UNITED STATES
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)

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

For the fiscal year ended December 31, 2023

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 001-06479

OVERSEAS SHIPHOLDING GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	13-2637623
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
302 Knights Run Avenue, Tampa, Florida	33602
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 813-209-0600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock (par value $0.01 per share)	OSG	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 X

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 X

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 X No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files). Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer X 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. X

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 X

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent

to the distribution of securities under a plan confirmed by a court. Yes X No ☐

The aggregate market value of the common equity held by non-affiliates of the registrant on June 30, 2023, the last business day of the registrant's most recently completed second quarter, was $292,943,697, based on the closing price of $4.17 per share of Class A common stock on the NYSE exchange 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, officers and certain 5% stockholders of the registrant; certain of such persons disclaim that they are affiliates of the registrant.

As of March 6, 2024, 70,952,360 shares of the issuer's Class A common stock were outstanding. Excluded from these amounts are penny warrants, which were outstanding as of March 6, 2024, for the purchase of 803,682 shares of Class A common stock without consideration of any withholding pursuant to the cashless exercise procedures.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed by the registrant in connection with its 2024 Annual Meeting of Stockholders are incorporated by reference in Part III.

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

A glossary of shipping terms 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.

All dollar amounts are stated in thousands of U.S. dollars unless otherwise stated.

AVAILABLE INFORMATION

The Company makes available free of charge on its website, www.osg.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 files such material with, or furnishes it to, the Securities and Exchange Commission (the "SEC"). Our website and the information contained on or connected to our website are not incorporated by reference in this Annual Report on Form 10-K.

The Company also makes available on its website its corporate governance guidelines, its code of business conduct, its insider trading and anti-bribery and corruption policies, and the charters of the Audit, Human Resources and Compensation, and Corporate Governance and Risk Assessment Committees of the Board of Directors (the "Board"). Except as otherwise noted, neither our website nor the information contained on or connected to our website 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 within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, we may make certain forward-looking statements in future filings with the SEC, in press releases, or in oral or written presentations by representatives of the Company. All statements other than statements of historical fact 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 by which these statements may be made. Such forward-looking statements represent the Company's reasonable expectations with respect to future events or circumstances based on various factors and are subject to various risks, uncertainties, and assumptions relating to the Company's operations, financial results, financial condition, business, prospects, growth strategy and liquidity. However, there are or will likely 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 the expectations expressed or implied 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 such statements. Such factors include, but are not limited to:

- the inability to attract or retain qualified mariners, as a result of labor shortages, competition to hire mariners, and other influences on the labor pool and associated costs;
- volatility in supply and demand in the crude oil and refined product markets worldwide or in the specialized markets in which the Company currently trades, which could also affect the nature and severity of certain factors listed below;
- uncertain economic, political and governmental conditions and conditions in the oil and natural gas industry, such as the current conditions in the Middle East involving Israel and the Gaza Strip, the Russia/Ukraine war, other geopolitical developments, or otherwise;
- challenges associated with compliance with complex environmental laws and regulations, including those relating to the emission of greenhouse gases and protections to the quality of water and sealife, and corresponding increases in expenses;
- unionization, work stoppages or other labor disruptions by the unionized employees of the Company or other companies in related industries, or the impact of any potential liabilities resulting from withdrawal from participation in multiemployer plans;
- increasing operating costs, unexpected drydock costs, and/or increasing capital expenses as a result of supply chain limitations, lack of availability of materials and of qualified contractors and technical experts, the consolidation of suppliers, and inflation;
- public health threats, which can impact the Company in many ways, including increasing operating costs to protect the health and safety of the Company's crew members and others in the industry;
- the inability to clear oil majors' risk assessment processes;

- the highly cyclical nature of OSG's industry and significant fluctuations in the market value of our vessels;
- the cost and effects of cybersecurity incidents or other failures, interruptions, or security breaches of our systems or those of our customers or third-party providers;
- the Company's compliance with 46 U.S.C. sections 50501 and 55101 (commonly known as the "Jones Act") and heightened exposure to Jones Act market fluctuations, as well as stockholder citizenship requirements imposed on us by the Jones Act, which result in restrictions on foreign ownership of the Company's common stock;
- limitations on U.S. coastwise trade, the waiver, modification or repeal of the Jones Act limitations, or changes in international trade agreements; and
- the Company's ability to use its net operating loss carryforwards.

Investors should carefully consider these factors and the additional factors outlined in more detail in this Annual Report on Form 10-K under the caption "Risk Factors" and in other reports hereafter filed by the Company with the SEC. The Company assumes no obligation to update or revise any forward-looking statements except as may be required by law. 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 section and in other reports hereafter filed by the Company with the SEC.

NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTARY FINANCIAL INFORMATION

The Company reports its financial results in accordance with generally accepted accounting principles in the United States of America ("GAAP"). However, the Company has included in this Report 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 measures determined in accordance with GAAP.

The Company presents four non-GAAP financial measures: time charter equivalent ("TCE") revenues, EBITDA, Adjusted EBITDA and vessel operating contribution. TCE 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 from continuing operations 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. Vessel operating contribution represents TCE revenues less vessel expenses and charter hire expenses and is used as a measure to reflect our specialized businesses, which provide a stable operating platform underlying our total US Flag operations. Our specialized businesses include Delaware Bay lightering, Tanker Security Program ("TSP") and Military Sealift Command vessels, shuttle tankers and our Alaska class vessels.

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:

American Bureau of Shipping—ABS.

Articulated Tug Barge or ATB—A tug-barge combination system capable of operating on the high seas, coastwise and further inland. It combines a normal barge, with a bow resembling that of a ship, but having a deep indent at the stern to accommodate the bow of a tug. The fit is such that the resulting combination behaves almost like a single vessel at sea as well as while maneuvering.

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.

CERCLA—The U.S. Comprehensive Environmental Response, Compensation, and Liability Act.

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").

CII—Carbon Intensity Indicator, which is calculated as the ratio of the total mass of CO_2 emitted from a vessel to the total transport work undertaken in a given calendar year.

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.

Contracts of Affreightment or COAs—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.

Deferred payment obligations—DPO.

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.

Double Hull—Hull construction design in which a vessel has an inner and an outer side and bottom separated by void space, usually two meters in width.

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.

EEXI—the Energy Efficiency Existing Ship Index, which requires ship operators to assess their ships' energy consumption and CO_2 emissions against specific requirements for energy efficiency for each vessel type.

Environmental Protection Agency—EPA.

European Union—EU.

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.

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 refers to those vessels that are registered under a flag other that of the United States.

International Safety Management Code—ISM Code.

Jones Act—U.S. law that applies to port-to-port shipments within the continental U.S. and between the continental U.S. and Hawaii, Alaska, Puerto Rico, and Guam, and restricts such shipments to U.S. Flag Vessels that are built in the United States and that are owned by a U.S. company that is more than 75% owned and controlled by U.S. citizens, set forth in 46 U.S.C. sections 50501 and 55101.

Jones Act Fleet—A fleet comprised of vessels that comply with the Jones Act regulations.

Lightering—The process of off-loading crude oil or petroleum products from large size tankers, typically Very Large Crude Carriers, 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.

MARAD—The Maritime Administration of the U.S. Department of Transportation.

Maritime Security Program or MSP—The U.S. Maritime Security Program, which ensures that militarily useful U.S. Flag vessels are available to the U.S. Department of Defense in the event of war or national emergency. These vessels are required to trade outside the United States but are eligible for government sponsored business. Under the MSP, participants receive an annual fee in exchange for a guarantee that the vessels will be made available to the U.S. government in the event of war or national emergency.

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.

MR—An abbreviation for Medium Range. Certain types of vessel, such as a Product Carrier of approximately 45,000 to 53,000 deadweight tons, generally operate on medium-range routes.

OPA 90—The U.S. Oil Pollution Act of 1990.

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—Protection and indemnity 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 ship-owners, ship-operators or bareboat charterers.

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.

Recycling—The disposal of vessels by demolition for recycled metal.

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).

Shuttle Tanker—A tanker, usually with special fittings for mooring, which lifts oil from offshore fields and transports it to a shore storage or refinery terminal on repeated trips.

Special Survey—An extensive inspection of a vessel by Classification Society surveyors that must be completed once within every five-year period. Special Surveys require a vessel to be drydocked.

Tanker Security Program or TSP—The U.S. Tanker Security Program was enacted into law in 2021 and funded by Congress in 2022. The program was activated in 2023. The program is designed to ensure that militarily useful U.S. Flag tank vessels are available to the U.S. Department of Defense in the event of war or national emergency. The initial program calls for 10 tankers to participate. These vessels are required to meet national defense and other security requirements and maintain a U.S. presence in international commercial shipping. Under the TSP, participants receive an annual stipend designed to reduce vessel expenses to a level that will allow them to compete for international business. Program participation requires that the ships are available to the U.S. government in the event of war or national emergency.

Technical Management—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 are voyage revenues less voyage expenses, serve as an industry standard for measuring and managing fleet revenue and comparing results between geographical regions and among competitors.

U.S. Flag Fleet — Our Jones Act Fleet together with our MSP vessels.

U.S. Flag Vessel—A vessel that must be crewed by U.S. sailors and owned and operated by a U.S. company.

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

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 Time Charter Equivalent revenues for Voyage Charters.

PART I

ITEM 1. BUSINESS

OVERVIEW AND RECENT DEVELOPMENTS

Overseas Shipholding Group, Inc., a Delaware corporation incorporated in 1969, and its wholly owned subsidiaries own and operate a fleet of oceangoing vessels engaged in the transportation of crude oil, petroleum, and renewable transportation fuels in the U.S. Flag trade. At December 31, 2023, the Company owned or operated a fleet of 21 vessels totaling an aggregate of approximately 1.5 million dwt. Additional information about the Company's fleet, including its ownership profile, is set forth under "Fleet Operations—Fleet Summary," as well as on the Company's website, www.osg.com.

OSG primarily charters its vessels to customers for use over specific periods of time at fixed daily amounts contractually established through time charters. OSG also charters its vessels for specific voyages at spot rates. Spot market rates are highly volatile due to market forces, including local and worldwide demand for the commodities carried, volumes of trade, distances that the commodities must be transported, the amount of available tonnage 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. Time 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.

We actively manage the size and composition of our fleet through opportunistic acquisitions and dispositions of vessels. We consider timely and selective acquisitions of high-quality secondhand vessels or new-build contracts when we believe those acquisitions will result in attractive returns on invested capital and increased cash flow. We may also engage in dispositions or repurposing of vessels where we can achieve attractive values relative to their anticipated future earnings from operations. Taken together with our experience and long-standing relationships with participants in the crude, refined and renewable product shipping industry, we believe these attributes help us maintain a diverse, high-quality and modern fleet with an enhanced return on invested capital.

The following principal developments have directly or indirectly impacted our business recently and are expected to continue to do so:

- Geopolitical tensions outside of the US have severely disrupted historical trading patterns for crude oil and its refined products. Since December 2022, the EU has, in response to the war in Ukraine, banned waterborne crude oil imports from Russia, and the G7 nations have implemented price caps limiting the global price paid for Russian oil and its refined products. Other countries have stepped in to purchase these commodities at a discount to world prices. More recently, vessels transiting the Red Sea have been the target of Houthi missile and drone attacks, causing many vessels to avoid Red Sea transits and to instead make longer voyages around the Cape of Good Hope. These circumstances have collectively resulted in the redirection of crude oil and refined product trade flows and increased aggregate ton-mile demand. Although the United States was not a major importer of Russian or Persian Gulf oil, its markets have nonetheless been impacted by these global events. Historically high international freight costs have resulted from disrupted trade patterns. Supply constraints now exist in markets that were alternative supply sources competing against domestic product shipped on Jones Act tonnage. As a result, traders now seem to favor domestic product sources over overseas alternatives, giving strong support for the use of Jones Act vessels. This increase in demand has resulted in higher utilization levels and higher rates for Jones Act vessels.
- The continued impact of government policies encouraging the use of renewable fuels has driven strong demand growth for transporting renewable diesel and its feedstock components from production sources along the U.S. Gulf Coast to markets along the West Coast. California's low carbon fuel standard regulations in particular have stimulated the use of renewable diesel, which is chemically identical to regular diesel, can be used on its own or be blended with conventional diesel, and produces

less carbon dioxide and nitrogen oxide than conventional diesel. The Gulf Coast currently produces a significant proportion of renewable diesel, and California has been the largest consumer of this product. Marine transportation is the most cost-effective solution to move finished product to the West Coast. The length of the trip to California creates a significant increase in ton-mile demand and has created a large new market for Jones Act tankers.

- The Biden Administration in 2023 approved ConocoPhillips' "Willow Project" in Alaska. This project, together with a previously permitted project to develop the "Pikka" discovery operated by Santos, are expected to bring on nearly 250,000 barrels per day of new crude oil production in Alaska by 2027. The promise of significant increased future production bodes well for the prospective demand for OSG's Alaska Class tankers, which provide the most cost-effective means for delivery of North Slope crude oil to refineries located in California and Washington state. Anticipating this increase in demand, in late 2023 OSG acquired the *Alaskan Frontier*, sister to the other three Alaska class vessels, and contracted with engine manufacturer MAN B&W to perform life cycle upgrades on each of the engines on all four vessels. The life cycle upgrades will improve performance and fuel efficiency and also prepare the engines for possible use of methanol fuel in the future. It is expected that the fuel efficiency gain will result in 15-20% fuel savings as compared to the original engine design leading to a meaningful reduction in carbon output. The significant capital investment in the four Alaska class vessels should permit OSG to operate the vessels for a longer period of time and with lower maintenance costs for their remaining lives.
- In December 2023, OSG was awarded a $400 thousand grant from the U.S. Department of Energy ("DOE") to study the development of its proposed Tampa Regional Intermodal Carbon Hub ("T-RICH"). The study is an important step towards realizing the potential for participating in an emerging market for managing the transport and sequestration of captured carbon dioxide ("CO_2"). The study will evaluate the commercial feasibility of developing an intermediate storage hub at Port Tampa Bay for CO_2 captured from industrial emitters across the State of Florida. As conceived, T-RICH would receive, store, and process, initially, two million metric tons of CO_2 per year, which would be transported by OSG vessels across the Gulf of Mexico for permanent underground storage. T-RICH would be the first of its kind in the nation and could be scaled in the future to meet expanded volumes of captured CO_2.

