



**Nordic American Tankers Limited (NYSE: NAT) – Third quarter 2021.  
Third quarter touched the bottom. The tide has now turned.**

**Wednesday, November 24, 2021**

**HIGHLIGHTS:**

- 1 THERE IS SO MUCH CONFUSING DAY-TO-DAY NOISE IN THE MARKETS ABOUT OIL AND GAS PRICES THAT WE THINK MANY INVESTORS HAVE DECIDED TO STEER CLEAR OF THE TANKER SECTOR ENTIRELY. ALL MARKETS ARE VOLATILE, AND AS HISTORY HAS SHOWN VOLATILITY CAN BE OUR FRIEND WHEN RATES RISE SUDDENLY AND THE COMPANY'S STOCK PRICE BENEFITS. WE FIRMLY BELIEVE THAT SUCCESSFUL INVESTORS BUY QUALITY COMPANIES AND PROFIT HANDSOMELY WHEN THE TIDE TURNS.**
- 2 A MAIN FEATURE OF THE NAT STRATEGY IS THAT NAT HAS SUEZMAXES ONLY. NO OTHER PUBLIC COMPANY HAS THIS FEATURE. ASSET VALUES CONTINUE TO RISE.**
- 3 THE INTERNATIONAL ENERGY AGENCY IN PARIS CONFIRMS THAT GLOBAL OIL DEMAND IS NEARING PRE-PANDEMIC LEVELS OF EARLY 2020 AND MORE IMPORTANTLY, OIL SUPPLY IS NOW RISING FAST. THIS IS GOOD NEWS FOR THE NAT SUEZMAXES AND PROVIDE CONFIDENCE THAT A TURN-AROUND FOR THE NAT FLEET IS GETTING CLOSER BY THE DAY.**
- 4 DURING RECENT MONTHS WE HAVE SECURED TERM CONTRACTS WITH PROMPT DELIVERY FOR SIX MONTHS OR LONGER AT RATES ABOVE \$20,000/DAY OR MORE FOR FOUR OF OUR VESSELS. THE TIME CHARTER RATES FOR THESE SHIPS WERE SUBSTANTIALLY HIGHER THAN THE SPOT MARKET AT THE TIME AND STILL ARE. THESE FOUR CONTRACTS WORK AS A HEDGE. OUR FLEET OF 24 SHIPS HAS SIGNIFICANT UPSIDE.**

**WE UNDERTOOK PLANNED MAINTENANCE OF THREE SHIPS DURING 3Q 2021, WITHDRAWING THEM FROM THE MARKET FOR A LARGE PART OF THE QUARTER.**

- 5 ON NOVEMBER 5, 2021 THE "NORDIC SIRIUS" WAS DELIVERED TO NEW OWNERS. THE PRICE TO US WAS BETWEEN \$14 – 15 MILLION. AFTER THE TRANSACTION OUR FLEET COUNTS 24 UNITS, INCLUDING 2 NEWBUILDINGS. THE ESTIMATED VALUE FOR OUR TWO NEWBUILDINGS IS NOW ABOUT \$70 MILLION PER SHIP. THEY WERE ORDERED AT ABOUT \$55 MILLION PER SHIP.**
- 6 THE PROCEEDS FROM THE ABOVE MENTIONED SALE HAS BEEN USED TO PAY DOWN PART OF OUR \$306 MILLION SENIOR SECURED FACILITY WITH CLMG/BEAL BANK OF TEXAS. THE COMPANY'S TOTAL NET DEBT IS \$259.6 MILLION OR \$11.8 MILLION PER VESSEL (BASED ON 22 VESSELS). OUR OBJECTIVE IS TO BECOME DEBT FREE.**
- 7 THE PANDEMIC HAS LASTED LONGER THAN WE ANTICIPATED AT THE OUTSET IN EARLY 2020. THE THIRD QUARTER OF 2021 WAS THE LOW POINT. THE AVERAGE TIME CHARTER EQUIVALENT (TCE) FOR OUR ACTIVE FLEET DURING 3Q 2021 CAME IN AT \$5,800 PER DAY PER SHIP – THIS WAS DOWN FROM 2Q 2021 AT \$7,800 PER DAY. NAT IS THROUGH THE LOW POINT. THE AVERAGE EARNINGS FOR A SUEZMAX TANKER FOR THE LAST 30 YEARS HAS BEEN CLOSE TO \$30,000 PER DAY PER SHIP.**

