipping income under Section 883 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") and U.S. Treasury Department regulations. INSW qualified for this exemption because its common shares were treated as primarily and regularly traded on an established securities market in the United States or

another qualified country and for more than half of the days in the taxable year ended December 31, 2022, less than 50 percent of the total vote and value of the Company's stock was held by one or more shareholders who each owned 5% or more of the vote and value of the Company's stock. Beginning in 2023, to the extent INSW is unable to qualify for exemption from tax under Section 883, INSW will be subject to U.S. federal 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 U.S. Shipping income attributable to transportation that both begins and ends in the U.S. will be considered to be 100% derived from sources within the U.S. INSW does not engage in transportation that gives rise to 100% U.S. source income. Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the U.S. Shipping income derived from sources outside the U.S. will not be subject to any U.S. federal income tax. INSW's vessels operate in various parts of the world, including to or from U.S. ports. There can be no assurance that INSW will continue to qualify for the Section 883 exemption.

A substantial portion of income earned by INSW is not subject to income tax, and no deferred taxes are provided on the temporary differences between the tax and financial statement basis of the underlying assets and liabilities for those subsidiaries not subject to income tax in their respective countries of incorporation.

The Marshall Islands and Liberia impose tonnage taxes, which are assessed on the tonnage of certain of the Company's vessels. These tonnage taxes are included in vessel expenses in the accompanying condensed consolidated statements of operations.

The components of the income tax provision follow:

(Dollars in thousands)	2022	2021	2020
Current	$ (97)	$ (1,608)	$ (1)
Deferred	9	(10)	—
Income tax provision	$ (88)	$ (1,618)	$ (1)

The differences between income taxes expected at the Marshall Islands statutory income tax rate of zero percent and the reported income tax provision are summarized as follows:

	2022	2021	2020
Change in valuation allowance	0.04 %	(0.24)%	(2.22)%
Unrecognized tax benefits	0.10 %	(1.14)%	— %
Income subject to tax in other jurisdictions	(0.12)%	0.17 %	2.19 %
Effective income tax rate	0.02 %	(1.21)%	(0.03)%

The significant components of the Company's deferred tax liabilities and assets follow:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Deferred tax assets:		
Net operating loss carryforwards	$ 3,200	$ 2,307
Excess of tax over book basis of depreciable assets	806	610
Pensions	2,906	1,756
Other	—	44
Total deferred tax assets	6,912	4,717
Less: Valuation allowance	(6,912)	(4,675)
Deferred tax assets, net	—	42
Net noncurrent deferred tax assets	$ —	$ 42

As of December 31, 2022 and 2021, the Company had net operating loss carryforwards of $12.8 million and $12.1 million, respectively. The net operating loss carryforwards have an indefinite life.

The Company believes that it is more likely than not that the benefit from its net operating loss carryforwards and certain other deferred tax assets will not be realized and has maintained a valuation allowance of $6.9 million and $4.7 million, respectively, as of

December 31, 2022 and 2021. If or when recognized, the tax benefits related to any reversal of the valuation allowance on deferred tax assets will be accounted for as a reduction of income tax expense in the period such reversal occurs.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (excluding interest and penalties) of $1.0 million and $1.1 million as of December 31, 2022 and 2021, respectively, which are included in other non-current liabilities in the consolidated balance sheets:

(Dollars in thousands)	2022	2021
Balance of unrecognized tax benefits as of January 1,	$ 1,081	$ 7
Increases for positions taken in prior years	—	677
Increases for positions taken in current year	168	397
Decreases for positions taken in prior years	(272)	—
Settlement	(7)	—
Balance of unrecognized tax benefits as of December 31,	$ 970	$ 1,081

Included in the Company's current income tax provision are provisions for uncertain tax positions relating to freight taxes. In 2021, we obtained advice regarding freight taxes in a certain jurisdiction related to the uncertainty surrounding the application of a law given the limited transparency into the actions of the tax authorities in this jurisdiction. During 2022, the Company increased its reserve for uncertain tax liabilities for this jurisdiction by $0.2 million. The Company does not presently anticipate that its provisions for these uncertain tax positions will significantly increase in the next 12 months; however, this is dependent on the jurisdictions in which vessel trading activity occurs. The Company reviews its freight tax obligations 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.

The Company records interest on unrecognized tax benefits in its provision for income taxes. Accrued interest is included in other current liabilities in the consolidated balance sheets. As of December 31, 2022 and 2021, the Company has a total liability for interest of $0.7 million and $0.4 million, respectively.

NOTE 13 — CAPITAL STOCK AND STOCK COMPENSATION:

Issuance of Shares upon Merger

At the Effective Time, the Diamond S Common Shares issued and outstanding immediately prior to the Effective Time (excluding Diamond S Common Shares owned by Diamond S, the Company, Merger Sub or any of their respective direct or indirect wholly-owned subsidiaries) were cancelled in exchange for 0.55375 of a share of INSW Common Stock and cash payable in respect of fractional shares. The aforementioned 0.55375 exchange ratio set forth in the Merger Agreement resulted in the issuance of 22,536,647 shares of INSW Common Stock with the pre-Merger INSW shareholders and the former Diamond S shareholders owning approximately 55.75% and 44.25%, respectively, of the 50,674,393 issued and outstanding common stock of the Company immediately following the Effective Time. The Company incurred and paid $0.9 million equity issuance costs during the year ended December 31, 2021.

Rights Agreement

On May 8, 2022, the Company entered into a shareholder rights plan in the form of a Rights Agreement (the “Rights Agreement”), dated as of May 8, 2022, between the Company and Computershare Trust Company, N.A., as rights agent. The Rights Agreement was approved by the Company’s Board of Directors. In connection with the Rights Agreement, the Company’s Board of Directors authorized and declared a dividend distribution of one right (a “Right”) for each outstanding share of common stock, no par value, of the Company. The dividend was payable on May 19, 2022 to stockholders of record at the close of business on such date. While the Rights Agreement was effective immediately, the Rights become exercisable only if a person or group acquires beneficial ownership, as defined in the Rights Agreement, of 17.5% or more of the Company’s common stock in a transaction not approved by the Company's Board of Directors. In that situation, each holder of a Right (other than the acquiring person or group) will have the right to purchase, upon payment of the then-current exercise price, a number of shares of Company common stock having a market value of twice the exercise price of the Right. In addition, at any time after a person or group acquires 17.5% or more of the Company’s common stock (unless such person or group acquires 50% or more), the Company’s Board of Directors may exchange one share of the

Company's common stock for each outstanding Right (other than Rights owned by such person or group, which would have become null and void). The Rights Agreement will expire on May 7, 2023. The Company's Board of Directors may consider an earlier termination of the Rights Agreement if market and other conditions warrant.

The Company's Board of Directors adopted the Rights Agreement to enable all stockholders of the Company to realize the long-term value of their investment in the Company. The Rights Agreement is not intended to prevent an acquisition of the Company on terms that the Board considers favorable to, and in the best interests of, all stockholders. Rather, the Rights Agreement aims to reduce the likelihood that any person or group gains control of the Company through open market accumulation, or other tactics potentially disadvantaging the interests of all stockholders, without paying all stockholders an appropriate control premium or providing the Company's Board of Directors sufficient time to make informed decisions in the best interest of all stockholders.

Share-based Compensation

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

Effective November 18, 2016, INSW adopted incentive compensation plans (the "Incentive Plans" as further described below) in order to facilitate the grant of equity and cash incentives to directors, employees, including executive officers and consultants of the Company and certain of its affiliates and to enable the Company and certain of its affiliates to obtain and retain the services of these individuals, which is essential to our long-term success. INSW reserved 2,000,000 shares for issuance under its management incentive plan and 400,000 shares for issuance under its non-employee director incentive compensation plan. Effective June 22, 2020, INSW adopted new Incentive Plans and reserved an additional 1,400,000 shares for issuance under its management incentive plan and 400,000 shares for issuance under its non-employee director incentive compensation plan.

Information regarding share-based compensation awards granted by INSW follows:

Director Compensation – Restricted Common Stock

INSW awarded a total of 41,718, 57,178 and 57,317 restricted common stock shares during the years ended December 31, 2022, 2021 and 2020, respectively, to its non-employee directors. The weighted average fair value of INSW's stock on the measurement date of such awards was $24.45 (2022), $18.95 (2021) and $16.05 (2020) per share. Such restricted shares awards vest in full on the earlier of the next annual meeting of the stockholders or grant anniversary date, 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 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.

Effective as of the Effective Time, as contemplated by the Merger Agreement in order to permit three directors designated by Diamond S to serve on the Board, Mr. Ty E. Wallach resigned as a member of the Board. In connection with his resignation from the Board, the Board approved the accelerated vesting of the 5,035 restricted shares of INSW Common Stock previously granted to Mr. Wallach in June 2021 (valued at approximately $0.1 million).