In January 2024, Saltchuk Resources, Inc., which owns approximately 21% of OSG's outstanding common stock, submitted an unsolicited, non-binding indication of interest to OSG's Board of Directors to acquire all outstanding shares of OSG's common stock that Saltchuk does not own for $6.25 per share in cash. The Board of Directors is carefully considering Saltchuk's indication of interest and is committed to acting in the best interests of our stockholders. We can provide no assurances that any transaction agreement will be executed or that any transaction will be consummated.

Strategy

The key elements to our strategy to maximize stockholder value are to:

- Generate strong cash flows by capitalizing on our leading Jones Act market position and long-standing customer relationships;
- Combine the predictability of fixed time charter and contract revenues with opportunistic trading in the spot market;
- Actively manage the size and composition of our fleet to increase investment returns and available capital;
- Emphasize the quality of our operations and adhere to the highest safety and environmental standards attainable; and
- Seek opportunities to increase scale and drive cost efficiencies through a disciplined approach to investment in core and adjacent asset classes to maximize return on capital across market cycles.

We believe we are well-positioned now and over the long term to generate strong cash flows. We currently operate one of the largest tanker fleets in the U.S. Flag market, with a strong presence in all major U.S. coastwise trades. Our market position allows us to maintain long-standing relationships with many of the largest energy companies, which in some cases date back many decades. We consider attaining stability of cash flow through medium-term charters and COAs to be a fundamental objective of our chartering approach. This is especially observable in the specialized businesses within which many of our assets operate. Recent years have seen a marked increase in market volatility as the demand drivers for domestic transportation of crude oil and its refined product have been impacted by market disruptions, increased export flows, the ascendency of trading desks in intermediating supply chain logistics, and emerging trades for renewable fuels and their feedstocks. These changes have affected most directly our conventional tankers, which witnessed depressed market conditions during much of 2020 and 2021 due to the COVID-19 pandemic before experiencing a rebound in demand in 2022, which currently continues. Considerations about the appropriate overall exposure to these more volatile markets and the amount of that capacity to remain active in the spot market are regular management discussion points. Balancing time charter coverage with spot market exposure in an environment of ever-changing demand signals presents a persistent challenge. Recent market conditions have created favorable conditions for extending the breadth and duration of time charter coverage amongst our conventional tankers. However, under other market conditions, a policy of entering into medium-term charters may not be profitable or prove achievable. As such, during future periods of uncertainty, it is likely that more of our vessels will be exposed to the more volatile and less predictable spot market with a corresponding impact on the amount of revenue our vessels may earn.

In addition, the future of seaborne energy transportation and the type, design and markets for vessels that will be engaged in this business are evolving in ways not yet well defined. While this evolution may impose additional risks and uncertainties on OSG's existing business lines, the progressive transformation away from a carbon fuels-based economy could present interesting new business niches for OSG to competitively apply its differentiated set of skills. OSG's current interest in developing capabilities for transporting liquified CO_2 is a natural next step into an emerging market, consistent with OSG's expertise with liquid cargoes. Participating in a broader spectrum of opportunities in the existing and emerging markets for energy and liquid bulk commodities of all types will remain a focus of the Company as the solution set to these complex problems becomes clearer.

We believe that OSG has good standing in the community of our customers, our peers and our regulators, with a long- established reputation for maintaining the highest standards in both protecting the environment and maintaining the health and safety of all of our employees. Continued improvement in these areas is important not only to the constituents directly affected, but equally as important in sustaining a key differentiating competitive factor amongst the customers we serve.

Customers

OSG's customers include major independent oil traders, refinery operators and U.S. and international government entities. The Company's top customer comprised 14.3% of shipping revenues during the year ended December 31, 2023. See Note 2 - "Summary of Significant Accounting Policies," to the Company's consolidated financial statements set forth in Item 8 for further information regarding the Company's customers for 2023, 2022 and 2021.

FLEET OPERATIONS

Fleet Summary

As of December 31, 2023, OSG's operating fleet consisted of 21 vessels, 13 of which were owned, with the remaining vessels chartered-in. Vessels chartered-in are on Bareboat Charters.

	Vessels Owned	Vessels Chartered-In	Total at December 31, 2023	
Vessel Type	Number	Number	Total Vessels	Total dwt
MR Product Carriers [(1)]	5	8	13	619,854

Crude Oil Tankers [(2)]	4	—	4	772,194
Refined Product ATBs	2	—	2	54,182
Lightering ATBs	2	—	2	91,112
Total Operating Fleet	13	8	21	1,537,342

(1) Includes two owned shuttle tankers, eight chartered-in tankers, and three non-Jones Act MR tankers that participate in the TSP or are on time charter to the U.S. Military Sealift Command ("MSC").

(2) Includes three crude oil tankers doing business in Alaska and elsewhere and one crude oil tanker, *Alaskan Frontier*, purchased in November 2023 from BP Oil Shipping Company, USA and has been in cold layup in Malaysia since 2019. OSG plans to make significant investments in the vessel for it to begin commercial trade by the fourth quarter of 2024.

On January 27, 2023, the Company's one owned Marshall Island flagged non-Jones Act MR tanker, the *Overseas Sun Coast*, was officially documented as a U.S. Flag vessel, joining the rest of the Company's U.S. Flag fleet.

Commercial Management

Time-Charter Market

The Company's operating fleet 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. Time charters constituted 80% of the Company's shipping revenues in 2023, 70% in 2022, 71% in 2021, and 84% of the Company's TCE revenues in 2023, 75% in 2022 and 73% in 2021.

Spot Market

Voyage charters and COAs constituted 20% of the Company's shipping revenues in 2023, 30% in 2022, 29% in 2021, and 16% of the Company's TCE revenues in 2023, 25% in 2022 and 27% in 2021. Accordingly, the Company's shipping revenues are affected by prevailing spot rates for voyage charters in the markets in which the Company's vessels operate. Spot market rates are highly volatile due to market forces, including local and worldwide demand for the commodities carried (such as crude oil or petroleum products), volumes of trade, distances that the commodities must be transported, 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 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. The timing of peaks in oil demand vary within the markets in which we operate. Available tonnage is affected over time by the volume of newbuild deliveries, the number of tankers used to store clean products and crude oil, and the removal (principally through recycling or conversion) of existing vessels from service. Recycling is affected by the level of freight rates, recycling prices, vetting standards established by charterers and terminals and by U.S. governmental regulations that establish maintenance standards. Voyage charters include COAs on three vessels. Changes in the percentage contributions are therefore affected by Delaware Bay lightering volumes. In addition, as ships come off of their time charters, they may be forced into short-term trades.

Business Segment

The Company has one reportable business segment. OSG's U.S. Flag fleet consists of Suezmax crude oil tankers doing business in Alaska, conventional and lightering ATBs, shuttle and conventional MR tankers, and non-Jones Act MR tankers that participate in the TSP or are on time charter to MSC. In January 2023, the *Overseas Sun Coast* was converted to U.S. Flag status, joining the rest of OSG's U.S. Flag fleet. In November 2023, the Company purchased the *Alaskan Frontier* from BP Oil Shipping Company USA. OSG is in the process of reactivating the 1.3-million-barrel capacity tanker which has been in cold layup in Malaysia since 2019. OSG plans to make significant investments in the vessel for it to begin commercial trade by the fourth quarter of 2024. Under the Jones Act, shipping between U.S. ports, including the movement of Alaskan crude oil to U.S. ports, is reserved for U.S. Flag vessels that satisfy Jones Act requirements, including requirements that vessels be constructed in the United States and owned by companies that are more than 75% owned and controlled by U.S. citizens. OSG is one of the largest commercial owners and operators of U.S. Flag vessels and participates in U.S. government programs, including the following:

> MSP—Two of our reflagged U.S. Flag Product Carriers participated in the MSP during the first quarter of 2023 and the years ended December 31, 2022 and 2021. These two vessels were then accepted into the TSP in April 2023. The MSP is designed to ensure that privately-owned, military-useful U.S. Flag vessels are available to the U.S. Department of Defense in the event of war or national emergency. Each of the vessel-owning companies receives an annual stipend, subject to annual congressional appropriations. The stipend is intended to offset the increased cost incurred by such vessels from operating under the U.S. Flag.
>
> TSP— In April 2023, three of our vessels were accepted into the TSP, which is comprised of 10 tankers. The program is designed to ensure that militarily useful U.S. Flag tank vessels are available to the U.S. Department of Defense in the event of war or national emergency. TSP participants receive an annual stipend designed to allow them to compete for international business. We transferred the two non-Jones Act U.S. Flag Product Carriers participating in the MSP to the TSP and added the *Overseas Sun Coast* to participate in the program.
>
> In June 2023, MSC awarded the *Overseas Mykonos*, which was a TSP participant, a time charter to provide ongoing fuel transportation services to MSC in support of our nation's defense. The time charter awarded is for a one-year base period with the MSC holding additional option periods to extend the contract out to a maximum period of five- and one-half years. The *Overseas Mykonos* was then transferred out of the TSP and delivered to MSC in August 2023.
>
> During the year ended December 31, 2023, we received $2,650 under the MSP and $10,612 under the TSP. We received $9,252 and $10,500 under the MSP for the years ended December 31, 2022 and 2021, respectively.
>
> The TSP provides for an annual stipend of $6,000 for each participating vessel. We do not receive a stipend for any days exceeding 180 for which the vessels operate under a time charter to a U.S. government agency.

OSG has seven MR product carriers that are chartered-in and provide for the payment of profit share to the owners of the vessels calculated in accordance with the respective charter-in arrangements. Due to reserve funding requirements, no profits have yet been paid to the owners or are, based on management's current forecast, expected to be paid to the owners in the current calendar year.

Technical Management

OSG's fleet operations are managed in-house. In addition to regular maintenance and repair, crews onboard each vessel and shore side personnel must ensure that the Company's fleet meets or exceeds regulatory standards established by the IMO and USCG.

The Company recruits, hires and trains the crews. The Company believes that its mandatory training and education requirements exceed the requirements of the USCG and that its ability to provide professional development for qualified U.S. Flag crew is necessary in a market where skilled labor shortages are expected to remain a challenge. The U.S. Flag fleet is supported by shore side staff that includes fleet managers, marine and technical superintendents, purchasing and marine insurance staff, crewing and training personnel and

health, safety, quality and environmental ("SQE") personnel.

Safety

The Company is committed to providing safe, reliable and environmentally sound transportation to its customers. Integral to meeting standards mandated by regulators and customers is the use of a robust SMS by the Company. 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 to the ISM Code promulgated by the IMO. To support a culture of compliance and transparency, OSG has an open reporting system available to all of its vessels, whereby seafarers can anonymously report possible violations of OSG's policies and procedures. All open reports are investigated, and appropriate actions are taken when necessary.

HUMAN CAPITAL

Our employees are critical to meeting our commitments. Accordingly, it is crucial that we continue to attract and retain experienced and qualified employees. We emphasize ethical behavior, respect, and equal opportunity by creating a culture of trust, accountability and empowerment. We also promote a shared sense of responsibility among OSG's mariners and the shore-based support team in meeting the essential need to supply transportation fuels to the markets that we serve.

As of December 31, 2023, the Company had approximately 1,078 employees comprised of 1,000 seafarers and 78 shore side staff. As of December 31, 2023, collective bargaining agreements with three different U.S. maritime unions covered 850 of the seafarers employed on the Company's vessels. These agreements are in effect for periods ending between March 2024 and June 2027. Under the collective bargaining agreements, the Company is obligated to make contributions to pension and other welfare programs.

Compensation and Benefits Program. Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals and create long-term value for our shareholders. We provide employees with competitive compensation packages that include base salary as well as employees benefits such as life and health (medical, dental and vision) insurance, paid time off, paid parental leave, and certain postretirement benefits.

Training and Education. Our seafarers are highly trained, with many officers having both USCG licenses as well as business or engineering degrees. Regardless of position, specialized training to work in the industry based on USCG requirements, as well as vessel-specific training within our fleet, is a necessity. Years of experience are required in order to move into higher levels of authority on our vessels. Our training and education programs are designed to address applicable regulations as well as the specific hazards and work environments of each of our vessels.

Health and Safety. The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employees. Our SMS is regularly updated as safety issues evolve. We have installed StarLink in all of our vessels to provide seafarers with connectivity.

Having a well-maintained fleet is critical to create an environment where our crew can work safely. Our fleets undergo regular and frequent surveys by classification societies and regulatory bodies as well as vettings by our customers on an ongoing basis. Issues identified are swiftly addressed. Our seafarers are encouraged to provide transparent reporting of issues in order to remedy conditions as soon as they are observed. We regularly conduct safety reviews to ensure compliance with applicable regulations and all policies and procedures.

COMPETITION

OSG's primary competitors are operators of U.S. Flag oceangoing barges and tankers, operators of rail transportation for crude oil, and operators of refined product pipelines systems that transport refined petroleum products directly from U.S. refineries to domestic markets. In addition, indirect competition comes from International Flag vessels transporting imported refined petroleum products.

ENVIRONMENTAL, SAFETY AND SECURITY MATTERS

OSG's vessels operate in a highly regulated environment, subject to international conventions and international, national, state and local laws and regulations in force in the countries such vessels call upon. OSG's vessels are registered in the United States and are subject to the jurisdictional and regulatory oversight of the USCG (under various protocols and agreements covering certain statutory survey and certification functions). OSG is also subject to compliance with several other U.S. government agency regulations, including the EPA, MARAD, and the United States Customs and Border Protection Agency. OSG vessels are classed with the ABS and are subject to the requirements of the Classification Society.

Industry-related incidents and concerns regarding the future impacts of the maritime industry on the environment heighten the level of environmental, health, safety and security awareness among various stakeholders, including insurance underwriters, regulators, and charterers, leading to increased regulatory requirements and stringent inspection regimes. OSG has set appropriate internal controls intended to monitor regulatory developments and maintains operating standards designed to meet the expectations of our stakeholders. We have in place operational safety and quality, environmental stewardship, preventive planned maintenance, continuous training of our officers and crews, compliance with applicable regulations, and regular and rigorous in-house inspections and audits. In addition, a variety of governmental and private entities subject OSG's vessels to both scheduled and unscheduled inspections, including the USCG, local port state control authorities, flag states, coastal states, Classification Societies, major oil companies and petroleum terminal operators.