- 8 THE THIRD QUARTER OF 2021 PRODUCED A NET LOSS OF -\$44.7 MILLION OR A EARNINGS PER SHARE (EPS) OF -\$0.27. ADJUSTED FOR AN IMPAIRMENT OF \$8.4 MILLION (NON-CASH) THE NET LOSS WAS -\$36.3 MILLION AND ADJUSTED EPS OF -\$0.22. THIS COMPARES TO THE PREVIOUS QUARTER, THAT CAME IN AT A NET LOSS OF -\$28.7 MILLION OR AN EPS OF -\$0.18.**
- 9 DIVIDEND IS A PRIORITY FOR NAT AND A REFLECTION OF OUR EARNINGS. THE DIVIDEND FOR 3Q 2021 IS 1 CENT (\$0.01) PER SHARE, PAYABLE ON TUESDAY DECEMBER 21, 2021, TO SHAREHOLDERS ON RECORD TUESDAY DECEMBER 7, 2021. THIS IS OUR 97TH CONSECUTIVE QUARTERLY DIVIDEND PAYMENT.**
- 10 WE HAVE AN EXCELLENT VETTING RECORD ON OUR VESSELS, PERHAPS THE BEST SIGN OF A TANKER COMPANY'S RELIABILITY. VETTING IS THE SCORECARD PROVIDED BY OUR CUSTOMERS.**
- NAT HAS SOUND CORPORATE GOVERNANCE PRINCIPLES. THE COMPANY HAS ZERO TOLERANCE FOR CORRUPTION. OUR POLICY IS TO UNDERPROMISE AND OVERDELIVER.**
- 11 FINANCIAL INFORMATION FOR THE THIRD QUARTER OF 2021 AND FOR OTHER PERIODS IS INCLUDED LATER IN THIS REPORT.**

## **Our Fleet**

Our fleet now consists of 24 (incl. 2 newbuildings) well maintained Suezmax tankers with a cargo lifting capacity of 1 million barrels of oil each. We have only Suezmaxes in our fleet.

We take extra care to maintain our vessels to the highest standards for the safety of crew, cargo and the environment. The outcome of the inspections of our ships by oil companies ("vetting") reflect the good quality and maintenance of our fleet.

The Covid-19 pandemic has lasted longer than we foresaw in the spring of 2020. Main operational challenges have been related to crew changes and in our work to safeguard our seafarers and our ships.

NAT has one of the largest fleets of Suezmax tankers in the world. In a capital intensive industry like ours, careful maintenance of our ships and the timing & financing of expansion are key elements to ensure both our financial stability and our commitment to paying cash dividends.

## **Results for the third quarter 2021**

For the third quarter 2021 the net loss was -\$44.7 million or -\$0.27 per share. Adjusted for an impairment of \$8.4 million (non-cash) the net loss was -\$36.3 million and EPS of -\$0.22. This compares with a net loss of -\$28.7 million and an EPS of -\$0.18 per share in the second quarter of 2021. We believe the trading conditions of NAT has reached the bottom and the path forward is upwards.

For detailed information about our statement of operations (P&L), balance sheet, cash flow and reconciliation of certain Non-GAAP financial measures, we refer to the tables on page 5 and 6 of this press release.

## **Financing**

Our Net Debt (total debt less current assets) stood at \$259.6 million which equals \$11.8 million per ship based on 22 vessels, as of September 30, 2021.