On July 8, 2020, Mr. Gregory A. Wright resigned from the Board. Mr. Wright's resignation was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices. In connection with his resignation, a total of 6,230 shares previously granted to Mr. Wright (valued at approximately $0.1 million) vested in full on July 8, 2020. In addition, in consideration of the Company's and the Board's ability to seek advice from him following his resignation through the end of the second quarter of 2021, the Company paid Mr. Wright approximately $0.1 million in July 2020.

Management Compensation

(i) Restricted Stock Replacement Awards

Pursuant to the Merger, the Company assumed certain equity awards granted under the Diamond S Shipping Inc. 2019 Equity and Incentive Compensation Plan, amended as of March 27, 2019 (the "Diamond S Plan"). After giving effect to the exchange ratio and

appropriate adjustments to reflect the consummation of the Merger, outstanding awards of 131,845 unvested Diamond S restricted stock issued under the Diamond S Plan, as of the Effective Time, were assumed by the Company and converted into 72,994 of unvested restricted shares with respect to INSW Common Stock, on the same general terms and conditions under the applicable Diamond S plans and award agreements in effect immediately prior to the Effective Time. ASC 805 requires an allocation of the fair-value-based measure of a replacement award to pre-combination service and post-combination service, with the value attributable to pre-combination service included in the consideration transferred and the value attributable to post-combination service recognized as compensation cost by the acquirer. The fair-value-based measure of such replacement award attributable to post-combination service was determined to be $0.6 million. In December 2021, the company recognized stock compensation of $0.2 million in relation to the accelerated vesting of restricted stocks that vested on December 31, 2021 due to a post-merger reduction in force.

(ii) Restricted Stock Units

During the years ended December 31, 2022, 2021 and 2020, the Company awarded 348,846, 64,943 and 58,258 time-based restricted stock units ("RSUs") to certain of its employees, including senior officers, respectively. The average grant date fair value of these awards was $21.05 (2022), $21.58 (2021) and $21.93 (2020) per RSU. Each RSU represents a contingent right to receive one share of INSW common stock upon vesting. 304,650 of the RSUs awarded during the year ended December 31, 2022 will vest in equal installments on each of the first three anniversaries of the grant date and 23,256 and 20,940 of the RSUs awarded will cliff vest on September 30, 2023 and November 23, 2023, respectively.

RSUs may not be transferred, pledged, assigned or otherwise encumbered until they are settled. Settlement of vested RSUs may be in either shares of common stock or cash, as determined at the discretion of the Human Resources and Compensation Committee and shall occur as soon as practicable after the vesting date. If the RSUs are settled in shares of common stock, following the settlement of such shares, the grantee will be the record owner of the shares of common stock and will have all the rights of a shareholder of the Company, including the right to vote such shares and the right to receive dividends paid with respect to such shares of common stock. RSUs which have not become vested as of the date of a grantee's termination from the Company will be forfeited without the payment of any consideration, unless otherwise provided for.

During the years ended December 31, 2022, 2021 and 2020, the Company awarded 124,590, 64,943 and 58,258, respectively, performance-based RSUs to its senior officers and employees. The weighted average grant date fair value of the awards with performance conditions was determined to be $19.63 (2022), $21.58 (2021) and $17.83 (2020) per RSU. The weighted average grant date fair value of the TSR (as defined below) based performance awards, which have a market condition, was estimated using a Monte Carlo probability model and determined to be $20.65 (2022), $22.50 (2021) and $17.59 (2020) per RSU. 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 the third fiscal year end date following the grant date, 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 the third fiscal year end date following the grant date, 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 15th of the year following the vesting date. The TSR Target and the ROIC Target in the 2020 award were achieved at a payout of 106.9% and 148.4%, respectively, of target as of the performance period end date of December 31, 2022.

Settlement of the vested INSW performance-based RSUs may be in either shares of common stock or cash, as determined by the Human Resources and Compensation Committee in its discretion, and shall occur as soon as practicable after the vesting date.

(iii) Stock Options

There were no stock options granted during the year ended December 31, 2022. During the years ended December 31, 2021 and 2020, the Company awarded to certain senior officers and employees an aggregate of 141,282 and 131,992 stock options, respectively. Each stock option represents an option to purchase one share of INSW common stock for an exercise price of $21.58 and $21.93 per share for options granted in 2021, and 2020, respectively. The weighted average grant date fair value of the options granted in 2021 and 2020 was $9.92 and $9.68 per option, respectively. The fair values of the options were estimated using the Black-Scholes option pricing model with inputs that include the INSW stock price, the INSW exercise price and the following weighted average assumptions: risk free interest rates of 1.06% (2021) and 0.44% (2020), dividend yields of 1.23% (2021) and 1.02% (2020), expected

stock price volatility factors of .55 (2021) and .52 (2020), and expected lives at inception of six years. Stock options may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Each stock option will vest in equal installments on each of the first three anniversaries of the award date. The stock options expire on the business day immediately preceding the tenth anniversary of the award date. If a stock option grantee's employment is terminated for cause (as defined in the applicable Form of Grant Agreement), stock options (whether then vested or exercisable or not) will lapse and will not be exercisable. If a stock option grantee's employment is terminated for reasons other than cause, the option recipient may exercise the vested portion of the stock option but only within such period of time ending on the earlier to occur of (i) the 90th day ending after the option recipient's employment terminated and (ii) the expiration of the options, provided that if the Optionee's employment terminates for death or disability the vested portion of the option may be exercised until the earlier of (i) the first anniversary of employment termination and (ii) the expiration date of the options.

Dividends

On February 28, 2022, the Company's Board of Directors declared regular quarterly cash dividend of $0.06 per share. Pursuant to such declaration, the Company made dividend payments totaling $3.0 million on March 28, 2022 to stockholders of record as of March 14, 2022.

On June 7, 2022 and August 4, 2022, the Company's Board of Directors declared regular quarterly cash dividends of $0.12 per share Pursuant to these declarations, the Company made dividend payments totaling $6.0 million on each of June 29, 2022 and September 28, 2022, respectively, to stockholders of record as of June 17, 2022 and September 14, 2022.

On November 7, 2022, the Company's Board of Directors declared a regular quarterly cash dividend of $0.12 per share and a supplemental dividend of $1.00 per share. Pursuant to such declaration, the Company made both dividend payments totaling $55.0 million on December 22, 2022 to stockholders of record as of December 8, 2022.

On February 27, 2023, 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 $1.88 per share of common stock. Both dividends will be paid on March 28, 2023 to shareholders of record at the close of business on March 14, 2023.

On February 23, 2021, June 4, 2021, July 28, 2021 and November 8, 2021, the Company's Board of Directors declared regular quarterly cash dividends of $0.06 per share. Pursuant to these declarations, the Company made dividend payments totaling $1.7 million, $1.7 million, $3.0 million and $3.0 million on March 26, 2021, June 28, 2021, September 23, 2021 and December 23, 2021, respectively, to stockholders of record as of March 11, 2021, June 14, 2021, September 9, 2021 and December 9, 2021, respectively.

On February 26, 2020, May 20, 2020, August 4, 2020, and October 28, 2020, respectively, the Company's Board of Directors declared regular quarterly cash dividends of $0.06 per share. Pursuant to these declarations, the Company made dividend payments totaling $1.7 million on each of March 30, 2020, June 22, 2020, September 23, 2020, and December 23, 2020, respectively, to stockholders of record as of March 17, 2020, June 8, 2020, September 9, 2020, and December 8, 2020, respectively.

See Note 2, "Merger" for a description of the special dividend aggregating $31.5 million that was paid on July 15, 2021.

Share Repurchases

In connection with the settlement of vested restricted stock units and the exercise of stock options, the Company repurchased 513,479, 56,065 and 75,894 shares of common stock during the years ended December 31, 2022, 2021 and 2020 at an average cost of $41.79, $20.06 and $20.31 per share, respectively (based on the market prices on the dates of vesting or option exercise), from employees, including certain members of management to cover withholding taxes and the cost of options exercised.

On March 5, 2019, the Company's Board of Directors approved a resolution authorizing the Company to implement a stock repurchase program. Under the program, the Company could opportunistically repurchase up to $30.0 million worth of shares of the Company's common stock from time to time over a 24-month period ending March 5, 2021, on the open market or otherwise, in such quantities, at such prices, in such manner and on such terms and conditions as management determined was in the best interests of the Company. Shares owned by employees, directors and other affiliates of the Company were not eligible for repurchase under this program without further authorization from the Board. During the first half of 2020, the Company repurchased and retired 1,417,292 shares of its common stock in open-market purchases, at an average price of $21.16 per share, for a total cost of $30.0 million. On

August 4, 2020, the Company's Board of Directors authorized the renewal of the share repurchase program in the amount of $30.0 million for another 24-month period ending August 4, 2022. Subsequently, on October 28, 2020, the Company's Board of Directors authorized an increase in the share repurchase program from $30.0 million to $50.0 million. During the last quarter of 2021, the Company repurchased and retired 1,077,070 shares of its common stock in open-market purchases, at an average price of $15.44 per share, for a total cost of $16.7 million.