OSG believes that the operation of its vessels complies with applicable environmental laws and regulations, which are summarized below, and has adopted plans, programs, and procedures in accordance with such laws and regulations. OSG 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.

Regulations Preventing Pollution of Seas by Oil

The International Convention for the Prevention of Pollution from Ships ("MARPOL") Annex I addresses requirements for the prevention of pollution by oil and oily materials generated in the engine room and from the cleaning of cargo tanks, while MARPOL Annex II addresses requirements for the prevention of pollution by noxious liquid substances.

The United States regulates the shipping industry with an extensive regulatory and liability regime for environmental protection, consisting primarily of the Oil Pollution Act of 1990 ("OPA 90") and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). OPA 90 requires Vessel Response Plans ("VRPs"), including marine salvage and firefighting plans, for reporting and responding to vessel emergencies and oil spill scenarios up to a worst-case scenario, as well as advance contracting, planning, and training to ensure that necessary private response resources are in place to immediately respond to a worst-case discharge or vessel emergency.

Under IMO regulations, OSG has adopted Shipboard Oil Pollution Emergency Plans, including periodic training and drills for response personnel and for vessels and their crews and Shipboard Marine Pollution Emergency Plans, which cover potential releases not only of oil but of any noxious liquid substances.

US 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. Additionally, individual states may impose their own liability regimes for oil pollution incidents occurring within their boundaries. CERCLA contains a similar liability regime and provides for cleanup, removal, and natural resource damages associated with discharges of hazardous substances other than oil. Certain defenses and contractual arrangements may mitigate liability.

OPA 90 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 consistent with the limits of liability set forth in the statutes. OSG carries various forms of marine insurance for each of its vessels, including pollution liability insurance in the amount of $1.0 billion. In the event that a catastrophic spill exceeds the insurance coverage available, there could be a material adverse effect on OSG's business.

International Liability Standards and Limits

Compensation for oil pollution damage caused by spills from oil tankers is governed by an international regime referred to as the International Convention on Civil Liability for Oil Pollution Damage. Under these conventions, a vessel's registered owner is strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain defenses. These conventions also limit the liability of the shipowner under certain circumstances, except where the pollution damage results from its personal act or omission, is committed with the intent to cause such damage, or recklessly and with knowledge that such damage would probably result. OSG believes that its protection and indemnity insurance will cover liability under the plan adopted by the IMO.

The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 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 used as fuel by vessels. The convention applies to damage caused to the territory and in its exclusive economic zones, of states that are party to it.

Regulations Preventing Pollution of Seas by Sewage or Garbage

MARPOL Annex IV regulates the discharge of sewage to sea. Sewage discharge is also subject to national and local regulations that set further restrictions, in some cases prohibiting the discharge of treated sewage and the establishment of No Discharge Zones. OSG vessels are equipped with Marine Sanitation Devices compliant with regulatory requirements for each type of vessel.

MARPOL Annex V, as well as other U.S. regulations, regulates the prevention of pollution to sea by garbage and e-waste.

Regulations Preventing Air Pollution

MARPOL Annex VI ("Annex VI") addresses air pollution from vessels, sets limits on sulfur oxide ("SOx") and nitrogen oxide ("NOx") emissions from ship exhausts, prohibits deliberate emissions of ozone depleting substances, regulates shipboard incineration and the emission of volatile organic compounds ("VOCs") from tankers, and sets caps on sulfur emissions.

Vessels are subject to further air emission controls within Emission Control Areas ("ECAs"), and Sulfur Emission Control Areas ("SECAs"). As these emission limits continue to evolve, compliance could impact fuel costs.

Annex VI includes energy efficiency standards for certain new ships through the designation of an Energy Efficiency Design Index ("EEDI"). The EEDI standards phase in through 2025 and are anticipated to result in significant reductions in fuel consumption and air and marine pollution. OSG's fleet, as of December 31, 2023, includes one vessel under which the EEDI standards apply.

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. built ships to meet lower NOx emission standards. Compliance generally requires advanced technology such as selective catalytic reduction or exhaust gas recirculation. Adoption of these and emerging standards may require substantial modifications to some of OSG's existing marine diesel engines and may require OSG to incur substantial capital expenditures if the engines are replaced.

The U.S. Clean Air Act requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants and requires states to draft State Implementation Plans ("SIPs") designed to attain national health-based air quality standards in major metropolitan and industrial areas. OSG's tank 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. Although a risk exists that new regulations could require significant capital expenditures, OSG believes, based upon the regulations that have been proposed to date, 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.

The Delaware Department of Natural Resources and Environment Control monitors OSG's U.S. Flag lightering activities within the Delaware River through Title V of the Coastal Zone Act of 1972. OSG is the only marine operator with a Title V permit to engage in lightering operations. The regulations are designed to reduce the number of VOCs entering the atmosphere during a crude oil lightering operation through the use of vapor balancing. OSG's Delaware Lightering fleet is 100% vapor balance capable.

International efforts to reduce air pollution

For decades, countries have sought to establish international cooperation to combat climate change and focus on implementing programs to reduce emissions of greenhouse gases, such as the United Nations Framework Convention on Climate Change, Kyoto Protocol , the Paris Agreement, and the Conference of Parties (COP28). The IMO has committed to developing limits on greenhouse gases resulting from shipping and has implemented mandatory technical and operational measures to achieve these limits. Regional mandates in certain ports and territorial waters within the EU seek to reduce SOx emissions by limiting sulfur content in fuel oils used by vessels as well as CO_2 emissions, including methane and nitrogen oxides.

The EU Monitoring, Reporting, Verification Regulation ("MRV") creates an EU-wide framework for the monitoring, reporting and verification of carbon dioxide emissions from maritime transport and to collect and later publish verified annual data on carbon dioxide emissions. The United Kingdom ("UK") implemented its own MRV for UK-related voyages.

As of January 1, 2024, the EU is implementing an Emissions Trading Scheme ("ETS") whereby vessels calling upon the EU are required to surrender allowances each year for a portion of their CO_2 emissions. Companies receive emission allowances from the EU auctions with some of this revenue allocated to the maritime sector to support innovation in low-carbon technologies and to contribute to zero pollution objectives. OSG believes that this could have a material impact on voyages to and from the EU and plans to work with

its charterers to offset associated impacts. The level of allowances to be surrendered will be phased in over three years based on the following schedule:

- 40% of verified emissions in 2024,
- 70% of verified emissions in 2025, and
- 100% of verified emissions in 2026.

Annex VI introduced an Energy Efficiency Existing Ship Index ("EEXI") and a Carbon Intensity Indicator ("CII") to be used for grading a ship's CO_2 emissions performance. Each ship's CII must be calculated annually using IMO DCS data and is assigned a letter grade (A, B, C, D, or E) after applying any applicable correction factors. A CII grade of "C" or better indicates the ship remains on target to improve CO_2 emissions. Ships graded a "D" or "E" are required to improve within a remediation period. If ratings are not restored to a "C" or better during the remediation period, there is the possibility of enforcement up to and including retirement of the vessel.

Future passage or modifications of climate control legislation could require significant capital or operating expenditures. Although such expenditures and impacts cannot be predicted with certainty, they may be material to OSG's results of operations.

Ballast Water Pollution Regulations

OSG's vessels are subject to international, national and local ballast water management regulations that seek to address concerns for the release of organisms and pathogens that have been identified as being potentially harmful as a result of the carrying of ships' ballast water from one place to another. At the international level, the International Convention for the Control and Management of Ships' Ballast Water and Sediments ("BWM Convention") defines a discharge standard consisting of maximum allowable levels of critical invasive species designed to protect the marine environment from the introduction of non-native (alien) species.

The United States is not a signatory to the BWM Convention and is not expected to be in the future, since it currently regulates ballast water management under two federal, partially overlapping regulatory schemes. One is administered by the USCG under the National Aquatic Nuisance Prevention and Control Act of 1990, as amended by the National Invasive Species Act of 1996, and the other is administered by the EPA under the U.S. Clean Water Act . Several states also have their own supplemental requirements.

The discharge of ballast water is subject to permitting requirements ("VGP") in accordance with the EPA's National Pollutant Discharge Elimination System. The VGP establishes ballast water discharge limits that generally align with the performance standards implemented under the USCG's rules and the IMO Convention.

The Vessel Incidental Discharge Act ("VIDA") restructures the way EPA and the USCG are to regulate incidental discharges in the future, and is expected to replace provisions of the VGP and existing USCG regulations with EPA-developed standards and new USCG regulations. The EPA currently expects to issue the VIDA final rule by the fall of 2024. The USCG will then have two years to develop and finalize corresponding regulations.

OSG anticipates that compliance with the various conventions, laws and regulations relating to ballast water management that may be adopted in the future will require substantial additional capital or operating expenditures and could have operational impacts on OSG's business.

Safety of Life at Sea

The International Convention for the Safety of Life at Sea ("SOLAS") addresses the safety of merchant ships. Amendments to the SOLAS conventions come into force yearly and flag states are responsible for ensuring that ships comply with its requirements.

Under the ISM Code, vessel operators are required to develop SMS that includes, among other things, the adoption of a safety and environmental protection policy describing how the objectives of a functional SMS will be met. OSG's SMS contains 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 OSG to have a Document of Compliance ("DoC") and a Safety Management Certificate for each vessel it operates.

OSG maintains a DoC, which was reissued for five years on September 17, 2022. ATC maintains a DoC, which was reissued for five years on July 11, 2019. OSG is also certified to the SQE requirements of the ABS Guide for Marine Health, Safety, Quality, Environmental and Energy Management, which includes meeting the requirements of the International Standards of Organization in ISO9001:2015 (Quality Management) and ISO14001:2015 (Environmental Management) for the management of operation of oil tankers, chemical tankers, and other cargo ships.

Security Regulations and Practices

The U.S. Maritime Transportation Security Act of 2002 requires the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. SOLAS imposes detailed security obligations on vessels and port authorities, contained in the International Ship and Port Facilities Security Code (the "ISPS Code"), which 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 from a recognized security organization

OSG monitors the waters in which its vessels operate for pirate activity. Vessels that may transit high risk waters follow best management practices for reducing risk and preventing pirate attacks compliant 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, with certification 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. Where surveys are required by international conventions and corresponding laws of a flag state, the Classification Society will undertake them, acting on behalf of the authorities concerned.

Regular and extraordinary surveys are required to be performed for a vessel to maintain its class certification. For seagoing ships, annual surveys are conducted for the hull and the machinery. Intermediate surveys are typically conducted two and one-half years after commissioning and upon each class renewal.

Inspection of the underwater hull occurs at each intermediate survey and at each class renewal survey. For vessels less than 15 years old, Classification Societies permit in-water inspections by divers. Class renewal surveys, 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. For vessels greater than 15 years old, out of water drydocking is to take place twice in a five-year period.

In a special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. 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.

If defects are found during any survey, the Classification Society surveyor will issue a "finding" or 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 ("IACS").

INSURANCE

OSG carries protection and indemnity ("P&I") insurance coverage for pollution of $1.0 billion per occurrence on every vessel in its fleet, as well as for other perils faced by vessel owners and operators in varying limits. The fleet's mutual protection and indemnity associations ("P&I Associations") are members of the International Group of P&I clubs which insure approximately 90% of the world's commercial tonnage. Each P&I Association has capped its exposure to each of its members through reinsurance arrangements. As a member, OSG 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 P&I Associations of which it is a member, and the members of the pool of P&I Associations comprising the International Group.

OSG also carries marine hull and machinery and war risks (including piracy) insurance, which includes the risk of actual or constructive total loss, for all of its owned and operated vessels. OSG is self-insured for hull and machinery claims in amounts in excess of the individual vessel deductibles up to an annual aggregate deductible of $750 thousand.

TAXATION OF THE COMPANY

Tonnage Tax

Pursuant to provisions of the U.S. Internal Revenue Code of 1986, as amended, existing U.S. Treasury Department regulations, administrative rulings, pronouncements and judicial decisions,

OSG elected to have the foreign operations of OSG's U.S. Flag vessels taxed under a "tonnage tax" regime rather than the usual U.S. corporate income tax regime. As a result, OSG's gross income for U.S. income tax purposes with respect to eligible U.S. Flag vessels does not include (1) income from qualifying shipping activities in U.S. foreign trade (i.e., transportation between the United States and foreign ports or between foreign ports), (2) income from cash, bank deposits and other temporary investments that are reasonably necessary to meet the working capital requirements of qualifying shipping activities, and (3) income from cash or other intangible assets accumulated pursuant to a plan to purchase qualifying shipping assets. OSG's taxable income with respect to the operations of its eligible U.S. Flag vessels is based on a "daily notional taxable income," which is taxed at the highest U.S. corporate income tax rate. The daily notional taxable income from the operation of a qualifying vessel is 40 cents per 100 tons of the net tonnage of the vessel up to 25,000 net tons, and 20 cents per 100 tons of the net tonnage of the vessel in excess of 25,000 net tons. The taxable income of each qualifying vessel is the product of its daily notional taxable income and the number of days during the taxable year that the vessel operates in U.S. foreign trade.

ITEM 1A. RISK FACTORS

Our business, including our operating results and financial condition, are subject to a wide variety of risks which could adversely and materially affect our business in many ways. This includes risks not currently known to us or that we currently deem to be immaterial. In assessing these risks, you should also refer to the other information contained in our filings with the SEC, including our financial statements and related notes.

Risks Related to Our Company

Inability to attract or retain qualified mariners may adversely affect the Company's business.

Our vessels must be manned by highly qualified mariners that meet the standards of experience set by our customers. Increasing demand for maritime transportation in all markets has recently spiked, resulting in competition from other shipping sectors which potentially limits the number of mariners available to OSG. During 2023, there were occasions when our vessels sailed short of full crew, requiring permissions and waivers from the US Coast Guard and our customers. Many of the positions filled by our mariners require extensive licensing credentials and experience sailing on the particular type of vessel, as well as time sailing with OSG to be qualified by the US Coast Guard and our customers' matrix requirements. If we are unable to attract or retain qualified mariners, or if there is an insufficient number of qualified mariners available, we may not be able to provide the services contracted for, which would have a material adverse effect on our business.

Operating costs and capital expenses will increase as the Company's vessels comply with regulatory changes, as the vessels age, or due to unexpected drydocks.