The details of our two financing arrangements are as follows;

- 1) The total outstanding balance to CLMG/Beal Bank (including current portion of the debt), is \$241.3 million as of September 30, 2021. This includes the original amount of \$306 million from February 2019 and the accordion loan of \$30 million from December 2020. Restricted cash of \$5.8 million is related to deposits held for future Drydockings of our vessels, in accordance with our borrowing agreement. After the sale of one vessel, the total outstanding balance to CLMG/Beal Bank as of the date of this report is \$225.9 million.
- 2) The total outstanding balance to Ocean Yield (including current portion of the debt) is \$106.3 million as of September 30, 2021.

The balance sheet numbers in this report shows that the current portion of long term debt includes \$29.4 million for expected debt repayment associated with vessels held for sale. Current portion of long term debt related to CLMG/Beal Bank is \$14.4 and \$7.9 million is related to the Ocean Yield Financing. This is presented in our balance sheet with a total of \$51.8 million net of transaction costs.

Our two newbuildings for delivery first half 2022 are fully financed via Ocean Yield.

On September 29, 2021 we registered a new \$60 million At-The-Market (“ATM”) facility with the Securities & Exchange Commission (SEC). At September 30, the old ATM facility registered October 16, 2020 had utilized \$56.1 million of its \$60 million capacity. As of September 30, 2021 we had a total of 171,964,413 shares outstanding. The ATM facility has been a very effective instrument.

For the third quarter of 2021 a cash dividend of 1 cent (\$0.01) per share has been declared. This is the 97<sup>th</sup> consecutive quarterly dividend payment. In a rising market for our vessels, a higher dividend can be expected.

Payment of the dividend will be on December 21, 2021, to shareholders of record on December 7, 2021.

## **World Economy and the Tanker Market**

A positive development of the world economy and world trade is positive for the crude oil tanker business.

OECD oil inventories are now down to levels not seen since 2015, almost a 7-year low. Global oil consumption is almost back to pre-pandemic levels as jet fuel is catching up fast. We now see evidence of a growing demand for oil as refineries both in US, Europe and Asia are preparing for the winter.

Pinpointing the timing of the uptick in activity for tankers is always difficult. History has repeatedly proven that tanker markets can turn quickly and forcefully.

The world’s Suezmax fleet (excl. shuttle, product & Jones Act tankers) counted 548 vessels at September 30, 2021, with 39 vessels in order. This is an historical low orderbook. We currently see 30 conventional Suezmax tankers for delivery in 2022, 8 for delivery from the shipyards in 2023 and so far only one for delivery in 2024. Shipyard capacity has been booked by bulk, gas and container ships, leaving limited possibility for tankers to increase the supply side of the tanker market beyond the low orderbook that we have described above. This bodes well for the long term balance of the tanker market.

The supply of tanker tonnage is inelastic in the short-term. When there are too many ships in an area, rates tend to go down. When there is scarcity of ships, rates tend to go up. Short-term spot tanker rates may be expected to be volatile.

### **Corporate Governance/Conflict of Interests**

It is vital to ensure that there is no conflict of interests among shareholders, management, affiliates and related parties. Interests must be aligned. From time to time in the shipping industry, we see that questionable transactions take place which are not in harmony with sound corporate governance principles, both as to transparency and related party aspects. We have zero tolerance for corruption.

### **Strategy Going Forward**

The NAT strategy is built on expanding and maintaining a homogenous and top quality fleet, leveraging on our industry network and close customer relationships with major oil companies and oil traders.

We are a dividend company with the objective of having a strong balance sheet and low G&A costs, enabling us to distribute free cash flows to our shareholders.

In an improved market, higher dividends can be expected.

Our fleet of 24 (including newbuildings) more or less identical vessels is a special feature of NAT that is particularly valuable to our customers.

NAT is firmly committed to protecting its underlying earnings and dividend potential. We shall safeguard and further strengthen this position in a deliberate, predictable and transparent way.