In August 2022, the Company's Board of Directors authorized an increase in the share repurchase program to $60.0 million from $33.3 million and extended the expiration of the program to December 31, 2023. During the year ended December 31, 2022, the Company repurchased and retired 687,740 shares of its common stock in open-market purchases, at an average price of $29.08 per share, for a total cost of $20.0 million. As of December 31, 2022, the remaining buyback authorization under the Company's $60.0 million stock repurchase program expiring in December 2023 was $40.0 million.

Activity with respect to restricted common stock and restricted stock units under INSW compensation plans is summarized as follows:

	Common Stock
Nonvested Shares Outstanding at December 31, 2019	352,864
Granted [2]	182,142
Forfeitures [3]	—
Vested ($17.21- $27.66 per share) [1]	(229,123)
Nonvested Shares Outstanding at December 31, 2020	305,883
Granted [2]	264,353
Forfeitures [3]	(4,144)
Vested ($16.05- $21.93 per share) [1]	(230,051)
Nonvested Shares Outstanding at December 31, 2021	336,041
Granted [2]	531,246
Forfeitures [3]	—
Vested ($17.21- $23.53 per share) [1]	(216,889)
Nonvested Shares Outstanding at December 31, 2022	650,398

[1] Includes 74,360 (2022), 68,013 (2021) and 71,513 (2020) shares of common stock sold back to the Company by employees to cover withholding taxes in the year of vesting or during the first quarter of the subsequent year.

[2] Includes 16,092, 4,223 and 8,309 incremental performance restricted stock units earned as a result of above target achievement of market condition at December 31, 2022, 2021 and 2020, respectively.

[3] Represents restricted stock units forfeited because performance targets or service requirements were not achieved as of the measurement date.

Activity with respect to stock options under INSW compensation plans is summarized as follows:

	Common Stock
Options Outstanding at December 31, 2019	538,632
Granted	131,992
Exercised	—
Options Outstanding at December 31, 2020	670,624
Granted	141,282
Exercised	—
Options Outstanding at December 31, 2021	811,906
Granted	—
Exercised	(541,656)
Options Outstanding at December 31, 2022	270,250
Options Exercisable at December 31, 2022	132,061

The weighted average remaining contractual life of the outstanding and exercisable stock options at December 31, 2022 was 6.96 years and 5.96 years, respectively. The range of exercise prices of the stock options outstanding and exercisable at December 31, 2022 was between $17.21 and $30.93 per share, respectively. The weighted average exercise price of the stock options outstanding

and exercisable at December 31, 2022 was $20.60 and $19.47, respectively. The aggregate intrinsic value of the INSW stock options outstanding and exercisable at December 31, 2022 were $4.4 million and $2.3 million, respectively.

Compensation expense is recognized over the vesting period applicable to each grant, using the straight-line method.

Compensation expense with respect to restricted common stock and restricted stock units outstanding for the years ended December 31, 2022, 2021 and 2020 was $5.5 million, $9.3 million and $4.6 million, respectively. Compensation expense relating to stock options for the years ended December 31, 2022, 2021 and 2020 was $1.0 million, $1.2 million and $1.1 million, respectively.

As of December 31, 2022, there was $9.9 million of unrecognized compensation cost related to INSW nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted average period of 1.63 years.

NOTE 14 —ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS):

The components of accumulated other comprehensive income/(loss), net of related taxes, in the consolidated balance sheets follow:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Unrealized gains/(losses) on derivative instruments	$ 16,912	$ (4,863)
Items not yet recognized as a component of net periodic benefit cost (pension plans)	(9,948)	(7,497)
	$ 6,964	$ (12,360)

The following tables present the changes in the balances of each component of accumulated other comprehensive income/(loss), net of related taxes, for the three years ended December 31, 2022.

(Dollars in thousands)	Unrealized gains/(losses) on cash flow hedges	Items not yet recognized as a component of net periodic benefit cost (pension plans)	Total
Balance at December 31, 2019	$ (11,732)	$ (8,838)	$(20,570)
Current period change, excluding amounts reclassified from accumulated other comprehensive income/(loss)	(21,503)	(61)	(21,564)
Amounts reclassified from accumulated other comprehensive income/(loss)	9,137	384	9,521
Balance at December 31, 2020	(24,098)	(8,515)	(32,613)
Current period change, excluding amounts reclassified from accumulated other comprehensive income/(loss)	7,896	634	8,530
Amounts reclassified from accumulated other comprehensive income/(loss)	11,339	384	11,723
Balance at December 31, 2021	(4,863)	(7,497)	(12,360)
Current period change, excluding amounts reclassified from accumulated other comprehensive income/(loss)	22,905	(2,759)	20,146
Amounts reclassified from accumulated other comprehensive income/(loss)	(1,130)	308	(822)
Balance at December 31, 2022	$ 16,912	$ (9,948)	$ 6,964

The following table presents information with respect to amounts reclassified out of accumulated other comprehensive loss for the three years ended December 31, 2022.

(Dollars in thousands)	2022	2021	2020	Statement of Operations Line Item
Reclassifications of (gains)/losses on cash flow hedges:				
Interest rate swaps entered into by the Company's equity method joint venture investees	$ 130	$ 963	$ 1,109	Equity in income of affiliated companies
Interest rate swaps entered into by the Company's subsidiaries	(1,044)	4,752	4,571	Interest expense
Interest rate cap/collar entered into by the Company's subsidiaries	—	—	—	Interest expense
Reclassifications of (gains)/losses on discontinued hedging instruments				
Interest rate collar entered into by the Company's subsidiaries	—	—	81	Interest expense
Interest rate swap entered into by the Company's subsidiaries	(216)	379	—	Interest expense
Reclassifications of losses on other-than-insignificant financing element of derivatives:				
Interest rate swaps entered into by the Company's subsidiaries	—	5,245	3,376	Interest expense
Items not yet recognized as a component of net periodic benefit cost (pension plans):				
Net periodic benefit costs associated with pension and postretirement benefit plans	308	384	384	Other expense
Total before and net of tax	$ (822)	$ 11,723	$ 9,521	

The following amounts are included in accumulated other comprehensive income/(loss) at December 31, 2022, which have not yet been recognized in net periodic cost: unrecognized prior service costs of $1.7 million ($1.3 million net of tax) and unrecognized actuarial losses of $10.0 million ($8.6 million net of tax).

At December 31, 2022, the Company expects that it will reclassify $7.6 million (gross and net of tax) of net gain on derivative instruments from accumulated other comprehensive income to earnings during the next twelve months due to the payment of variable rate interest associated with floating rate debt of INSW’s equity method investees and the interest rate swaps held by the Company.

See Note 9, “Fair Value of Financial Instruments, Derivatives and Fair Value,” for additional disclosures relating to derivative instruments.

NOTE 15 — REVENUE:

Revenue Recognition

The majority of the Company's contracts for pool revenues, time and bareboat 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 December 31, 2022, the Company is a party to time charter out contracts with customers on one MR, one LR2, one Suezmax, and one VLCC with expiry dates ranging from March 2023 to August 2024. 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) are recognized in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. See Note 3, "Significant Accounting Policies," for additional detail on the Company's accounting policies regarding revenue recognition for leases.

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. See Note 3, “Significant Accounting Policies,” for additional detail on the Company’s accounting policies regarding service revenue recognition and costs to obtain or fulfill a contract.

The following table presents the Company’s revenues from leases accounted for under ASC 842 and revenues from services accounted for under ASC 606 for the three years ended December 31, 2022:

(Dollars in thousands)	Crude Tankers	Product Carriers	Totals
2022			
Revenues from leases			
Pool revenues	$ 262,170	$ 512,752	$ 774,922
Time and bareboat charter revenues	23,633	9,401	33,034
Voyage charter revenues from non-variable lease payments[(1)]	8,451	11,149	19,600
Voyage charter revenues from variable lease payments	62	(336)	(274)
Revenues from services			
Voyage charter revenues from lightering services	37,383	—	37,383
Total shipping revenues	$ 331,699	$ 532,966	$ 864,665
2021			
Revenues from leases			
Pool revenues	$ 80,586	$ 95,411	$ 175,997
Time and bareboat charter revenues	40,469	9,625	50,094
Voyage charter revenues from non-variable lease payments[(1)]	9,415	11,005	20,420
Voyage charter revenues from variable lease payments	453	229	682
Revenues from services			
Voyage charter revenues from lightering services	25,353	—	25,353
Total shipping revenues	$ 156,276	$ 116,270	$ 272,546
2020			
Revenues from leases			
Pool revenues	$ 198,316	$ 74,664	$ 272,980
Time and bareboat charter revenues	87,783	936	88,719
Voyage charter revenues from non-variable lease payments[(1)]	19,016	10,456	29,472
Voyage charter revenues from variable lease payments	1,180	827	2,007
Revenues from services			
Voyage charter revenues from voyage charters	472	—	472
Voyage charter revenues from lightering services	27,998	—	27,998
Total shipping revenues	$ 334,765	$ 86,883	$ 421,648

(1) Includes $1.8 million, $0.5 million and $4.4 million of loss of hire claim proceeds received during the years ended December 31, 2022, 2021 and 2020, respectively.