New or stricter environmental regulations, changes in governmental regulations and compliance with Classification Society standards may require OSG to make investments, capital expenditures, and incur drydock expenses to ensure compliance. Costs necessary for maintaining a vessel in good operating condition increase as the age of the vessel increases. Vessels must be drydocked periodically for inspection and maintenance, and in the event of accidents or other unforeseen damage. These costs are difficult to predict with certainty but can be substantial, and the Company's insurance may not cover these costs. In addition, vessels in drydock will generally not generate income.

As a result of these factors, OSG may incur substantial costs or be required to take its vessels out of service. Market conditions may not justify such expenditures or permit OSG to operate its vessels profitably. These costs, delays, expenses and off-hire time could have a material adverse effect on OSG's business, financial condition, results of operations and cash flows.

Changes in demand in specialized markets in which the Company currently operates or changes in governmental support may lead the Company to redeploy certain vessels to other markets or put its ability to participate in specialized markets at risk.

The two vessels participating in the TSP derive a substantial percentage of their revenues from transporting cargoes reserved for U.S. Flag vessels under MARAD's cargo preference program, which requires shippers to give U.S.-flag vessels a preference to transport any government-impelled ocean-borne cargoes. Among the currently available government–impelled cargoes is a contract the Company has with the Government of Israel ("GOI") to deliver fuel through December 31, 2024, which the GOI funds with grants from the U.S. government. The Company also seeks other government–impelled cargoes to supplement the GOI business; however, there is no assurance the Company will be able to secure such cargoes. If OSG is unable to retain the GOI business or is unable to obtain significant other charters for these vessels, the Company may no longer be able to participate in the TSP.

The Company operates three Jones Act MR Shuttle Tankers, two of which are currently operating as shuttle tankers serving offshore oil installations in the Gulf of Mexico. Modifications made to enable these tankers to perform the specialized service of a shuttle tanker required the Company to incur substantial capital costs, which in turn allow the Company to earn a premium to market rates earned by conventional Jones Act tankers. The customers with wells and fields in the Gulf of Mexico have high cash production costs and, as such, are vulnerable to production cuts or shut down in response to persistently low oil prices. While shuttle tankers can serve as conventional tankers without further modification, a future reduction in the demand for specialized shuttle tanker services could limit the Company's ability to earn such premiums.

The Company conducts lightering operations in the Delaware Bay with one ATB built for these operations. If there is lower demand for this vessel in the Delaware Bay lightering market, the Company might have to redeploy this ATB in other markets in which it may not be able to compete profitably and/or may require substantial modification.

If OSG is no longer able to participate in any of these niche businesses, the Company's business, financial condition, results of operations and cash flows may be adversely affected.

The Company's significant operating leases may be reduced or replaced on less favorable terms.

The Company's current fleet includes eight vessels that have been chartered-in under operating leases. These leases expire at various points in the future and the Company may not be able to replace these or on as favorable terms. These circumstances could have a material adverse effect on the Company's future financial position, profitability, and results of operations and cash flow.

Interruption, failure or breach of OSG's information technology and communications systems could impair its ability to operate.

OSG has both on-shore and ship-board systems that are highly dependent on information technology systems. The Company collects, stores and transmits data using both internal information technology systems and those of third-party vendors. The secure storage, processing, maintenance, and transmission of sensitive data, including our own proprietary business information and that of our customers, and personally identifiable information of our customers and employees, is critical to the Company's operations.

Information technology and communication systems are subject to reliability issues, integration and compatibility concerns, and security-threatening intrusions. OSG's network, or those of our customers or third-party vendors, could be vulnerable to unauthorized access, computer viruses, or targeted attacks intended to steal or destroy data, disrupt or degrade service, sabotage systems or cause other damage.

The Company may be required to spend significant capital and other resources to protect against these threats or to alleviate problems caused by security breaches or viruses. Security breaches and viruses could expose the Company to claims, litigation and other possible liabilities and could also cause customers to lose confidence in OSG's systems.

OSG has not experienced any material cyber security violation or occurrence over the last three years, and we invest time, effort and financial resources to proactively secure our systems, networks and communications. However, these actions cannot provide absolute assurance that we will be successful in preventing or responding to all cyber security attacks. Any failure or breach of OSG's or third-party systems could result in interruptions in service, reductions in revenue and profits, damage to reputation and brand, or liability for the release of confidential information, all of which may have a material impact on our operations and financial results.

Delays or disruptions in implementing new technological and management systems could impair the Company's ability to operate.

The Company is currently in the process of transitioning to new software systems for managing ship and financial operations. From time to time the Company implements new systems or upgrades technological resources utilized in running its business. The transition to new technology requires a significant investment in capital and personnel resources and the coordination of numerous software and system providers and internal business teams. The Company may experience difficulties as it manages these changes and transitions to a new system and upgrades its technological resources, including loss or corruption of data, delays, decreases in productivity, and unanticipated expenses. The Company could be adversely affected if the new software systems or other new or upgraded technological resource are defective, not installed properly, fail to perform as marketed or are not properly integrated into existing operations. The implementation of a new system may not result in improvements that outweigh the cost of implementation. System implementation failures or operational failures, including unauthorized access by third parties to our new software system (which could have the effects described in the preceding risk factor) could have adverse effects on the Company's business, financial position, and ability to operate in a complex industry.

Changes in demand have affected Time Charter commitments. OSG may not be able to renew Time Charters when they expire or enter into new Time Charters and vessels may be placed in layup.

OSG's ability to obtain new charters or renew expiring contracts will depend on the prevailing market conditions. Renewals or new contracts may be at less favorable rates or for shorter durations. There may be a gap in employment between charters or the vessel may only be able to be employed on the spot market, both of which would affect utilization rates and result in increased costs to the Company. When there is no demand for a vessel, there is also a risk of the necessity to layup the vessel, as was demonstrated during the course of 2021. These occurrences would adversely affect the Company's business, financial condition, results of operations and cash flows.

The Company has significant indebtedness, may not be able to generate sufficient cash to service all of its indebtedness, and could breach covenants in its credit facilities and term loans which could affect our ability to finance operations, pursue desirable business opportunities and successfully run the business in the future, all of which could affect OSG's ability to fulfill its obligations.

As of December 31, 2023, OSG had $400.7 million of outstanding indebtedness. This substantial indebtedness and interest expense could have important consequences, including (i) limiting OSG's ability to use cash flow from operations in other areas of its business, such as for working capital, because a substantial portion of these funds are dedicated to service its debt; (ii) requiring the Company to seek to incur additional indebtedness in order to make planned capital expenditures and other expenses or investments; (iii) limiting OSG's ability to obtain additional financing; (iv) limiting the Company's flexibility and ability to capitalize on business opportunities or to react to competitive pressures and adverse changes in government regulation, and OSG's business and industry; (v) increasing OSG's vulnerability to a downturn and to adverse economic and industry conditions generally; and (vi) limiting the Company's ability to enter into hedging transactions by reducing the number of counterparties with whom OSG can enter into such transactions as well as the volume of those transactions.

The Company's earnings, cash flow and the market value of its vessels vary significantly due to general economic, competitive and market conditions affecting the industry, the cyclical nature of the tanker industry, and legislative and regulatory actions – all factors beyond the control of the Company. The amount of debt that OSG can manage in some periods may not be appropriate for other periods, and OSG's ability to meet the financial covenants to which it is subject or may be subject in the future may be at risk. Any insufficiency could negatively impact OSG's business.

Insufficiencies in earnings, cash flow and market value of the vessels could require the Company to make mandatory payments or cause the Company to breach certain covenants. If the Company is unable to remedy the relevant breach or obtain a waiver, the Company's lenders could accelerate its debts and foreclose on the Company's owned vessels.

If OSG does not generate sufficient cash flow from operations to satisfy its debt obligations, it may have to undertake alternative financing plans, such as selling tankers or other assets, reducing or delaying investments and capital expenditures, refinancing or restructuring its debt, and/or seeking to raise additional capital. 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 future refinancing of debt could be at higher interest rates and might require the Company to comply with more onerous covenants, which could further restrict OSG's business operations. In addition,

the terms of existing or future debt instruments may restrict OSG from adopting certain alternatives. These potential undertakings and alternative measures may not be successful and may not permit OSG to meet its scheduled debt service obligations.

The Company's inability to generate sufficient cash flow to satisfy its debt obligations, to meet its financial covenants, to reduce debt, and/or to obtain alternative financing, could materially and adversely affect OSG's business, financial condition, results of operations and cash flows.

The Company derives a substantial portion of its revenue from a limited number of customers and is subject to credit risks, and the loss of, or reduction in business by, any of these customers could materially adversely affect its business, financial condition and results of operations.

The Company's largest customers account for a significant portion of its revenues. The Company's top customer comprised approximately 14.3% of the Company's revenues during 2023. Changes in the broader market, such as closures of U.S. refining facilities, have reduced the locations to and from which oil is delivered or refined oil is sourced.

The Company has entered into, and in the future will enter into, various contracts associated with the operation of its vessels. The ability of each of the Company's customers, lenders, suppliers, and other counterparties to perform their obligations will depend on a number of factors that are beyond the Company's control and may include general economic conditions; availability of debt or equity financing; the condition of the maritime and offshore industries; the financial condition of the counterparty; charter rates received for specific types of vessels; and volatile expenses in obtaining supplies. 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 had been under charter or contract or may be able to obtain a comparable vessel at lower rates, or adverse financial conditions may inhibit these entities from entering into new commitments with OSG. 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.

These factors could have a material adverse effect on OSG's revenues, profitability and cash flows, as well as its borrowing ability and financial condition. The loss of, or reduction in business by, any of these customers and refinery locations could materially adversely affect the Company's business, financial condition and results of operations.

The Company could face significant liability if one or more multiemployer plans in which it participates is reported to have underfunded liabilities or if the Company withdraws from participation in one or more multiemployer pension plans in which it participates.

The Company is a party to collective-bargaining agreements that require contributions to three jointly managed multiemployer pension plans covering seagoing personnel of U.S. Flag vessels. Our required contributions to these plans could increase because of a shrinking contribution base as a result of the insolvency or withdrawal of other companies that currently contribute to these plans, the inability or failure of withdrawing companies to pay their withdrawal liability, low interest rates, lower than expected returns on pension fund assets or other funding deficiencies. Certain of these multiemployer plans are currently underfunded. Significantly underfunded pension plans are required to improve their funding ratios within prescribed intervals based on the level of their under-funding. As a result, OSG's required contributions to these plans may increase in the future. In addition, a termination of or voluntary withdrawal from or a mass withdrawal of all contributing employers from an underfunded multiemployer pension plan would require OSG to make payments to the plan for our proportionate share of such multiemployer pension plan's unfunded vested liabilities. See Note 15, "Pension, Other Post Retirement Benefit Plans and Benefit Liabilities," to the Company's consolidated financial statements set forth in Item 8 for additional information. Requirements to pay increased contributions or withdrawal liabilities could have a material adverse impact on our liquidity and results of operations.

Risks Related to Our Industry

Volatile changes in supply and demand for oil and refined products, charter rates and vessel values, and the factors that influence such changes may adversely affect our business.

The marine transportation industry is both cyclical and volatile in terms of demand, 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 and include: (i) supply and demand for, and availability of energy resources such as oil, oil products and natural gas, which affect customers' need for vessel capacity; (ii) availability of refining capacity and inventories; (iii) changes in the production levels of crude oil; (iv) increases in the supply of Jones Act vessels without a commensurate increase in demand; (v) global and regional economic and political conditions, including armed conflicts, terrorist activities and strikes, and international sanctions, embargoes, import and export restrictions or nationalizations and wars, such as the conditions in the Middle East and the Russian war in Ukraine, that create uncertainties in the supply of and demand for oil; (vi) changes in seaborne and other transportation patterns, including rerouting of voyages to avoid areas of conflict, such as that currently occurring in the Red Sea, 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; and (vii) increasing interest globally, from a regulatory and demand viewpoint, in transitioning to carbon neutral energy sources and the development and use of alternative fuels in order to reduce greenhouse gas emissions that impact the fuel we transport as cargo and use in fueling our own vessels.

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, invest in new technologies or equipment, or to retain in service older capacity are influenced by the general state of the marine transportation industry. Factors influencing the supply of vessel capacity include (i) the number of newbuild deliveries or the conversion of vessels into or out of transporting oil; (ii) the number of vessels removed from service, such as via recycling, scrapping or conversion to storage; and (iii) the availability and pricing of other energy sources such as natural gas for which tankers can be used or to which construction capacity may be dedicated.

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 OSG's operations, financial results and cash flows.

OSG conducts certain of its operations internationally, subjecting the Company to changing economic, political and governmental conditions abroad, as well as terrorism, piracy and hostilities.

The Company conducts certain of 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. OSG must comply with complex foreign and U.S. laws and regulations, such as environmental regulations, 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 anti-competition regulations. OSG's operations may also subject its employees and agents to extortion attempts. 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 OSG has policies and procedures designed to achieve compliance with these laws and regulations, OSG cannot be certain that its employees, contractors, joint venture partners or agents will not violate these policies and procedures.

There are occasions when a vessel is operating in an area where terrorist or pirate attacks, or hijackings are a concern. If this occurs in regions in which are characterized by insurers as "war risk" zones 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. While OSG believes the charterer remains liable for charter payments when a vessel is seized by pirates, disputes with the charterer may result in the delay or non-payment of charter hire, or cancellation of the charter party. The Company may not be adequately insured to cover losses from these incidents, or an increase in the cost (or unavailability) of insurance for those vessels could have a material adverse impact on OSG'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 its charters.

Terrorism or international hostilities could cause political instability, 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. Such circumstances are present currently as a result of the conditions in the Middle East and the Russian war on 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 could have a material adverse effect on OSG's business, financial condition, results of operations and cash flows.

Changes in fuel prices may adversely affect our earnings.

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. Moreover, higher fuel prices could reduce the profitability and competitiveness of the Company's business compared to other forms of transportation. The price and supply of fuel is unpredictable and fluctuates based on events outside the Company's control.

The impact from public health threats may adversely affect the Company's business, results of operations, and financial condition.