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# NORDIC AMERICAN TANKERS LIMITED

CONSOLIDATED CONDENSED STATEMENTS OF OPERATION (UNAUDITED)	Three Months Ended			Nine Months Ended	
	Sep. 30, 2021	Jun. 30, 2021	Sep. 30, 2020	Sep. 30, 2021	Sep. 30, 2020
	Amounts in USD '000				
<b>Net Voyage Revenue</b>	<b>9 313</b>	<b>16 747</b>	<b>37 287</b>	<b>44 872</b>	<b>217 237</b>
Vessel Operating Expenses	(17 388)	(17 603)	(17 501)	(51 440)	(50 199)
General and Administrative Expenses	(4 096)	(3 504)	(4 079)	(11 264)	(12 699)
Depreciation Expenses	(17 595)	(17 402)	(17 440)	(52 074)	(50 792)
Impairment	(8 406)	0	0	(8 406)	0
Operating Expenses	(47 485)	(38 509)	(39 020)	(123 184)	(113 690)
<b>Net Operating Income (Loss)</b>	<b>(38 172)</b>	<b>(21 762)</b>	<b>(1 733)</b>	<b>(78 312)</b>	<b>103 547</b>
Interest Income	(1)	0	0	2	94
Interest Expense	(6 397)	(6 643)	(8 218)	(19 719)	(24 953)
Other Financial Income (Expenses)	(95)	(283)	(70)	(350)	8
Total Other Expenses	(6 493)	(6 926)	(8 288)	(20 067)	(24 851)
<b>Net Income (Loss)</b>	<b>(44 665)</b>	<b>(28 688)</b>	<b>(10 021)</b>	<b>(98 379)</b>	<b>78 696</b>
Basic and Diluted Earnings (Loss) per Share	(0,27)	(0,18)	(0,07)	(0,63)	0,53
Weighted Average Number of Common Shares Outstanding	164 225 057	155 595 376	149 797 475	157 271 349	148 680 579
Common Shares Outstanding	171 964 413	158 464 967	150 461 345	171 964 413	150 461 345

CONSOLIDATED CONDENSED BALANCE SHEET (UNAUDITED)	Sep. 30, 2021	Dec. 31, 2020
Amounts in USD '000		
Cash and Cash Equivalents	32 031	57 847
Restricted Cash	5 827	4 223
Accounts Receivable, Net	8 131	6 349
Prepaid Expenses	3 997	5 477
Inventory	16 752	19 408
Voyages in Progress	4 551	4 644
Other Current Assets	3 426	1 574
Vessels Held for Sale	29 726	0
<b>Total current assets</b>	<b>104 441</b>	<b>99 522</b>
Vessels, Net	779 076	861 342
Vessels under Construction	23 523	11 000
Other Non-Current Assets	4 734	2 483
<b>Total Non-Current Assets</b>	<b>807 332</b>	<b>874 825</b>
<b>Total Assets</b>	<b>911 773</b>	<b>974 347</b>
Accounts Payable	4 372	4 099
Accrued Voyage Expenses	8 134	5 254
Other Current Liabilities	8 156	8 232
Dividends Payable	1 713	0
Current Portion of Long Term Debt	51 786 *	22 094
<b>Total Current liabilities</b>	<b>74 161</b>	<b>39 679</b>
Long-Term Debt	288 403	334 615
Other Non-Current Liabilities	1 505	927
<b>Total Non-current Liabilities</b>	<b>289 908</b>	<b>335 542</b>
Shareholders' Equity	547 704	599 126
<b>Total Liabilities and Shareholders' Equity</b>	<b>911 773</b>	<b>974 347</b>

\*Current Portion of Long-Term Debt as of September 30, 2021 includes \$29.4 million for expected debt repayments associated with Vessels Held for Sale of which \$13.9 million was repaid in November.



## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the tanker market, as a result of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, including the prospectus and related prospectus supplement, our Annual Report on Form 20-F, and our reports on Form 6-K.

NAT is a Bermuda based Company.

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