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

(Dollars in thousands)	Voyage receivables - Billed receivables	Contract assets (Unbilled voyage receivables)	Contract liabilities (Deferred revenues and off hires)
Opening balance as of January 1, 2022	$ 2,306	$ 225	$ —
Closing balance as of December 31, 2022	9,452	1,866	—

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, and associated revenue, are generally transferred to customers over time. The expected duration of services is less than one year. There were no adjustments to revenues from performance obligations satisfied in previous periods recognized during the years ended December 31, 2022 and 2021, Such adjustments totaled $47 thousand during the year ended December 31, 2020. These adjustments to revenue were related to changes in estimates of performance obligations related to voyage charters.

Costs to Obtain or Fulfill a Contract

As of December 31, 2022, there were no unamortized deferred costs of obtaining or fulfilling a contract.

NOTE 16 — 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 vessels and leased office and other space. The expenses recognized during the three years ended December 31, 2022 for the lease component of these leases are as follows:

(Dollars in thousands)	2022	2021	2020
Operating lease cost			
Vessel assets			
Charter hire expenses	$ 9,935	$ 9,337	$ 11,666
Office and other space			
General and administrative	911	1,275	1,044
Voyage expenses	172	170	168
Finance lease cost			
Vessel assets			
Amortization of right-of-use assets	196	—	—
Interest on lease liabilities	34	—	—
Short-term lease cost			
Vessel assets [(1)]			
Charter hire expenses	8,636	4,746	4,585
Office and other space			
General and administrative	—	—	29
Total lease cost	$ 19,884	$ 15,528	$ 17,492

(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, $0.4 million and $1.2 million for the years ended December 31, 2022, 2021 and 2020, respectively, including both lease and non-lease components.

Supplemental cash flow information related to leases was as follows:

(Dollars in thousands)	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows used for operating leases	$ 10,207	$ 10,464	$ 12,878
Finance cash flows used for finance leases	533	—	—

Supplemental balance sheet information related to leases was as follows:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Operating lease right-of-use assets	$ 8,471	$ 23,168
Finance lease right-of-use assets	44,391	—
Current portion of operating lease liabilities	$ (1,596)	$ (8,393)
Current portion of finance lease liabilities	(41,870)	—
Long-term operating lease liabilities	(7,740)	(12,522)
Total operating and finance lease liabilities	$ (51,206)	$ (20,915)
Weighted average remaining lease term - operating and finance leases	1.73 years	5.15 years
Weighted average discount rate - operating and finance leases	6.77%	5.42%

1. Charters-in of vessel assets:

As of December 31, 2022, INSW had commitments to charter in two Aframaxes and two LR1s. The LR1s, which are time charters, with expiry dates ranging from March 2023 to April 2023, are accounted for as operating leases. The two Aframaxes are bareboat charters, which were also accounted for as operating leases up until December 6, 2022, when the Company declared its options to purchase the two Aframaxes in March 2023. Under the terms of the options, the Company expects to purchase the two vessels in March 2023, with an aggregate purchase price of $43.0 million. The declaration of the purchase options triggered the need to reassess the term and classification of these leases as well as a remeasurement of the associated right-of-use assets, lease liabilities and discount rate. These bareboat charters are accounted for as finance leases from December 6, 2022 onwards, and the associated lease cost is included in depreciation and amortization expense and interest expense in the accompanying consolidated statements of operations for the year ended December 31, 2022.

Payments of lease liabilities and related number of operating days under these operating leases as of December 31, 2022 are as follows:

Bareboat Charters-in

(Dollars in thousands)	Amount	Operating Days
2023	$ 41,971	147
Total lease payments, including vessel purchase prices	41,971	147
less imputed interest	(101)	
Total finance lease liabilities	$ 41,870	

Time Charters-in

(Dollars in thousands)	Amount	Operating Days
2023	$ 1,381	210
Total lease payments (lease component only)	1,381	210
less imputed interest	(3)	
Total operating lease liabilities	$ 1,378	

2. Office and other space:

The Company has operating leases for office and lightering workboat dock space. These leases have expiry dates ranging from July 2023 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.

Payments of lease liabilities for office and other space as of December 31, 2022 are as follows:

(Dollars in thousands)	Amount
2023	$ 229
2024	973
2025	998
2026	1,024
2027	1,077
Thereafter	5,831
Total lease payments	10,132
less imputed interest	(2,174)
Total operating lease liabilities	$ 7,958

Contracts under which the Company is a Lessor

See Note 15, “Revenue,” for discussion on the Company’s revenues from operating leases accounted for under ASC 842.

The future minimum revenues, before reduction for brokerage commissions, expected to be received on non-cancelable time charters for one MR, one LR2, one Suezmax, and one VLCC and the related revenue days as of December 31, 2022 are as follows:

(Dollars in thousands)	Amount	Revenue Days
2023	$ 22,000	806
2024	7,280	224
Future minimum revenues	$ 29,280	1,030

Future minimum revenues do not include (i) the Company’s share of time charters entered into by the pools in which it participates, and (ii) the Company’s share of time charters entered into by the joint ventures, which the Company accounts for under the equity method. 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.

In February 2023, the Company delivered another of its Suezmaxes to charterers on a time charter-out contract expiring in December 2024.

NOTE 17 —PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS:

Pension plans

The Company has obligations outstanding under a defined benefit pension plan in the U.K. The plan provides defined benefits based on years of service and final average salary. The plan was closed to new entrants and accrual from June 2014. The Company has provided a guarantee to the trustees of the OSG Ship Management (UK) Ltd. Retirement Benefits Plan (the “Scheme”) in the amount of the unfunded deficiency calculated on a solvency basis, if the principal employer fails to make the required periodic contributions to the Scheme.

Information with respect to the Scheme for which INSW uses a December 31 measurement date, is as follows:

(Dollars in thousands)	December 31, 2022	December 31, 2021
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 27,305	$ 30,276
Prior service cost adjustment	—	39
Interest cost on benefit obligation	442	360
Actuarial (gains)/losses	(7,545)	(2,159)
Benefits paid	(789)	(859)
Foreign exchange (gains)/losses	(2,660)	(352)
Benefit obligation at year end	16,753	27,305
Change in plan assets:		
Fair value of plan assets at beginning of year	30,140	31,219
Actual return on plan assets	(10,281)	(547)
Employer contributions	672	729
Benefits paid	(789)	(859)
Foreign exchange (losses)/gains	(2,909)	(402)
Fair value of plan assets at year end	16,833	30,140
Funded status at December 31	$ 80	$ 2,835

The funded or unfunded benefit obligation for the pension plan is included in other assets or other liabilities, respectively, in the accompanying consolidated balance sheets.

Information for net periodic benefit costs for the three years ended December 31, 2022 follows:

(Dollars in thousands)	2022	2021	2020
Components of expense:			
Interest cost on benefit obligation	$ 442	$ 360	$ 525
Expected return on plan assets	(955)	(1,053)	(1,018)
Amortization of prior-service costs	73	80	75
Recognized net actuarial loss	235	304	310
Net periodic benefit cost	$ (205)	$ (309)	$ (108)

Unrecognized actuarial losses are amortized over a period of 19 years, which at the time selected, represented the term to retirement of the youngest member of the Scheme.

The weighted-average assumptions used to determine benefit obligations follow:

	December 31, 2022	December 31, 2021
Discount rate	4.90%	1.80%

The selection of a single discount rate for the defined benefit plan was derived from bond yield curves, which the Company believed as of such dates to be appropriate for the plan, reflecting the length of the liabilities and the yields obtainable on investment grade bonds. The assumption for a long-term rate of return on assets was based on a weighted average of rates of return on the investment sectors in which the assets are invested.

The weighted-average assumptions used to determine net periodic benefit costs follow:

	2022	2021	2020
Discount rate	1.80%	1.20%	2.00%
Expected (long-term) return on plan assets	3.48%	3.36%	3.89%
Rate of future compensation increases	-	-	-

Expected benefit payments are as follows:

(Dollars in thousands)	Pension benefits
2023	$ 944
2024	937
2025	1,040
2026	1,210
2027	1,013
Years 2028-2032	5,691
	$ 10,835

The fair values of the Company's pension plan assets at December 31, 2022, by asset category are as follows:

(Dollars in thousands)	Fair Value	Level 1	Level 2 [1]
Cash and cash equivalents	$ 633	$ 633	$ —
Managed funds	16,200	—	16,200
Total	$ 16,833	$ 633	$ 16,200

[1] Quoted prices for the managed funds are not available from an active market source since such investments are pooled investment funds. The unitized pooled investment vehicles have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net asset value, determined in accordance with fair value principles, provided by the pooled investment manager.

A target allocation of 60% is maintained with return seeking assets, with the balance of 40% invested in liability driven investments to target a 100% match to interest rate risks by asset value (mainly government bonds).