COVID-19 revealed the significant impacts throughout the world of a threat to public health. Such threats prompt governments and businesses to take unprecedented measures in response, including restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. Global pandemics can, and have, significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets, which could adversely affect the Company's business, results of operations and financial condition. The extent to which global or regional health threats impact the Company's operational and financial performance depends on many factors outside the Company's control, including the timing, extent, trajectory and duration of the threat; the emergence of new variants; availability, distribution and effectiveness of vaccines and treatments; the imposition or relaxation of protective public safety measures; and the impact on the economy and demand for petroleum products and the Company's vessels.

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

The market value of Jones Act and U.S. Flag vessels has fluctuated over time. The fluctuating market values of the vessels can impact the Company's liquidity regardless of whether the Company sells or continues to hold the vessels. For example, selling a vessel at a sale price that is less than the vessel's carrying amount on the Company's financial statements will result in a loss on the sale and a reduction in earnings and surplus. Declining values of the Company's vessels could adversely affect the Company's liquidity by limiting its ability to raise cash by refinancing vessels. The Company may also experience significant impairment charges upon a decline in vessel value. Any charges relating to such impairments could adversely affect the Company's liquidity, results of operations and financial condition.

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

OSG's vessels and cargoes are at risk of being damaged or lost due to accidents, bad weather, mechanical failure, human error, and other factors. These hazards may result in death or injury; loss of revenues or property; environmental damage; higher insurance rates; damage to customer relationships and industry reputation; and market disruptions, and delay or rerouting, all of which may also subject OSG to litigation. The operation of tankers 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. While the Company carries insurance to protect against certain of these risks, risks may arise against which the Company is not adequately insured. 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. The occurrence of the events described above, and the increases in the costs (or unavailability) of insurance covering such events could adversely affect the OSG's business, financial condition, results of operation and cash flows.

Risks Related to Legal and Regulatory Matters

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

The Company's operations are affected by extensive, complex, and changing international, national, and local environmental protection laws, regulations, treaties, conventions and standards designed to reduce the risk of oil spills and water pollution and to regulate and reduce air emissions, including emission of greenhouse gases. These regulations are summarized in detail in Item 1, "Business - Environmental, Safety and Security Matters". These requirements impose significant capital and operating costs on OSG as well as the potential for unlimited liability in certain circumstances.

Due to concern over the risks of climate change, a number of countries, including the United States, and international organizations, including the IMO and the EU, have adopted, or are considering the adoption or modification of, regulatory frameworks to reduce greenhouse gas emissions. Regulations and the reporting mechanisms to measure emissions are evolving, as multiple concerned constituents attempt to standardize the measurement and reporting of varying operational factors for many types of vessels and conditions, including such measures as the Energy Efficiency Existing Ship Index ("EEXI") and the Carbon Intensity Indicator ("CII"). The CII's letter grading system for a ship's CO_2 emissions performance is based upon calculation methodologies that are presently being debated, correction factors that are open to further modification, and a review process that will remain open until 2026, leading to considerable uncertainties in interpretation and enforcement. Absent a change in the CII rules as currently stated, ships with low grades may face the potential threat of enforcement and retirement if the ratings do not improve during the stipulated remediation period. The mechanisms to achieve a "passing" grade may require changes in the responsibilities among the supply chain participants, changes to the operating patterns of vessels or the speeds at which they may sail, or the types of fuel to be consumed, as well as capital investments in equipment and technology many of which are not yet established as viable.

These regulations could result in significant financial and operational impacts on the Company's business and on the global industry, including requiring OSG to install new emission controls, to invest in technologies or equipment, to retrofit vessels, to acquire allowances, or to pay taxes related to its greenhouse gas emissions. Further, in cases where the Company invests in new technologies or equipment, there is no assurance that such technologies or equipment will perform as expected, notwithstanding that the Company will have performed due diligence in selecting the particular technology or equipment.

Environmental laws and regulations 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, national and foreign laws, as well as international treaties and conventions, OSG could incur material liabilities, including cleanup obligations, natural resource damages, fines and penalties in the event that there is a release of oil, petroleum or other hazardous substances from its vessels or otherwise in connection with its operations. OSG could be 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.

It can be expected that these regulations will continue to become stricter in the future and will require the Company to incur significant capital expenditures to keep its vessels in compliance, or even to scrap or sell certain vessels altogether. Such expenditures could result in financial and operational impacts that may be material to OSG's financial condition. The failure to comply with local, domestic and foreign regulations may subject the Company 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.

Failure to comply with the Jones Act's limitations on U.S. coastwise trade, or waiver, modification or repeal of the Jones Act, or changes in international trade agreements may impact the Company's ability to compete.

The Company is responsible for monitoring the foreign ownership of its common stock and other interests to ensure compliance with the Jones Act. The Company could lose the privilege of owning and operating vessels in the Jones Act trade if non-U.S. Citizens were to own or control, in the aggregate, more than 25% of the equity interests in the Company. Such loss would have a material adverse effect on the Company's business and results of operations. In addition, failure to comply with the Jones Act could result in the Company being deemed to have violated other U.S. federal laws that prohibit a foreign transfer of U.S. documented vessels without government approval, resulting in severe penalties, including permanent loss of U.S. coastwise trading privileges or forfeiture of the vessels deemed transferred, and fines.

Maritime transportation services are currently excluded from the General Agreement on Trade in Services ("GATS") and are the subject of reservations by the United States in the North American Free Trade Agreement ("NAFTA") and other international free trade agreements. If maritime transportation services were included in GATS, NAFTA or other international trade agreements, or if the restrictions contained in the Jones Act were otherwise repealed or altered, the transportation of maritime cargo between U.S. ports could be opened to international flag or foreign built vessels.

Interest groups regularly lobby Congress, and legislation has been introduced, to repeal certain provisions of the Jones Act or to grant extensive waivers so as to facilitate international flag competition for trades and cargoes currently reserved for U.S. Flag vessels under the Jones Act. The Jones Act requires vessels to be U.S.-owned, U.S.-crewed, and U.S.-built, and in the event that any one of these requirements is not met resulting in the unavailability of a Jones Act qualified vessel, a waiver could be issued. A waiver, modification or repeal of the Jones Act could significantly increase competition in the coastwise trade and could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.

The inability to clear the oil majors' risk assessment processes may adversely impact the Company's ability to perform its services.

The major oil companies have developed strict due diligence processes 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. The Company's charterers require that the Company's vessels and the technical managers pass vetting inspections and management audits. The failure of the Company's vessels or managers to maintain these standards could put the Company in breach of the applicable charter agreement and lead to termination of such agreement, thereby adversely affecting revenues.

The U.S. government could requisition the Company's vessels during a period of war or emergency.

The U.S. government could requisition one or more of the Company's vessels for title or hire, typically occurring during a period of war or emergency. OSG participates in the Tanker Security Program for such purposes. The U.S. government requisition of one or more of the Company's vessels could impact the Company's business, financial condition, results of operations and available cash if the charter rates we receive from the government while on requisition are less than the charter rates that are being replaced, or if the government refuses to pay the requisition charter rate.

Transfers or issuances of the Company's equity may impair or reduce the Company's ability to utilize its net operating loss carryforwards and certain other tax attributes in the future.

Section 382 of the Internal Revenue Code of 1986, as amended, contains rules that limit the ability of a company that undergoes an "ownership change" to utilize its net operating loss and tax credit carry forwards and certain built-in losses recognized in years after the ownership change. An "ownership change" is generally defined as any change in ownership of more than 50% of a corporation's stock over a rolling three-year period by stockholders that own (directly or indirectly) 5% or more of the stock of a corporation or arising from a new issuance of stock by a corporation. If an ownership change occurs, Section 382 imposes an annual limitation on the use of pre-ownership change net operating losses, credits and certain other tax attributes to offset taxable income earned after the ownership change. The annual limitation is equal to the product of the applicable long-term tax-exempt rate and the value of the company's stock immediately before the ownership change. This annual limitation may be adjusted to reflect any unused annual limitation for prior years and certain recognized built-in gains and losses for the year. In addition, Section 383 generally limits the amount of tax liability in any post-ownership change year that can be reduced by pre-ownership change tax credit carryforwards. If the Company were to undergo an "ownership change," and therefore become subject to limitations described above, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

OSG has both on-shore and ship-board systems that are highly dependent on information technology systems. Loss, disruption, or compromise of these systems could significantly impact operations and results. As such, OSG has developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our program is based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, but rather that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

OSG's cybersecurity risk management program includes:

- Risk assessments designed to help identify material cybersecurity risks to critical systems integral to our business and our broader enterprise information technology environment.
- The use of external service providers, where appropriate, to assess, test or assist with aspects of security controls.
- Ongoing cybersecurity awareness and compliance training that occurs annually and is mandatory for all employees.
- A cybersecurity plan that includes procedures for responding to a cybersecurity incident.

We have not experienced any material cybersecurity violation or occurrence over the last three years.

We will continue to invest time, effort and financial resources to secure our systems, networks and communications. However, our security measures cannot provide absolute assurance that we will be successful in preventing or responding to all cybersecurity attacks. There can be no assurance that any breach or incident will not have a material impact on our operations and financial results. See Item 1A, "Risk Factors-Interruption, failure or breach of OSG's information technology and communications systems could impair its ability to operate" for a discussion of whether and how any risks from cybersecurity threats are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition.

Cybersecurity Governance

Our information technology ("IT") controls are subject to audit by internal and external auditors, as well as the ABS. The management team at least annually advises the Corporate Governance and Risk Assessment Committee of the Board on information security matters and provides user training and monitoring of system access as part of our compliance program. Our team of IT professionals, led by the Director of IT, collectively has over 50 years of experience in the cybersecurity space and have professional security certifications and advanced training in the field of cybersecurity and technology. The IT team has primary responsibility for OSG's overall cybersecurity risk management program and monitors the prevention, detection, mitigation, and remediation of cybersecurity risks and incidents through various means, which may include briefings with internal security personnel, threat intelligence and other information obtained from governmental, public or private sources, and alerts and reports produced by security tools.

ITEM 2. PROPERTIES

We lease two properties that house offices used in the administration of our operations: a property of approximately 18,300 square feet in Tampa, Florida, and a property of approximately 4,000 square feet in Beaverton, Oregon. We also lease 3.2 acres in Tampa, Florida on which two Company-owned buildings aggregating 15,000 square feet sit, and a property of approximately 18,600 square feet in Portland, Oregon used to store spares and parts for our vessels.

We do not own or lease any production facilities, plants, mines or similar real properties.

Vessels:

At December 31, 2023, the Company owned or operated an aggregate of 21 vessels. See tables presented under Item 1, "Business—Fleet Operations."

ITEM 3. LEGAL PROCEEDINGS

We are party to lawsuits and claims arising out of the normal course of business. In management's opinion, there are no known pending claims or litigation, the outcome of which would, individually or in the aggregate, have a material effect on our consolidated results of operations, financial position, or cash flows.

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 Class A common stock is listed on the New York Stock Exchange ("NYSE") under the symbol OSG.

As of March 6, 2024, there were 73 stockholders of record of the Company's Class A common stock.

On December 6, 2023, the Company's Board declared a cash dividend of $0.06 per share on its Class A common stock. Pursuant to such dividend declaration, the Company made dividend payments totaling $4,256 on January 4, 2024.

The declaration and timing of future cash dividends, if any, will be at the discretion of the Board and will depend upon, among other things, our future operations and earnings, capital requirements, general financial condition, contractual restrictions, restrictions imposed by applicable law and such other factors as our Board may deem relevant. In addition, the Company's ability to pay cash dividends in the future may be limited by certain of the Company's loan agreements.

Section 170(a) of the Delaware General Corporation Law ("DGCL") only permits dividends to be declared out of two legally available sources: (1) surplus, or (2) if there is no surplus, net profits for the year in which the dividend is declared or the preceding year (so-called "nimble dividends"). However, dividends may not be declared out of net profits if "the capital of the corporation, computed in accordance with sections 154 and 244 of the DGCL, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets."

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 Class A common stock that may be issued under the 2019 Incentive Compensation Plan for Management and the Non-Employee Director Incentive Compensation Plan.

Equity Securities

See Note 12, "Capital Stock and Stock Compensation," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," for a description of Class A warrants exercised in exchange for Class A common stock, which is incorporated by reference in this Part I, Item 5.

The Company's Board authorized share repurchase programs in June 2022, September 2022, March 2023, June 2023 and December 2023. Cumulatively, we repurchased 18.6 million shares for $64.8 million under these programs. There was $25.0 million of remaining availability under these programs at December 31, 2023. Additionally, in September 2023, the

Company repurchased 13.9 million warrants for $11.4 million. These warrants were convertible into 2.6 million shares of the Company's Class A common stock. The warrants were cancelled after acquisition.