The Company contributed $0.7 million to the Scheme in each of 2022, 2021 and 2020, respectively. The Company expects that its contribution to the Scheme in 2023 will be approximately $0.7 million.

Defined Contribution Plans

The Company has defined contribution plans covering all eligible shore-based employees in the U.K. and U.S. Contributions are limited to amounts allowable for income tax purposes and include employer matching contributions to the plans. All contributions to the plans are at the discretion of the Company or as mandated by statutory laws. The employer matching contributions to the plans during each of the years ended December 31, 2022, 2021 and 2020 were $0.6 million, $0.6 million and $0.4 million, respectively.

NOTE 18 — OTHER INCOME/(EXPENSE):

(Dollars in thousands)	2022	2021	2020
Investment income - interest	$ 3,653	$ 104	$ 558
Net actuarial gain on defined benefit pension plan	647	667	633
Write-off of deferred financing costs	(1,266)	(2,113)	(13,073)
Loss on extinguishment of debt	—	(4,465)	(1,197)
Gain on sale of interest in DASM	(135)	—	—
Other	(567)	(140)	262
	$ 2,332	$ (5,947)	$ (12,817)

Refer to Note 10, "Debt," for additional information relating to the write-off of deferred financing costs and the loss on extinguishment of debt.

NOTE 19 — CONTINGENCIES:

INSW's policy for recording legal costs related to contingencies is to expense such legal costs as incurred.

Multi-Employer Plans

The Merchant Navy Officers Pension Fund ("MNOPF") 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 plan have indicated that, under the terms of the High Court ruling in 2005, which established the liability of past employers to fund the deficit on the Post 1978 section of MNOPF, calls for further contributions may be required if additional actuarial deficits arise or if other employers liable for contributions are not able to pay their share in the future. As the amount of any such assessment cannot be reasonably estimated, no reserves have been recorded for this contingency in INSW's consolidated financial statements as of December 31, 2022. The MNOPF annual actuarial report as of March 31, 2022, showed the pension scheme funded status as being in surplus and no additional employer contributions were due. The next full actuarial valuation will be as of March 31, 2024.

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. Participating employers include current employers, historic employers that have made voluntary contributions, and historic employers such as INSW that have made no deficit contributions. Calls for contributions may be required if additional actuarial deficits arise or if other employers liable for contributions are unable to pay their share in the future. As the amount of any such assessment cannot be reasonably estimated, no reserves have been recorded in INSW's consolidated financial statements as of December 31, 2022. The next deficit valuation will be as of March 31, 2023.

Spin-Off Related Agreements

On November 30, 2016, INSW was spun off from OSG as a separate publicly traded company. In connection with the spin-off, INSW and OSG entered into several agreements, including a separation and distribution agreement, an employee matters agreement and a transition services agreement. While most of the obligations under those agreements were subsequently fulfilled, certain provisions (including in particular mutual indemnification provisions under the separation and distribution agreement and the employee matters agreement) continue in force.

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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of International Seaways, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of International Seaways, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Vessels

Description of the Matter

As of December 31, 2022, the carrying value of the Company's vessels was approximately $1.7 billion. As described in Notes 3 and 6 to the consolidated financial statements, the Company assesses whether events or changes in circumstances have occurred that could indicate that the carrying amounts of its vessels may not be recoverable. Upon identification of an indicator of impairment, the Company evaluates the recoverability of a vessel by comparing its carrying amount to the undiscounted future net cash flows it is expected to generate. If the Company determines that a vessel's carrying value is not recoverable, an impairment charge is recognized equal to the excess of the vessel's carrying amount over its estimated fair value determined using an income or market approach. Throughout the year, the Company performed an evaluation of its vessels to determine if any such indicators of impairment were present.

Auditing the Company's impairment assessment was complex due to the significant estimation uncertainty and judgment required to evaluate the future market and economic conditions and forecasted charter rates in a

cyclical and volatile industry as well as the degree of subjectivity involved in determining indicative market values for a set of representative vessels in each of the Company's vessel classes.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment assessment process, including controls over management's identification of impairment indicators and management's review of the significant assumptions described above. For example, we tested management's review of the methods used to forecast charter rates and the residual value of the vessels as well as its review of the completeness, accuracy, and relevance of the key inputs used in developing the estimates of fair value, including third-party appraisals.

To test the Company's impairment assessment process, including its identification of impairment indicators, we performed audit procedures that included, among others, assessing the methodologies used, evaluating the significant assumptions described above and testing the completeness and accuracy of the key inputs used by management in its analyses. For example, we compared the forecasted charter rates and residual values used by management to current and past performance of the vessels, forecasted market rates and other relevant external market and industry data. Further, we evaluated the third-party appraisal reports used by management to support their assessment. We involved our internal valuation specialists to assist in our evaluation of the methodologies and the significant assumptions applied in performing the impairment assessment.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

New York, New York

February 28, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of International Seaways, Inc.

Opinion on Internal Control over Financial Reporting

We have audited International Seaways, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, International Seaways, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of International Seaways, Inc. as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements") of the Company and our report dated February 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
February 28, 2023

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

As of the end of the period covered by this Annual Report on Form 10-K, 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 Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of December 31, 2022 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.

(b) Management's report on internal control over financial reporting

Management of the Company is responsible for the establishment and maintenance of adequate internal control over financial reporting for the Company. Internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, is a process designed 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. The Company's system of internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with participation of the CEO and CFO, has performed an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022, based on the provisions of "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management has concluded the Company's internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by Ernst & Young LLP, the Company's independent registered public accounting firm, as stated in their report included in Item 8, "Financial Statements and Supplementary Data."

(c) Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting during the fourth quarter of fiscal year 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

See Item 14 below.

Executive Officers

The table below sets forth the name and age of each executive officer of the Company and the date such executive officer was elected to his or her current position with the Company. The term of office of each executive officer continues until the first meeting of the Board of Directors of the Company immediately following the next annual meeting of its stockholders, and until the election and qualification of his or her successor. There is no family relationship between the executive officers.

Name	Age	Position(s) Held	Has Served as Such Since
Lois K. Zabrocky	53	President and Chief Executive Officer and Director	November 2016 and May 2018
Jeffrey D. Pribor	65	Chief Financial Officer, Senior Vice President and Treasurer	November 2016
James D. Small III	54	Chief Administrative Officer, Senior Vice President, Secretary and General Counsel	November 2016
Derek Solon	46	Senior Vice President and Chief Commercial Officer	March 2021 and November 2016
William Nugent	55	Senior Vice President and Head of Ship Operations	March 2021 and November 2016
Adewale O. Oshodi	43	Vice President and Controller	November 2016

The business experience and certain other background information regarding our executive officers is set forth below.

Lois K. Zabrocky. Ms. Zabrocky has served as a Director of the Company since May 2018. Until her appointment to the role of Chief Executive Officer of the Company, Ms. Zabrocky served as Senior Vice President and Head of OSG's International Flag Strategic Business Unit with responsibility for the strategic plan and profit and loss performance of OSG's international tanker fleet comprised of 50 vessels and approximately 300 shoreside staff. Ms. Zabrocky served in various roles during her 25 years at OSG. Ms. Zabrocky served as Senior Vice President of OSG from June 2008 through August 2014 when she was appointed as Co-President of OSG and Head of the International Flag Strategic Business Unit of OSG. Ms. Zabrocky served as Chief Commercial Officer, International Flag Strategic Business Unit of OSG from May 2011 until her appointment as Head of International Flag Strategic Business Unit and as the Head of International Product Carrier and Gas Strategic Business Unit for at least four years prior to May 2011. She served as a director of the Company from November 2011 through November 2016 during which time the Company was a wholly-owned subsidiary of OSG.

Jeffrey D. Pribor. From 2013 until his appointment to the role of Chief Financial Officer, Senior Vice President and Treasurer of the Company, Mr. Pribor was the Global Head of Maritime Investment Banking at Jefferies & Company, Inc. Previously, he was Executive Vice President and Chief Financial Officer of General Maritime Corporation, one of the world's leading tanker shipping companies, from September 2004 to February 2013. Prior to General Maritime Corporation, from 2002 to 2004, Mr. Pribor was Managing Director and President of DnB NOR Markets, Inc. From 2001 to 2002, Mr. Pribor was Managing Director and Group Head of Transportation Banking at ABN AMRO, Inc. From 1996 to 2001, Mr. Pribor was Managing Director and Sector Head of Transportation and Logistics investment banking for ING Barings.

James D. Small III. Mr. Small has served as Chief Administrative Officer, Senior Vice President, Secretary and General Counsel of the Company since November 30, 2016. He served as Senior Vice President, Secretary and General Counsel of OSG from March 2015 until November 30, 2016. Prior to joining OSG in March 2015, Mr. Small worked for more than 18 years at Cleary Gottlieb Steen & Hamilton LLP ("Cleary Gottlieb"), a law firm, the last seven years as counsel. At Cleary Gottlieb, Mr. Small's practice focused on corporate and financial transactions, U.S. securities law matters in U.S. and international capital markets transactions, mergers and acquisitions, and general corporate transactions. As counsel at Cleary Gottlieb, Mr. Small provided legal services to OSG between 2013 and February 2015.