During the quarter ended December 31, 2023, purchases of the Company's common stock under the share repurchase program were as follows:

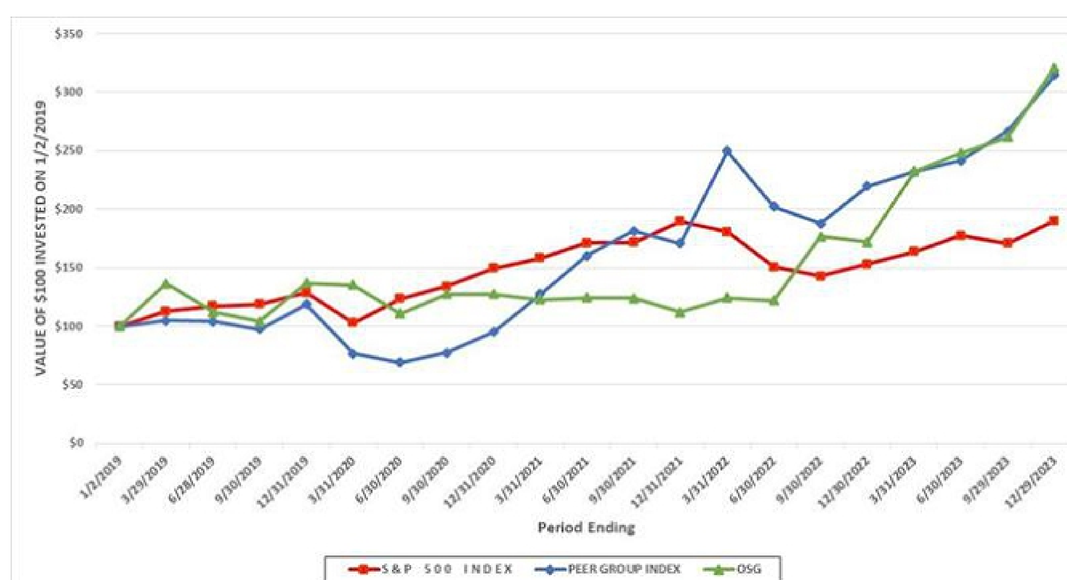
Period	Total Number Shares of Class A Purchased	Average Price Paid per Share of Class A	Total Number of Shares Purchased As Part of Publicly Announced Program	Dollar Value of Shares Remaining Under the Program (*$ in thousands*)
November 1, 2023 through November 30, 2023	1,425,000	$ 4.80	1,425,000	$ 25,000
	1,425,000	$ 4.80	1,425,000	$ 25,000

During the year ended December 31, 2023, in connection with the vesting of restricted stock units in February 2023 and March 2023, the Company withheld the following number of shares of Class A common stock from certain members of management to cover withholding taxes:

Period	Total Number Shares of Class A Purchased	Average Price Paid per Share of Class A
February 1, 2023 through February 28, 2023	85,322	$ 2.89
March 1, 2023 through March 31, 2023	247,763	$ 3.72
	333,085	$ 3.51

Stockholder Return Performance Presentation

Set forth below is a line graph for the period January 1, 2019 and December 31, 2023 comparing the percentage change in the cumulative total stockholder return on the Company's common stock against cumulative return of (i) the published Standard and Poor's 500 index and (ii) a peer group index consisting of Eagle Bulk Shipping Inc, (EGLE), Genco Shipping & Trading Limited (GNK), International Seaways, Inc. (INSW), Martin Midstream Partners L.P. (MMLP) and Matson, Inc. (MATX), referred to as the Peer Group Index. These companies are all part of the peer group selected for compensation purposes and this group is more closely aligned with the business of the Company. The Company believes that this Peer Group Index is relevant for comparative purposes.



ITEM 6. RESERVED

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

INTRODUCTION

Management's Discussion & Analysis ("MD&A") provides information concerning the major factors and trends that have affected our business, financial condition, cash flows, and results of operations, and should be read in conjunction with our accompanying consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data." It is organized into the following subsections:

- *General* - This section provides a general description of our business, which we believe is important in understanding the results of our operations, financial conditions and potential future trends.
- *Operations and Oil Tanker Markets* - This section provides an overview of industry operations and dynamics that have an impact on our financial position and results of operations.
- *Results from Vessel Operation*s - This section provides an analysis of our results of operations. 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.
- *Critical Accounting Policies and Critical Accounting Estimates* - 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.

The following information should provide a better understanding of how our performance during 2023 compares with our performance in 2022. A detailed discussion of how our performance during 2022 compares to our performance during 2021 is not included herein and can be found in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 9, 2023.

GENERAL

Our 21-vessel fleet operates as a single reportable segment. We believe that this is appropriate as our chief operating decision maker makes decisions about resource allocations and reviews and measures our results as one line of business with similar regulatory requirements, customers and commodities transported. Revenues are derived predominantly from time charter agreements, which provide a predictable level of revenues. We derived approximately 20% of our total shipping revenues and 16% of our total TCE revenues in the spot market and COAs for 2023.

OPERATIONS AND OIL TANKER MARKETS

Our revenues are highly sensitive to patterns of supply and demand for vessels of the size and design configurations owned and operated by us and the trades in which those vessels operate. Rates for the transportation of crude oil and refined petroleum products 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 cargoes need to be transported. In the Jones Act trades within which the substantial majority of our vessels operate, demand factors for transportation are affected almost exclusively by supply and distribution decisions of oil producers, refiners and distributors based in the United States. Further, the demand for U.S. domestic oil shipments is significantly affected by the state of the U.S. and global economies, the level of imports into the U.S. from OPEC and other foreign producers, oil production in the United States, and the relative price differentials of U.S. produced crude oil and refined petroleum products as compared with comparable products sourced from or destined for foreign markets, including the cost of transportation on international flag vessels to or from those markets. The number of vessels is affected by newbuilding deliveries and by the removal of existing vessels from service, principally through storage, layup, deletions, or conversions. Our revenues are also affected by the mix of charters between spot (voyage charters which include short-term time charters) and long-term (time or bareboat charters).

The following principal developments have directly or indirectly impacted our business recently and are expected to continue to do so:

- Geopolitical tensions outside of the US have severely disrupted historical trading patterns for crude oil and its refined products. Since December 2022, the EU has, in response to the war in Ukraine, banned waterborne crude oil imports from Russia, and the G7 nations have implemented price caps limiting the global price paid for Russian oil and its refined products. Other countries have stepped in to purchase these commodities at a discount to world prices. More recently, vessels transiting the Red Sea have been the target of Houthi missile and drone attacks, causing many vessels to avoid Red Sea transits and to instead make longer voyages around the Cape of Good Hope. These circumstances have collectively resulted in the redirection of crude oil and refined product trade flows and increased aggregate ton-mile demand. Although the United States was not a major importer of Russian or Persian Gulf oil, its markets have nonetheless been impacted by these global events. Historically high international freight costs have resulted from disrupted trade patterns. Supply constraints now exist in markets that were alternative supply sources competing against domestic product shipped on Jones Act tonnage. As a result, traders now seem to favor domestic product sources over overseas alternatives, giving strong support for the use of Jones Act vessels. This increase in demand has resulted in higher utilization levels and higher rates for Jones Act vessels.

- The continued impact of government policies encouraging the use of renewable fuels has driven strong demand growth for transporting renewable diesel and its feedstock components from production sources along the U.S. Gulf Coast to markets along the West Coast. California's low carbon fuel standard regulations in particular have stimulated the use of renewable diesel, which is chemically identical to regular diesel, can be used on its own or be blended with conventional diesel, and produces less carbon dioxide and nitrogen oxide than conventional diesel. The Gulf Coast currently produces a significant proportion of renewable diesel, and California has been the largest consumer of this product. Marine transportation is the most cost-effective solution to move finished product to the West Coast. The length of the trip to California creates a significant increase in ton-mile demand and has created a large new market for Jones Act tankers.

- The Biden Administration in 2023 approved ConocoPhillips' "Willow Project" in Alaska. This project, together with a previously permitted project to develop the "Pikka" discovery operated by Santos, are expected to bring on nearly 250,000 barrels per day of new crude oil production in Alaska by 2027. The promise of significant increased future production bodes well for the prospective demand for OSG's Alaska Class tankers, which provide the most cost- effective means for delivery of North Slope crude oil to refineries located in California and Washington state. Anticipating this increase in demand, in late 2023 OSG acquired the *Alaskan Frontier*, sister to the other three Alaska class vessels, and contracted with engine manufacturer MAN B&W to perform life cycle upgrades on each of the engines on all four vessels. The life cycle upgrades will improve performance and fuel efficiency and also prepare the engines for possible use of methanol fuel in the future. It is expected that the fuel efficiency gain will result in 15-20% fuel savings as compared to the original engine design leading to a meaningful reduction in carbon output. The significant capital investment in the four Alaska class vessels should permit OSG to operate the vessels for a longer period of time and with lower maintenance costs for their remaining lives.

- In December 2023, OSG was awarded a $400 thousand grant from the DOE to study the development of its proposed T-RICH. The study is an important step towards realizing the potential for participating in an emerging market for managing the transport and sequestration of captured CO_2. The study will evaluate the commercial feasibility of developing an intermediate storage hub at Port Tampa Bay for CO_2 captured from industrial emitters across the State of Florida. As conceived, T-RICH would receive, store, and process, initially, two million metric tons of CO_2 per year, which would be transported by OSG vessels across the Gulf of Mexico for permanent underground storage. T-RICH would be the first of its kind in the nation and could be scaled in the future to meet expanded volumes of captured CO_2.

Having our vessels committed on time charters is a fundamental objective of our chartering strategy. We seek to have a majority of available vessel operating days covered with time charters or contracts of affreightment, but if such charters are not remunerative, or prove unachievable under certain market conditions, some of our vessels may operate in the spot market, which is more volatile and less predictable. Because shipping revenues and voyage expenses are significantly affected by the mix between voyage charters and time charters, we manage our vessels based on TCE revenues and rates, which are non-GAAP measures.

Lack of available tonnage throughout 2023 contributed to minimal spot activity for Jones Act tankers and ATBs. Charterers are increasing the duration of some new time charter contracts to secure tonnage for multi-year periods. There were few vessels available in the spot market and total spot activity decreased from 62 spot fixtures in 2022 to 41 spot fixtures in 2023. Of the 41 spot fixtures, eight were performed by tankers and the others were performed by ATBs.

Our vessels were employed for 99.7% of available days during 2023, with 22 of a total 6,324 available days (excluding 183 days vessels were off-hire due to drydock requirements) seeing vessels idle without employment. Industry-wide, there were no firm Jones Act construction orders as of December 31, 2023.

Delaware Bay lightering volumes averaged 70,000 b/d in 2023 compared with 67,000 b/d in 2022. We have contract minimums with our refinery customers that compensate us for barrels not lightered below minimum amounts.

RESULTS FROM VESSEL OPERATIONS

In December 2022, we redelivered three conventional tankers leased from American Shipping Company ASA ("AMSC"). This reduction in the number of vessels we operated in 2023 was the primary reason for decreases in our revenues in 2023 compared to the comparable periods in 2022. Additional items that impacted our revenues both positively and negatively are described below.

During the year ended December 31, 2023, shipping revenues decreased by $14,929, or 3.2% compared to 2022. In addition to the changes in the number of vessels we operate, there was a 24-day increase in drydock days and fewer MSC voyages, which were longer international voyages, during 2023 compared to 2022. The decrease in shipping revenues was partially offset by a 297-day decrease in layup days. We had no vessels in layup during 2023. During the first quarter of 2022, we had two vessels in layup for the full quarter and two additional vessels came out of layup in January 2022 and late February 2022. The remaining two vessels in layup returned to service in May 2022. Additionally, the decrease was partially offset by (a) an increase in average daily rates earned by our fleet, (b) an increase in Delaware Bay lightering volumes, and (c) an 11-day decrease in repair days.

Reconciliations of TCE revenues, a non-GAAP measure, to shipping revenues as reported in the consolidated statements of operations follows:

	Years Ended December 31,			
	2023		2022	
Time charter equivalent revenues	$	423,527	$	426,328
Add: Voyage expenses		28,344		40,472
Shipping revenues	$	451,871	$	466,800

Consistent with the general practice in the shipping industry, we use TCE 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. TCE revenues, a non-GAAP measure, provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists management in decisions regarding the deployment and use of our vessels and in evaluating their financial performance.

The following table provides a breakdown of TCE rates achieved for the years ended December 31, 2023 and 2022 between spot and fixed earnings and the related revenue days. Prior period amounts have been updated to conform to current period presentation.

	2023				2022			
For the years ended December 31,		**Spot Earnings**		**Fixed Earnings**		**Spot Earnings**		**Fixed Earnings**
Jones Act MR Product Carriers:								
Average rate	$	64,906	$	66,780	$	50,676	$	60,908
Revenue days		40		3,545		644		3,621
Non-Jones Act MR Product Carriers:								
Average rate	$	36,827	$	57,768	$	45,562	$	31,290
Revenue days		861		166		730		361
ATBs:								
Average rate	$	59,125	$	44,083	$	37,579	$	37,490
Revenue days		11		990		267		690
Lightering:								
Average rate	$	93,031	$	—	$	75,965	$	—
Revenue days		363		—		365		—
Alaska [(a)]:								
Average rate	$	—	$	60,449	$	—	$	59,880
Revenue days		—		1,050		—		1,061

[(a)] Excludes one Alaska class vessel currently in layup.

During 2023, TCE revenues decreased by $2,801, or 0.7%, to $423,527 from $426,328 in 2022. The decrease in TCE revenues was primarily driven by the decrease in shipping revenues explained above offset by the decrease in voyage expense explained below.

Voyage expenses decreased by $12,128, or 30.0%, to $28,344 in 2023 from $40,472 in 2022 primarily due to decreases in fuel and port expenses, as our vessels performed fewer voyage charters during 2023 compared to 2022.

Vessel expenses decreased by $10,420, or 5.9%, to $166,246 in 2023 from $176,666 in 2022 primarily due to (1) a decrease in crewing costs related to fewer vessels in our fleet, and (2) an increase in the stipend we received for our vessels participation in the MSP and TSP during 2023, as discussed further below. The stipend is intended to reimburse owners for the additional costs of operating U.S. Flag vessels; therefore, we present this stipend as an offset to vessel expenses.

Charter hire expenses decreased by $23,878, or 26.9%, to $64,971 in 2023 from $88,849 in 2022. The decrease primarily resulted from less charter hire expense paid during 2022 compared to 2021 due to the redelivery of three conventional tankers leased from AMSC in December 2022.

Depreciation expense decreased by $3,473, or 4.9%, to $67,164 in 2023 from $70,637 in 2022. The decrease primarily resulted from a decrease in amortization of drydock costs.

Two of our U.S. Flag Product Carriers participated in the MSP during the first quarter of 2023 and the year ended December 31, 2022. During the first quarter of 2023, the stipend received was $1,325 for each vessel. Such stipend was $5,300 on one vessel and $3,952 on the other vessel during the year ended December 31, 2022.

In April 2023, three of our vessels were accepted into the TSP. We transferred the two non-Jones Act U.S. Flag Product Carriers that had been participating in the MSP into the TSP and added the *Overseas Sun Coast*, which was converted to U.S. Flag status in January 2023, to participate in the program.

In June 2023, MSC awarded one of the vessels that had been in the TSP, the *Overseas Mykonos*, a time charter contract to provide ongoing fuel transportation services to MSC in support of our nation’s defense. The time charter awarded is for a one-year base period with MSC holding additional option periods to extend the contract out to a maximum period of five- and one-half years. The *Overseas Mykonos* was delivered to MSC in August 2023.

During the year ended December 31, 2023, we received $10,612 under the TSP. Under the terms of the TSP, we expect to receive up to $6,000 for each vessel in 2024. We do not receive a stipend for any days exceeding 180 days for which the vessels operate under a time charter to a U.S. government agency.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased $1,238, or 4.6%, to $28,223 from $26,985 in 2022. The increase was primarily driven by higher compensation and benefits costs related

to an increase in headcount and higher compensation levels.