Derek Solon. Mr. Solon has served as Senior Vice President of the Company since March 2021 and as Chief Commercial Officer of the Company since November 2016. He served as Vice President of the Company from November 2016 until March 2021. From August 2014 through November 2016, Mr. Solon was Vice President, Commercial for OSG's International Flag Strategic Business Unit, and from 2012 to August 2014, he served as Vice President, Sale & Purchase. Before joining OSG, Mr. Solon was a Marine Projects Broker at Poten & Partners in New York from 2003 to 2012. Prior to joining the commercial shipping industry, Mr. Solon served as an officer in the United States Navy since 1998.

William Nugent. Mr. Nugent has served as Senior Vice President of the Company since March 2021 and as Head of Ship Operations of the Company since November 30, 2016. He served as Vice President of the Company from November 2016 until March 2021. From July 2014 until November 2016, Mr. Nugent served as Vice President and Head of Ship Operations for OSG's International Flag Strategic Business Unit. Prior to this, he was responsible for the Technical Services Group, OSG's global engineering team. He joined OSG in 2006 as Assistant Vice President for New Construction, was promoted to head of the department in 2008 and oversaw the construction of ships, tugs and barges in China, Korea, and the United States. Mr. Nugent previously worked for OSG from 2000 to 2002 overseeing construction of ships in Korea. In all, Mr. Nugent has overseen construction of more than 50 vessels. Earlier in his career, Mr. Nugent was Director of Basic Design and Project Manager for Alion Science and Technology and John J. McMullen Associates, Inc., respectively.

Adewale O. Oshodi. Mr. Oshodi has been a Vice President and the Controller of the Company since November 30, 2016. He served as the Controller of OSG from July 2014 to November 30, 2016 and as Secretary of OSG from July 2014 until March 2015. He was Director, Corporate Reporting from September 2010 when he joined OSG until July 2014. Mr. Oshodi began his career in the New York commercial audit practice of Deloitte & Touche, LLP in 2000. As an Audit Manager between 2005 and 2008 and as an Audit Senior Manager between 2008 and 2010, Mr. Oshodi worked primarily on audits of companies in the maritime industry.

Code of Business Conduct and Ethics

The Company has adopted a code of business conduct and ethics which is an integral part of the Company's business conduct compliance program and embodies the commitment of the Company and its subsidiaries to conduct operations in accordance with the highest legal and ethical standards. The Code of Business Conduct and Ethics applies to all of the Company's officers, directors and employees. Each is responsible for understanding and complying with the Code of Business Conduct and Ethics. The Company also has an Insider Trading Policy which prohibits the Company's directors and employees from purchasing or selling securities of the Company while in possession of material nonpublic information or otherwise using such information for their personal benefit. The Insider Trading Policy also prohibits the Company's directors and employees from hedging their ownership of securities of the Company. In addition, the Company has an Anti-Bribery and Corruption Policy which memorializes the Company's commitment to adhere faithfully to both the letter and spirit of all applicable anti-bribery legislation in the conduct of the Company's business activities worldwide. The Code of Business Conduct and Ethics, the Insider Trading Policy and the Anti-Bribery and Corruption Policy are posted on the Company's website, which is www.intlseas.com, and are available in print upon the request of any stockholder of the Company. 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. The Company's website and the information contained on that site, or connected to that site, are not incorporated by reference in this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

See Item 14 below.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table provides information as of December 31, 2022 with respect to the Company's equity compensation plans, which have been approved by the Company's shareholders. For a description of the material features of the Company's equity compensation plans and a description of shares withheld in connection with the vesting of previously-granted equity awards, see Note 13, "Capital

Stock and Stock Compensation," to the consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	270,250	$ $20.60	783,119 *

* Consists of 478,558 shares eligible to be granted under the Company's 2020 Management Incentive Compensation Plan and 304,561 shares under the 2020 Non-Employee Director Incentive Compensation Plan.

See also Item 14 below.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

See Item 14 below.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Except for the table in Item 12 above, the information called for under Items 10, 11, 12, 13 and 14 is incorporated herein by reference from the definitive Proxy Statement to be filed by the Company no later than 120 days after December 31, 2022, in connection with its 2023 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements of the Company are filed in response to Item 8.

Consolidated Balance Sheets at December 31, 2022 and 2021.

Consolidated Statements of Operations for the Years Ended December 31, 2022, 2021 and 2020.

Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2022, 2021 and 2020.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021 and 2020.

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2022, 2021 and 2020.

Notes to Consolidated Financial Statements.

Reports of Independent Registered Public Accounting Firm.

All Schedules of the Company have been omitted since they are not applicable or are not required.

(a)(3) The following exhibits are included in response to Item 15(b):

2.1	Separation and Distribution Agreement dated as of November 30, 2016 by and between Overseas Shipholding Group, Inc. and Registrant (schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K; the Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request) (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
2.2	Agreement and plan of merger dated as of March 30, 2021 by and among the Registrant, Dispatch Merger Sub, Inc. and Diamond S Shipping Inc. (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K/A dated April 6, 2021 and incorporated herein by reference).
3.1	Amended and Restated Articles of Incorporation (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
3.2	Amended and Restated By-Laws (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
4.1	Registration Rights Agreements dated as of November 30, 2016 between Registrant and certain stockholders party thereto (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).
4.2	Rights Agreement dated as of May 8, 2022 between the Registrant and Computershare Trust Company, N.A., a federally chartered trust company, as Rights Agent, which includes the form of Rights Certificate as Exhibit A and the Summary of Rights to Purchase Common Stock as Exhibit B (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated May 9, 2022 and incorporated herein by reference).
4.3	Indenture, dated May 31, 2018, between the Registrant and The Bank of New York Mellon, as trustee (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated May 31, 2018 and incorporated herein by reference).

4.4	First Supplemental Indenture, dated May 31, 2018, between the Registrant and The Bank of New York Mellon, as trustee (filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K dated May 31, 2018 and incorporated herein by reference).
4.5	Form of Global Note (included as Exhibit A to the First Supplemental Indenture filed as Exhibit 4.4).
*10.1	International Seaways, Inc. 2020 Non-Executive Director Incentive Compensation Plan (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.1.1	Form of International Seaways, Inc. Non-Executive Director Incentive Compensation Plan Restricted Stock Grant Agreement (filed as Exhibit 10.1.1 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2	International Seaways, Inc. Management Incentive Compensation Plan ("MICP") (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated November 25, 2016 and incorporated herein by reference).
*10.2.1	Form of International Seaways, Inc. MICP Stock Option Grant Agreement (filed as Exhibit 10.2.1 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.2	Form of International Seaways, Inc. MICP Restricted Stock Unit Grant Agreement (filed as Exhibit 10.2.2 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.3	Form of International Seaways, Inc. MICP Performance-Based Restricted Stock Unit Grant Agreement (filed as Exhibit 10.2.3 to the Registrant's Annual Report on Form 10-K for 2016 and incorporated herein by reference).
*10.2.4	Form of International Seaways, Inc. MICP Alternate Stock Option Grant Agreement (filed as Exhibit 10.2.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.2.5	Form of International Seaways, Inc. MICP Alternate Restricted Stock Unit ("RSU") Grant Agreement (filed as Exhibit 10.2.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.2.6	Form of International Seaways, Inc. MICP Alternate Performance RSU Grant Agreement (filed as Exhibit 10.2.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.3	International Seaways, Inc. 2020 Management Incentive Compensation Plan ("2020 MICP") (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.3.1	Form of International Seaways, Inc. 2020 MICP Stock Option Grant Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.3.2	Form of International Seaways, Inc. 2020 MICP Time-Based RSU Grant Agreement (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.3.3	Form of International Seaways, Inc. 2020 MICP Performance-Based RSU Grant Agreement (filed as Exhibit 10.5 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
10.4	Form of Employee Matters Agreement between Overseas Shipholding Group, Inc. and the Registrant (filed as Exhibit 10.7 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.4.1	Form of Enhanced Severance Agreement (files as Exhibit 10.5.1 to the Registrant's Annual Report on Form 10-K for 2020 and incorporated herein by reference).