OTHER INCOME, NET

Other income, net increased $3,339, or 100.4%, to $6,666 in 2023 from $3,327 in 2022. The increase in other income, net was primarily due to investment income earned on our investment accounts at higher interest rates year over year. Other income, net increased due to a recognition of a gain on prepayment of DPOs. In October 2023, we entered into new bareboat charter agreements for seven vessels leased from subsidiaries of American Shipping Corporation. As part of the new agreements, we prepaid, at a discount, all of the remaining outstanding DPO, which had been tied to two of the vessels. The increase in other income, net was partially offset by a decrease due to the annual actuarial adjustments related to our pension and other postretirement benefit plans.

INTEREST EXPENSE

Interest expense decreased $1,844, or 5.6%, to $31,216 in 2023 from $33,060 in 2022. The decrease in interest expense was primarily due to a lower average balance of debt outstanding during 2023 compared to 2022.

INCOME TAX EXPENSE

The effective tax rates for the years ended December 31, 2023 and 2022 were 13.7% and 20.6%, respectively. The decrease is the result of a change in our days in state ports, state law changes and a decrease in a net operating loss valuation allowance.

As of December 31, 2023, we had U.S. federal net operating loss carryforwards of $132,644 that are available to reduce future taxes, if any. The existing federal net operating loss carryforwards begin to expire in 2034.

VESSEL OPERATING CONTRIBUTION

Vessel operating contribution, a non-GAAP measure, is TCE revenues minus vessel expenses and charter hire expenses.

	Years Ended December 31,	
($ in thousands)	2023	2022
Specialized businesses	$ 116,463	$ 121,112
Jones Act MR tankers	46,536	17,957
Jones Act ATBs	29,311	21,744
Vessel operating contribution	192,310	160,813
Depreciation and amortization	67,164	70,637
General and administrative	28,223	26,985
Operating income from vessel operations	$ 96,923	$ 63,191

EBITDA AND ADJUSTED EBITDA

EBITDA represents net income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted to exclude amortization classified in charter hire expenses, interest expense classified in charter hire expenses, loss/(gain) on disposal of vessels and other property, including impairments, net, non-cash stock based compensation expense and the impact of other items that we do not consider indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA do not represent, and should not be a substitute for, net income or cash flows from operations as determined in accordance with GAAP. Some of the limitations of EBITDA and Adjusted EBITDA are: (i) EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments; (ii) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and (iii) EBITDA and Adjusted EBITDA do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt. While EBITDA and Adjusted EBITDA are frequently used as a measure of operating results and performance, neither of them is necessarily comparable to other similarly titled measures used by other companies due to differences in methods of calculation. The following table reconciles net income as reflected in the consolidated statements of operations, to EBITDA and Adjusted EBITDA.

	Years Ended December 31,	
($ in thousands)	2023	2022
Net income	$ 62,454	$ 26,564
Income tax expense	9,919	6,894
Interest expense, net	31,216	33,060
Depreciation and amortization	67,164	70,637
EBITDA	170,753	137,155
Amortization classified in charter hire and vessel expenses	1,094	862
Interest expense classified in charter hire expenses	426	1,219
Non-cash stock based compensation expense	3,471	3,574
Adjusted EBITDA	$ 175,744	$ 142,810

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

Working capital from continuing operations at December 31, 2023 was approximately ($55,000) compared with approximately $(38,000) at December 31, 2022. Excluding the current portion of operating and finance lease liabilities, working capital was approximately $10,000 at December 31, 2023 compared to $30,000 at December 31, 2022. The decrease in working capital was primarily due to (a) an increase in current installments of long-term debt as our term loan, due 2024, matures on September 30, 2024, (b) a decrease in receivables related to the timing of collections from our customers, and (c) an increase in accounts payable, accrued expenses and other current liabilities as a result of timing of accounts payable payments made in 2023 compared to 2022. The decrease in working capital was partially offset by an increase in an investment security to be held to maturity as our U.S.

Treasury Note matures in August 2024.

As of December 31, 2023, we had total liquidity on a consolidated basis comprised principally of $76,257 of cash and cash equivalents. We manage our cash in accordance with our intercompany cash management system. Our cash and cash equivalents, as well as our restricted cash balances, generally exceed Federal Deposit Insurance Corporation insurance limits. We place our cash, cash equivalents and restricted cash in what we believe to be creditworthy 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.

As of December 31, 2023, we had total debt outstanding (net of deferred financing costs) of $400,711 and a total debt to total capitalization of 53.1%, compared to $423,363 and 55.5%, respectively, at December 31, 2022.

Sources, Uses and Management of Capital

We generate significant cash flows from our complementary mix of time charters, voyage charters and COAs. Net cash provided by operating activities in 2023 was $102,958. In addition to operating cash flows, our other current potential sources of funds are additional borrowings, proceeds from the opportunistic sales of our vessels and proceeds from additional issuances of equity securities. In the past, we have also obtained funds from the issuance of long-term debt securities.

We use capital to fund working capital requirements, maintain the quality of our vessels, comply with U.S. and international shipping standards and environmental laws and regulations, repay or repurchase our outstanding loan facilities and from time-to-time, repurchase shares of our common stock. We may also use cash generated by operations to finance capital expenditures to modernize and grow our fleet.

The following is a summary of the significant capital allocation initiatives we executed during 2023 and our current commitments for future uses of capital:

On December 6, 2023 our Board declared a cash dividend of $0.06 per share of our Class A common stock resulting in dividend payments totaling $4,256 on January 4, 2024.

In November 2023, we purchased the *Alaskan Frontier* for $20,000 from BP Oil Shipping Company, USA. We intend to reactivate the 1.3-million-barrel capacity tanker which has been in cold layup in Malaysia since 2019. We plan to make investments in the vessel for it to begin commercial trade by the fourth quarter of 2024.

In October 2023, we entered into new bareboat charter agreements for the seven vessels leased from subsidiaries of American Shipping Corporation, all of which are now owned by a Jones Act qualified subsidiary of a private fund managed by Maritime Partners, LLC (the "MP Fund"). The economic terms of the bareboat charters remain the same as the previous bareboat charters. Prior to this acquisition by the MP Fund, these seven vessels were owned indirectly by AMSC. The previous charters with AMSC for two of the seven chartered-in vessels contained a DPO. As part of the new agreements, we prepaid, at a discount, $5,602 to the MP Fund, representing all of our remaining outstanding DPO. The gain recognized on the transaction of $912 is included in other income, net on the consolidated statements of operations.

In September 2023, we purchased, using available cash, 13,851,382 warrants for our common stock from entities managed by Cyrus for total consideration of $11,384. The warrants purchased, which were exercisable for 2,631,763 shares of our Class A common stock and represented all of the warrants held by Cyrus, were cancelled subsequent to the purchase.

During the year ended December 31, 2023, we repurchased 8,599,059 shares of our company stock for $35,339 at an average price of $4.11. At December 31, 2023, we have a remaining authorization under our share repurchase program of $25,000.

As of December 31, 2023, we had contractual commitments for the purchase and installation of equipment related to engine life cycle upgrades on our four Alaska class vessels. Our debt service commitments and aggregate purchase commitments for vessel betterments as of December 31, 2023 are presented in the Aggregate Contractual Obligations Table below.

Outlook

The Company's revenues are sensitive to often highly cyclical patterns of supply and demand. In the core Jones Act trades within which the majority of our vessels operates, demand factors for transportation have historically been affected almost exclusively by supply and distribution of refined petroleum products in the United States. Demand in the specialized market for transporting Alaskan North Slope crude oil to West Coast refineries is impacted by both upstream investment into new oil production and by the purchasing patterns of the refineries. Recent developments on both these fronts have positively affected both the short- and medium-term vessel demand outlook for vessels in OSG's fleet. First, the significant expansion of domestic crude oil production available along the U.S. Gulf Coast has led to an increase in the demand for shipment of domestic crude oil to refineries in the Delaware Bay. Second, and significantly, the emergence of moving renewable diesel and its feedstock components from production sources along the Gulf Coast to markets along the West Coast, and the substantial financial incentives for substituting conventional diesel with renewable diesel, has generated meaningful incremental ton-mile demand for Jones Act MR tankers, adding a new dimension to understanding traditional Jones Act trades. Lastly, the recent approval of projects in Alaska that are expected to add as much as 250,000 barrels a day of new crude oil production by the end of 2027 suggests that demand for ATC's crude oil tankers should remain strong into the next decade. A further factor positively affecting the markets within which our assets trade has been the very strong market for internationally trading MR product tankers that has emerged in the past 24 months, primarily as a result of supply chain disruption occasioned by the war in Ukraine and escalated tensions in the Middle East, and in particular in the Red Sea. High freight costs in international trades cause traders to favor domestic product sources over overseas alternatives, giving strong support for use of Jones Act vessels.

We consider the "normalized" market in which our vessels trade to be one that should be characterized by stable, longer-term chartering relationships with our customer base. Recent demand considerations and the lack of any contracted new tonnage under construction have generally tightened market conditions. This has allowed us to re-establish such normalized relationships with our key customers, giving us a substantial book of time charter contracts, many of which extend at profitable rates for several years into the future.

Earnings volatility that accompanies spot market exposure has important implications for liquidity management. As was experienced during the COVID-19 pandemic, the short-term need for marine assets to move fuels in the constrained demand environment can and did change dramatically. While the effects of COVID-19 on our business have largely receded, the lessons of the potential impact of unforeseen trade disruptions remains. The retention of relatively high cash balances and efforts to reduce overall levels of debt and operating and administrative costs should be understood as a necessary response to heightened volatility and uncertainty.

As noted, we have witnessed a strong trend towards rebalance of supply and demand within our core markets, driven by emerging new demand, the lack of any new vessel supply currently under construction, and tightening age restrictions imposed by our core customer base, progressively limiting the acceptability of aging vessels for use in service. The return to normalized levels of demand in domestic refined product trades, coupled with increased renewable fuels transport activity, so long as that trend continues, should continue to underpin market conditions which we consider to be supportive of our long-term business objectives.

The Company's time charter business booked during 2023 has and is expected to continue to generate relatively high levels of free cash flow for the foreseeable future which should provide the Company with sufficient liquidity to meet its needs.

Aggregate Contractual Obligations

A summary of our long-term contractual obligations as of December 31, 2023 follows:

	2024	2025	2026	2027	2028	Thereafter	Total
Debt							
Unsecured senior notes [(1)]	$ 405	$ —	$ —	$ —	$ —	$ —	$ 405
Term loan, due 2024 [(1)]	19,829	—	—	—	—	—	19,829
Alaska tankers term loan, due 2025 [(1)]	6,356	14,810	—	—	—	—	21,166
OSG 204 LLC term loan, due 2025 [(1)]	2,923	23,012	—	—	—	—	25,935
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027 [(1)]	5,099	5,099	5,099	36,921	—	—	52,218
Term loan, due 2028 [(1)]	36,726	36,726	36,726	36,726	249,054	—	395,958
Operating lease obligations [(2)]							
Bareboat charter-ins	67,853	62,943	55,330	4,161	4,172	1,277	195,736
Office space	682	630	648	666	488	677	3,791
Vessel betterment commitments [(3)]	18,815	11,605	6,926	—	—	—	37,346
Total	$ 158,688	$ 154,825	$ 104,729	$ 78,474	$ 253,714	$ 1,954	$ 752,384

(1) Amounts shown include contractual interest obligations. See Note 7, "Debt," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," for interest rates on the Company's fixed rate debt.
(2) As of December 31, 2023, we had charter-in commitments for eight vessels on leases that are accounted for as operating leases. The full amounts due under bareboat charter-ins and office leases are discounted and reflected on our consolidated balance sheet as lease liabilities with corresponding right of use asset balances.
(3) Represents our commitments for the purchase and installation of equipment related to engine life cycle upgrades on our four Alaska class vessels. The contracts are denominated in euros and we are party to forward contracts and options to fix the dollar cost of the project. Amounts represent the euro to USD exchange rate at the time of settlement of the forward contracts or options when the scheduled payments are due under the contracts.

In addition to the above long-term contractual obligations we have certain obligations for our domestic retirees and their eligible dependents as of December 31, 2023 related to a post-retirement benefit plan as follows:

	2024	2025	2026	2027	2028
Postretirement health care plan obligations [(1)]	$ 225	$ 222	$ 212	$ 223	$ 230
Total	$ 225	$ 222	$ 212	$ 223	$ 230

(1) Amounts are estimated based on the 2023 cost taking the assumed health care cost trend rate for 2024 to 2028 into consideration. See Note 15, "Pension, Other Postretirement Benefit Plans and Benefit Liabilities," to our consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data." Because of the subjective nature of the assumptions made, actual premiums paid in future years may differ significantly from the estimated amounts.

Off-Balance Sheet Arrangements

The Company did not have, during the periods presented, and does not currently have, any off-balance sheet arrangements.

Carrying Value of Vessels

Twelve of our owned vessels are pledged as collateral under our term loan agreements. The carrying value of each of our vessels does not necessarily represent its fair market value or the amount that could be obtained if the vessel were sold.

We believe that the availability, quality and reliability of fair market valuations of U.S Flag vessels are limited given the fact that the U.S. Flag market is relatively small and illiquid with very limited secondhand sales and purchases activity from which to benchmark vessel values. As discussed in Note 9, "Fair Value Measurements and Fair Value Disclosures," to our consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data," we monitor for any indicators of impairment in regards to the carrying value of our vessels.

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.

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)	2024	2025	2026	2027	2028	Total	Fair Value at Dec. 31, 2023
Fixed rate debt	$ 43.2	$ 54.9	$ 19.3	$ 52.6	$ 234.3	$ 404.3	$ 389.5
Average interest rate	6.19%	5.98%	7.55%	6.84%	7.75%	—	—

Currency and exchange rate risk

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.

During the fourth quarter of 2023, the Company entered into contracts for the purchase and installation of equipment related to engine life cycle upgrades on the Company's four Alaska class vessels. The contracts are denominated in euros and the Company is party to forward contracts and options to fix the dollar cost of the project of approximately $37,346. The maturity dates and amounts of the forward contracts and options correspond to the scheduled payments due under the contracts.