*10.5	Employment Agreement dated September 29, 2014 between Overseas Shipholding Group, Inc. and Lois K. Zabrocky (filed as Exhibit 10.13 to Overseas Shipholding Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 and incorporated herein by reference).
*10.5.1	Amendment No. 1 to Lois K. Zabrocky's Employment Agreement dated March 30, 2016 (filed as Exhibit 10.2 to Overseas Shipholding Group, Inc.'s Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference).
*10.5.2	Amendment No. 2 to Lois K. Zabrocky's Employment Agreement dated August 3, 2016 (filed as Exhibit 10.10 to Amendment No. 4 to the Registrant's Registration Statement on Form 10 filed on November 4, 2016 and incorporated herein by reference).
*10.5.3	Form of Amendment No. 3 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.8 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.5.4	Amendment No. 4 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and incorporated herein by reference).
*10.5.5	Amendment No. 5 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.5.6	Amendment No. 6 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.6 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.5.7	Form of Amendment No. 7 to Lois K. Zabrocky's Employment Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 12, 2022 and incorporated herein by reference).
*10.6	Employment Agreement dated February 13, 2015 between Overseas Shipholding Group, Inc. and James D. Small III (filed as Exhibit 10.29 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).
*10.6.1	Amendment No. 1 to James D. Small III's Employment Agreement dated March 30, 2016 (filed as Exhibit 10.4 to Overseas Shipholding Group, Inc.'s Current Report on Form 8-K dated April 5, 2016 and incorporated herein by reference).
*10.6.2	Amendment No. 2 to James D. Small III's Employment Agreement dated August 3, 2016 (filed as Exhibit 10.14 to Amendment No. 4 to the Registrant's Registration Statement on Form 10 filed on November 4, 2016 and incorporated herein by reference).
*10.6.3	Form of Amendment No. 3 to James D. Small III's Employment Agreement (filed as Exhibit 10.9 to Amendment No. 2 to the Registrant's Registration Statement on Form 10 filed on October 21, 2016 and incorporated herein by reference).
*10.6.4	Amendment No. 4 to James D. Small III's Employment Agreement (filed as Exhibit 10.8 the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.6.5	Form of Amendment No. 5 to James D. Small III's Employment Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated April 12, 2022 and incorporated herein by reference).
*10.7	Employment Agreement dated September 29, 2014 between Overseas Shipholding Group, Inc. and Adewale O. Oshodi (filed as Exhibit 10.23 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).

*10.7.1	Amendment No. 1 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.24 to Overseas Shipholding Group, Inc.'s Annual Report on Form 10-K for 2014 and incorporated herein by reference).
*10.7.2	Amendment No. 2 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 and incorporated herein by reference).
*10.7.3	Amendment No. 3 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.7.4	Amendment No. 4 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.9 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.7.5	Form of Amendment no. 5 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated March 22, 2021 and incorporated herein by reference).
*10.7.6	Form of Amendment No. 6 to Adewale O. Oshodi's Employment Agreement (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated April 12, 2022 and incorporated herein by reference).
*10.8	Employment Agreement dated November 9, 2016 between the Registrant and Jeffrey D. Pribor (filed as Exhibit 10.20 to Amendment No. 6 to the Registrant's Registration Statement on Form 10 filed on November 9, 2016 and incorporated herein by reference).
*10.8.1	Amendment No. 1 to Jeffrey D. Pribor's Employment Agreement dated November 9, 2016 (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated April 5, 2019 and incorporated herein by reference).
*10.8.2	Amendment No. 2 to Jeffrey D. Pribor's Employment Agreement (filed as Exhibit 10.7 to the Registrant's Current Report on Form 8-K dated April 8, 2020 and incorporated herein by reference).
*10.8.3	Form of Amendment no. 3 to Jeffrey D. Pribor's Employment Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated March 22, 2021 and incorporated herein by reference).
*10.8.4	Form of Amendment No. 4 to Jeffrey D. Pribor's Employment Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated April 12, 2022 and incorporated herein by reference).
*10.9	Letter Agreement dated July 14, 2021 by and between the Registrant and Craig H. Stevenson Jr. (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 16, 2021 and incorporated herein by reference).
*10.10	International Seaways Ship Management LLC Supplemental Executive Savings Plan (filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017 and incorporated herein by reference).
*10.11	First Amendment to the International Seaways Ship Management LLC Supplemental Executive Savings Plan (the "Supplemental Executive Seaways Plan") (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated June 3, 2022 and incorporated herein by reference).
*10.12	Second Amendment to the Supplemental Executive Savings Plan (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated June 3, 2022 and incorporated herein by reference).
10.13	$220 Million Senior Secured Credit Facility of TI Africa Limited and TI Asia Limited, as joint and several Borrowers, and ABN Amro Bank N.V. and ING Belgium SA/NV, as Mandated Lead Arrangers, dated March 29, 2018 (filed as Exhibit 10.21 to the Registrant's Registration Statement on Form S-3 (File No. 333-224313) filed on May 14, 2018 and incorporated herein by reference).

10.14	Guarantee, dated March 29, 2018, relating to $220 Million Senior Secured Credit Facility dated March 29, 2018 (filed as exhibit 10.22 to the Registrant's Registration Statement on Form S-3 (File No. 333-224313) filed on May 14, 2018 and incorporated herein by reference).
10.15	Distribution Agreement dated January 9, 2019 among the Registrant and Evercore Group L.L.C. and Jefferies LLC (filed as Exhibit 1.1 to the Registrant's Current Report on Form 8-K dated January 9, 2019 and incorporated herein by reference).
10.16	Credit Agreement dated as of May 20, 2022 among the Registrant, International Seaways Operating Corporation, the other Guarantors from time to time parties 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 (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 and incorporated herein by reference).
10.17	$390 Million Credit Agreement dated as of January 23, 2020 (the "390 Million Facility") among the Registrant, International Seaways Operating Corporation, the other guarantors from time to time party thereto, the lenders party thereto, Nordea Bank Abp, New York Branch, as administrative agent, collateral agent and security trustee, ABN AMRO Capital USA LLC, as sustainability coordinator, Nordea Bank Abp, New York Branch, ABN AMRO Capital USA LLC, DNB Markets, Inc., Credit Agricole Corporate & Investment Bank, and Skandinaviska Enskilda Banken AB (Publ), as mandated lead arrangers and bookrunners, and BNP Paribus and Danish Ship Finance A/S, as lead arrangers (pursuant to Item 601(b)(2) of Regulation S-K, certain exhibits and similar attachments have been omitted but will be furnished supplementally to the Commission upon request) (filed as Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 and incorporated herein by reference).
10.17.1	First Amendment dated as of April 27, 2020 to the $390 Million Facility by and among the Registrant, International Seaways Operating Corporation, the other guarantors, the lenders party thereto, and Nordea Bank Abp, New York Branch, as administrative agent (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 1, 2020 and incorporated herein by reference).
10.17.2	Second Amendment dated as of December 31, 2021 to the $390 Million Facility by and among the Registrant, International Seaways Operating Corporation, the other Loan Parties thereto, the lenders party thereto, and Nordea Bank Abp, New York Branch, as administrative agent, collateral agent and security trustee (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated January 3, 2022 and incorporated herein by reference).
10.18	Amendment and Restatement Agreement dated so of May 27, 2021 by and among the Registrant, Diamond S Shipping Inc., Nordea Bank Abp, New York Branch, as Administrative Agent and certain of the lenders constituting the Required Lenders under the $360 Million Credit Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated June 3, 2021 and incorporated herein by reference).
10.18.1	Technical Amendment dated as of October 20, 2021 by and among Diamond S Shipping Inc. and Nordea Bank Abp, New York Branch, as Administrative Agent to the $360 Million Credit Agreement (filed as Exhibit 10.1 to the Registrant's Current report on Form 8-K dated October 26, 2021 and incorporated herein by reference).
10.19	Guaranty Agreement related to the $360 Million Credit Agreement (filed as Exhibit 10.2 to the Registrant's Current report on Form 8-K dated June 3, 2021 and incorporated herein by reference).
10.20	Amendment and Restatement Agreement dated as of May 27, 2021 by and among the Registrant, Diamond S Shipping Inc., Nordea Bank Abp, New York Branch, as Administrative Agent, and certain of the Required Lenders under the $525 Million Credit Agreement (filed as Exhibit 10.3 to the Registrant's Current Report on From 8-K dated June 3, 2021 and incorporated herein by reference).
10.20.1	Technical Amendment dated as of October 20, 2021 by and among Diamond S Shipping Inc. and Nordea Bank Abp, New York Branch, as Administrative Agent, to the $525 Million Credit Agreement (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated October 26, 2021 and incorporated herein by reference).

10.21	Guaranty Agreement relating to the $525 Million Credit Agreement (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated June 3, 2021 and incorporated herein by reference).
**21	List of significant subsidiaries of the Registrant.
**23	Consent of Independent Registered Public Accounting Firm.
**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 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 marked with one asterisk (*) are a management contract or a compensatory plan or arrangement required to be filed as an exhibit.

(2) The Exhibits which have not previously been filed or listed are marked with two asterisks (**).

ITEM 16. FORM 10-K SUMMARY

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 28, 2023

INTERNATIONAL SEAWAYS, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. Each of such persons appoints Lois K. Zabrocky and Jeffrey D. Pribor, and each of them, as his agents and attorneys-in-fact, in his name, place and stead in all capacities, to sign and file with the SEC any amendments to this report and any exhibits and other documents in connection therewith, hereby ratifying and confirming all that such attorneys-in-fact or either of them may lawfully do or cause to be done by virtue of this power of attorney.

Name	Date
/s/ LOIS K. ZABROCKY Lois K. Zabrocky, Principal Executive Officer; Director	February 28, 2023
/s/ JEFFREY D. PRIBOR Jeffrey D. Pribor, Principal Financial Officer and Principal Accounting Officer	February 28, 2023
/s/ DOUGLAS D. WHEAT Douglas D. Wheat, Director	February 28, 2023
/s/ TIMOTHY BERNLOHR Timothy Bernlohr, Director	February 28, 2023
/s/ IAN T. BLACKLEY Ian T. Blackley, Director	February 28, 2023
/s/ ALEXANDRA K. BLANKENSHIP Alexandra K. Blankenship, Director	February 28, 2022
/s/ RANDEE DAY Randee Day, Director	February 28, 2023
/s/ DAVID I. GREENBERG David I. Greenberg, Director	February 28, 2023
/s/ JOSEPH I. KRONSBERG Joseph I. Kronsberg, Director	February 28, 2023
/s/ NADIM Z. QURESHI Nadim Z. Qureshi, Director	February 28, 2023
/s/ CRAIG H. STEVENSON JR. Craig H. Stevenson, Jr., Director	February 28, 2023

Exhibit 21

SUBSIDIARIES OF INTERNATIONAL SEAWAYS, INC.

The following table lists all subsidiaries of International Seaways, Inc. and all companies in which the registrant directly or indirectly owns at least a 49% interest, except for certain companies and subsidiaries which, if considered in the aggregate as a single entity, would not constitute a significant entity. All of the entities named below are corporations, unless otherwise noted.

Company	Where Incorporated, Organized or Domiciled
Adrian Shipholding Inc.	Marshall Islands
Africa Tanker Corporation	Marshall Islands
Aias Carriers Corp.	Liberia
Amalia Product Corporation	Marshall Islands
Amoureux Carriers Corp.	Liberia
Apollonas Shipping Company	Marshall Islands
Asterias Crude Carrier S.A.	Marshall Islands
Athens Product Tanker Corporation	Marshall Islands
Batangas Tanker Corporation	Marshall Islands
Belerion Maritime Co.	Marshall Islands
Canvey Shipmanagement Co.	Marshall Islands
Carl Product Corporation	Marshall Islands
Carnation Shipping Company	Marshall Islands
Centurion Navigation Limited	Marshall Islands
CVI Citron, LLC	Delaware [(1)]
Delta Aframax Corporation	Marshall Islands
Diamond S Management (Singapore) Ptd. Ltd.	Singapore [(4)]
Diamond S Management LLC	Marshall Islands [(3)]
Diamond S Shipping II LLC	Marshall Islands [(3)]
Diamond S Shipping III LLC	Marshall Islands [(3)]
Diamond S Shipping Inc.	Marshall Islands
Diamond Tanker Company LLC	Marshall Islands [(3)]
DSS 1 LLC	Marshall Islands [(3)]
DSS 2 LLC	Marshall Islands [(3)]
DSS 5 LLC	Marshall Islands [(3)]
DSS 6 LLC	Marshall Islands [(3)]
DSS 7 LLC	Marshall Islands [(3)]
DSS 8 LLC	Marshall Islands [(3)]
DSS A LLC	Marshall Islands [(3)]
DSS B LLC	Marshall Islands [(3)]
DSS C LLC	Marshall Islands [(3)]
DSS D LLC	Marshall Islands [(3)]
DSS Suez JV LLC	Marshall Islands [(3)]
DSS Vessel II LLC	Marshall Islands [(3)]
DSS Vessel III LLC	Marshall Islands [(3)]
DSS Vessel IV LLC	Marshall Islands [(3)]
DSS Vessel LLC	Marshall Islands [(3)]
Eagle Product Tanker Corporation	Marshall Islands
Epicurus Shipping Company	Marshall Islands
Epsilon Aframax Corporation	Marshall Islands
ERN Holdings Inc.	Panama
Filonikis Product Carrier S.A.	Liberia
First Pacific Corporation	Marshall Islands
Front President Inc.	Marshall Islands
Front Tobago Shipping Corporation	Marshall Islands
Goldmar Limited	Marshall Islands
Guayaquil Tanker Corporation	Marshall Islands
Hatteras Tanker Corporation	Marshall Islands
Hendricks Tanker Company LLC	Marshall Islands [(3)]
Henry Tanker Company LLC	Marshall Islands [(3)]
Heroic Andromeda Inc.	Liberia
Heroic Auriga Inc.	Liberia

Company	Where Incorporated, Organized or Domiciled
Heroic Avenir Inc.	Liberia
Heroic Corona Borealis Inc.	Liberia
Heroic Equuleus Inc.	Liberia
Heroic Gaea Inc.	Liberia
Heroic Hera Inc.	Liberia
Heroic Hercules Inc.	Liberia
Heroic Hologium Inc.	Liberia
Heroic Hydra Inc.	Liberia
Heroic Libra Inc.	Liberia
Heroic Lyra Inc.	Liberia
Heroic Octans Inc.	Liberia
Heroic Pegasus Inc.	Liberia
Heroic Perseus Inc.	Liberia
Heroic Pisces Inc.	Liberia
Heroic Rhea Inc.	Liberia
Heroic Sagittarius Inc.	Liberia
Heroic Scorpio Inc.	Liberia
Heroic Scutum Inc.	Liberia
Heroic Serena Inc.	Liberia
Heroic Tucana Inc.	Liberia
Heroic Virgo Inc.	Liberia
Iason Product Carrier S.A.	Liberia
INSW Ship Management UK Ltd	United Kingdom
International Seaways Operating Corporation	Marshall Islands
International Seaways Ship Management LLC	Delaware [(1)]
Iraklitos Shipping Company	Marshall Islands
Isiodos Product Carrier S.A.	Liberia
Kythnos Chartering Corporation	Marshall Islands
Leyte Product Tanker Corporation	Marshall Islands
Liberty Tanker Company LLC	Marshall Islands [(3)]
Lightering LLC	Liberia [(2)]
Lorenzo Shipmanagement Inc.	Marshall Islands
Maple Tanker Corporation	Marshall Islands
Milos Product Tanker Corporation	Marshall Islands
Miltiadis M II Carriers Corp.	Marshall Islands
Mindanao Tanker Corporation	Marshall Islands
Montauk Tanker Corporation	Marshall Islands
Navarro International S.A.	Marshall Islands
NT Suez One LLC	Marshall Islands [(3)]
Oak Tanker Corporation	Marshall Islands
OIN Chartering, Inc.	Marshall Islands
Oleron Tanker S.A.	Panama
OSG Clean Products International, Inc.	Marshall Islands
OSG Ship Management (GR) Ltd.	Marshall Islands
Overseas Shipping (GR) Ltd.	Marshall Islands
Panamax International Ltd.	Marshall Islands
Panamax International Shipping Company Ltd.	Marshall Islands
Polarwind Maritime S.A.	Marshall Islands
Reymar Limited	Marshall Islands
Rose Tanker Corporation	Marshall Islands
Rosemar Limited	Marshall Islands
Rubymar Limited	Marshall Islands
Samar Product Tanker Corporation	Marshall Islands
Seaways Alternative Energy Holding Corporation	Marshall Islands
Seaways First AE Tanker Corporation	Marshall Islands
Seaways Holding Corporation	Marshall Islands
Seaways Second AE Tanker Corporation	Marshall Islands
Seaways Shipping Corporation	Marshall Islands
Seaways Shipping II Corporation	Marshall Islands

Company	Where Incorporated, Organized or Domiciled
Seaways Subsidiary VII Inc.	Marshall Islands
Seaways Third AE Tanker Corporation	Marshall Islands
Second Katsura Tanker Corporation	Marshall Islands
Shipping Rider Co.	Marshall Islands
Silvermar Limited	Marshall Islands
Skopelos Product Tanker Corporation	Marshall Islands
Sorrel Shipmanagement Inc.	Marshall Islands
Splendor Shipholding S.A.	Marshall Islands
Tempest Maritime Inc.	Marshall Islands
Titanas Product Carrier S.A.	Liberia
Triton Tanker Company LLC	Marshall Islands [3]
Tybee Tanker Company LLC	Marshall Islands [3]
Urban Tanker Corporation	Marshall Islands
View Tanker Corporation	Marshall Islands
White Boxwood Shipping S.A.	Liberia
White Hydrangea Shipping S.A.	Liberia
Wind Dancer Shipping Inc.	Marshall Islands

(1) This entity is a Delaware limited liability company.

(2) This entity is a Liberian limited liability company.

(3) This entity is a Marshall Islands limited liability company.

(4) This entity is a Singapore limited liability company.

EXHIBIT 31.1

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

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 annual report on Form 10-K 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: February 28, 2023

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

EXHIBIT 31.2

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

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 annual report on Form 10-K 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and we 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: February 28, 2023

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

EXHIBIT 32

INTERNATIONAL SEAWAYS, INC. AND SUBSIDIARIES

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-K of the Company for the annual period ended December 31, 2022 (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.

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

Date: February 28, 2023

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

Date: February 28, 2023