CRITICAL ACCOUNTING 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 2, "Summary of Significant Accounting Policies" to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

Revenue Recognition

The majority of our revenue is generated from time charters and is accounted for as operating leases and are thus recognized ratably over the rental periods of such charters as service is performed. The Company does not recognize time charter revenues during periods that vessels are off hire.

The Company generates a portion of its revenue from voyage charters. Within the shipping industry, there are two methods used to account for voyage charter revenue: (1) ratably over the estimated length of each voyage and (2) completed voyage. The recognition of voyage revenues ratably over the estimated length of each voyage is the most prevalent method of accounting for voyage revenues in the shipping industry and the method used by OSG. Under each method, voyages may be calculated on either a load-to-discharge or discharge-to-discharge basis.

The Company recognizes revenue from voyage charters ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. 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 generally paid by the Company's customers.

The Company enters into COAs to provide transportation services between specified points for a stated quantity of cargo over a specific time period, but without designating voyage schedules. The Company's COAs include minimum purchase requirements from customers that are expressed in either fixed monthly barrels, annual minimum barrel volume requirements or annual minimum number of voyages to complete. The Company is required to transport, and the charterer is required to provide the Company with, a minimum volume requirement.

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 (except for new ATBs for which estimated useful lives of 30 years are used) 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 economic lives assigned to the Company's vessels prove to be too long 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. See Note 2, "Summary of Significant Accounting Policies" for further details.

The United States has not adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (the "Convention"). While the Convention is not in effect in the United States, the EPA and the MARAD have, from time to time, required the owners of U.S. Flag vessels to make certifications regarding the presence of certain toxic substances onboard vessels that they are seeking to sell to parties who (a) are not citizens of the United States and (b) intend to recycle the vessels after they have been purchased (the "Recycling Purchasers"). In the event that more stringent requirements are imposed upon the owners of U.S. Flag vessels seeking to sell their vessels to the Recycling Purchasers, such requirements could (a) negatively impact the sales prices obtainable from the Recycling Purchasers or (b) require companies, including OSG, to incur additional costs in order to sell their U.S. Flag vessels to the Recycling Purchasers or to other foreign buyers intending to use such vessels for further trading.

Intangible Assets

The Company allocates the cost of acquired companies to the identifiable tangible and intangible assets and liabilities acquired, with the remaining amount being classified as goodwill. The Company's intangible assets represent long-term customer relationships acquired as part of the 2006 purchase of Maritrans, Inc. See Note 9, "Fair Value Measurements and Fair Value Disclosures," for further discussion.

Drydocking

Within the shipping industry, there are two methods that are used to account for dry dockings: (1) capitalize drydocking costs as incurred (deferral method) and amortize such costs over the period to the next scheduled drydocking, and (2) expense drydocking costs as incurred. Since drydocking cycles typically extend over two and a half years or five years, management uses the deferral method because management believes it provides a better matching of revenues and expenses than the expense-as-incurred method.

Newly Issued Accounting Standards

See Note 2, "Summary of Significant Accounting Policies," to the Company's consolidated financial statements set forth in Item 8, "Financial Statements and Supplementary Data."

CRITICAL ACCOUNTING ESTIMATES

Income Taxes, Deferred Tax Assets and Valuation Allowance

Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes only in the U.S. Significant judgments and estimates are required in determining the consolidated income tax expense.

Deferred income taxes arise from temporary differences between the financial reporting and the tax basis of assets and liabilities and from events that have been recognized in the financial statements and will result in taxable or deductible amounts based on provisions of the tax law in different periods. In evaluating our ability to recover our net deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. A valuation allowance is established to the extent it is more likely than not that some portion or the entire deferred tax asset will not be realized. Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future.

Pension Benefits

In connection with the acquisition of Maritrans in November 2006, the Company assumed the obligations under the noncontributory defined benefit pension plan that covered eligible employees of Maritrans (the "Maritrans Plan"). The Company froze the benefits payable under the Maritrans Plan as of December 31, 2006. The Company has recorded pension benefit costs developed with the support of its actuarial consultants that are based on estimates, key assumptions, and valuations, including those related to the discount rates, the rates expected to be earned on investments of plan assets, and the life expectancy/mortality of plan participants. OSG is required to consider market conditions in selecting a discount rate that is representative of the rates of return currently available on high-quality fixed income investments. A higher discount rate would result in a lower benefit obligation and a lower rate would result in a higher benefit obligation. The expected rate of return on plan assets is management's best estimate of expected returns on plan assets. A decrease in the expected rate of return will increase net periodic benefit costs and an increase in the expected rate of return will decrease benefit costs. The mortality assumption is management's best estimate of the expected duration of future benefit payments at the measurement date. The estimate is based on the specific demographics and other relevant facts and circumstances of the participants in the Maritrans Plan and considers all relevant information available at the measurement date. Longer life expectancies would result in higher benefit obligations and a decrease in life expectancies would result in lower benefit obligations.

In determining the benefit obligations at the end of the year measurement date, the Company continues to use the equivalent single weighted-average discount rate, rounded to the nearest 5 basis points, that best matches projected benefit payments. See Note 15, "Pension, Other Postretirement Benefit Plans and Benefit Liabilities," for further discussion on the Company's pension plans.

Vessel Impairment, Including Right-of-Use Assets

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 newbuilds. 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 may 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, ship operating expenses, utilization, drydocking 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 beyond the expiry of any current time charters are based on internally forecasted rates that take into consideration average annual rates published by a third-party maritime research service and are consistent with forecasts provided to the Company's senior management and Board. The internally forecasted rates are based on management's evaluation of current economic data and trends in the shipping and oil and gas industries. 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 internally forecasted rates to be reasonable.

Estimated outflows for operating expenses and drydocking requirements are based on historical and budgeted costs and are adjusted for assumed inflation. Utilization is based on historical levels achieved and anticipated future demand. Estimates of a residual value are consistent with the pattern of recycling rates used in management's evaluation of salvage value.

In estimating the fair value of vessels for the purposes of the impairment tests, the Company utilizes estimates of discounted future cash flows for each of the vessels (income approach) since the secondhand sale and purchase market for the type of U.S. Flag vessels owned by OSG is not considered to be robust. See Note 9, "Fair Value Measurements and Fair Value Disclosures," for further discussion.

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," which are incorporated herein by reference.

ITEM 8.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DOLLARS IN THOUSANDS

	December 31, 2023	December 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 76,257	$ 78,732
Investment security to be held to maturity	14,900	—
Voyage receivables, including unbilled of $4,976 and $11,364, net of reserve for credit losses	17,362	19,698

Income tax recoverable	407	1,914
Other receivables	3,140	5,334
Prepaid expenses	662	385
Inventories and other current assets	1,860	2,283
Total Current Assets	114,588	108,346
Vessels and other property, less accumulated depreciation and amortization	699,032	726,179
Deferred drydock expenditures, net	44,827	38,976
Total Vessels, Deferred Drydock and Other Property	743,859	765,155
Intangible assets, less accumulated amortization	13,417	18,017
Operating lease right-of-use assets	172,703	206,797
Investment security to be held to maturity	—	14,803
Other assets	34,317	25,945
Total Assets	$ 1,078,884	$ 1,139,063
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 60,911	$ 54,906
Current installments of long-term debt	43,305	23,733
Current portion of operating lease liabilities	65,272	63,288
Current portion of finance lease liabilities	—	4,000
Total Current Liabilities	169,488	145,927
Reserve for uncertain tax positions	285	175
Long-term debt, net	357,406	399,630
Deferred income taxes, net	79,373	70,233
Noncurrent operating lease liabilities	107,911	149,960
Noncurrent finance lease liabilities	—	16,456
Other liabilities	10,368	16,997
Total Liabilities	724,831	799,378
Commitments and contingencies (Note 17)		
Equity:		
Common stock - Class A ($0.01 par value; 166,666,666 shares authorized; 89,545,535 and 88,297,439 shares issued; 70,946,476 and 78,297,439 shares outstanding)	895	883
Paid-in additional capital	588,361	597,455
Accumulated deficit	(174,825)	(233,023)
Treasury stock, 18,599,059 and 10,000,000 shares, at cost	(64,380)	(29,040)
	350,051	336,275
Accumulated other comprehensive income	4,002	3,410
Total Equity	354,053	339,685
Total Liabilities and Equity	$ 1,078,884	$ 1,139,063

See notes to consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

	Years Ended December 31,		
	2023	**2022**	**2021**
Shipping Revenues:			
Time charter revenues	$ 359,543	$ 327,329	$ 254,744
Voyage charter revenues	92,328	139,471	104,318
	451,871	466,800	359,062
Operating Expenses:			
Voyage expenses	28,344	40,472	66,467
Vessel expenses	166,246	176,666	140,413
Charter hire expenses	64,971	88,849	90,166
Depreciation and amortization	67,164	70,637	61,823
General and administrative	28,223	26,985	24,097
Bad debt recovery	—	—	(1,080)
Loss on disposal of vessels and other property, including impairments, net	—	—	6,276
Total operating expenses	354,948	403,609	388,162
Operating income/(loss) from vessel operations	96,923	63,191	(29,100)
Loss on extinguishment of debt, net	—	—	(8,031)
Other income, net	6,666	3,327	1,985
Income/(loss) before interest expense and income taxes	103,589	66,518	(35,146)
Interest expense, net	(31,216)	(33,060)	(29,203)
Income/(loss) before income taxes	72,373	33,458	(64,349)
Income tax (expense)/benefit	(9,919)	(6,894)	18,097
Net income/(loss)	$ 62,454	$ 26,564	$ (46,252)
Weighted Average Number of Common Shares Outstanding:			
Basic - Class A	78,485,954	89,556,195	90,587,454
Diluted - Class A	81,231,761	91,400,041	90,587,454
Per Share Amounts:			
Basic net income/(loss) - Class A	$ 0.80	$ 0.30	$ (0.51)

Diluted net income/(loss) - Class A	$ 0.77	$ 0.29	$ (0.51)

See notes to consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
DOLLARS IN THOUSANDS

	Years Ended December 31,		
	2023	**2022**	**2021**
Net income/(loss)	$ 62,454	$ 26,564	$ (46,252)
Other comprehensive (loss)/income, net of taxes:			
Defined benefit pension and other postretirement benefit plans:			
Net change in unrecognized prior service costs	(558)	(553)	(554)
Net change in unrecognized actuarial gain	1,150	1,020	3,779
Other comprehensive income	592	467	3,225
Comprehensive income/(loss)	$ 63,046	$ 27,031	$ (43,027)

See notes to consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
DOLLARS IN THOUSANDS

	Years Ended December 31,		
	2023	**2022**	**2021**
Cash Flows from Operating Activities:			
Net income/(loss)	$ 62,454	$ 26,564	$ (46,252)
Items included in net income/(loss) not affecting cash flows:			
Depreciation and amortization	67,164	70,637	61,823
Bad debt recovery	—	—	(1,080)
Amortization of debt discount and other deferred financing costs	1,142	1,129	2,099
Compensation relating to restricted stock, stock unit and stock option grants	3,471	3,574	2,232
Deferred income tax expense/(benefit)	8,974	6,347	(18,236)
Interest on finance lease liabilities	917	1,618	1,799
Non-cash operating lease expense	65,751	89,127	90,863
Items included in net income/(loss) related to investing and financing activities:			
Gain on prepayment of deferred payment obligations	(912)	—	—
Loss on extinguishment and prepayments of debt, net	—	—	5,295
Loss on disposal of vessels and other property, including impairments, net	—	—	6,276
Payments for drydocking	(23,138)	(17,231)	(19,037)
Changes in operating assets and liabilities:			
Operating lease liabilities	(73,074)	(99,808)	(92,634)
Decrease/(increase) in receivables	2,336	(5,112)	(384)
Increase/(decrease) in income tax receivable	1,507	(32)	(1,495)
(Decrease)/increase in deferred revenue	(6,026)	3,435	9,666
Net change in other operating assets and liabilities	(7,608)	(7,425)	(12,767)
Net cash provided by/(used in) operating activities	102,958	72,823	(11,832)
Cash Flows from Investing Activities:			
Expenditures for vessels and vessel improvements	(30,789)	(6,354)	(7,793)
Purchase of investment security to be held to maturity	—	(14,794)	—
Proceeds from disposal of vessels and other property	—	—	32,128
Net cash (used in)/provided by investing activities	(30,789)	(21,148)	24,335
Cash Flows from Financing Activities:			
Payments on debt	(23,730)	(22,222)	(33,316)
Tax withholding on share-based awards	(1,168)	(496)	(402)
Payments on principal portion of finance lease liabilities	(2,964)	(4,161)	(4,161)
Deferred financing costs paid for debt amendments	(58)	(277)	(2,465)
Purchases of treasury stock	(35,340)	(29,040)	—
Purchases of treasury stock and Class A warrants	(11,384)	—	—
Extinguishment of debt and prepayments	—	—	(277,520)
Issuance of debt, net of issuance and deferred financing costs	—	—	321,531
Extinguishment of debt costs paid	—	—	(2,736)
Net cash (used in)/provided by financing activities	(74,644)	(56,196)	931
Net (decrease)/increase in cash and cash equivalents	(2,475)	(4,521)	13,434
Cash and cash equivalents at beginning of year	78,732	83,253	69,819
Cash and cash equivalents at end of year	$ 76,257	$ 78,732	$ 83,253

See notes to consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY/(DEFICIT)
DOLLARS IN THOUSANDS

	Common Stock	Paid-in Additional Capital	Retained Earnings / (Accumulated Deficit)	Treasury Stock	Accumulated Other Comprehensive (Loss)/Income	Total
Balance at December 31, 2020	$ 864	$ 592,564	$ (213,335)	$ —	$ (282)	$ 379,811
Net loss	—	—	(46,252)	—	—	(46,252)
Other comprehensive income, net of taxes	—	—	—	—	3,225	3,225
Issuance and vesting of restricted stock awards	8	(8)	—	—	—	—
Taxes withheld and forfeitures of restricted stock awards	—	(402)	—	—	—	(402)
Compensation related to Class A restricted stock awards	—	2,232	—	—	—	2,232
Balance at December 31, 2021	872	594,386	(259,587)	—	2,943	338,614
Net income	—	—	26,564	—	—	26,564
Other comprehensive income, net of taxes			—	—	467	467
Issuance and vesting of restricted stock awards	13	(13)	—	—	—	—
Taxes withheld and forfeitures of restricted stock awards	(2)	(492)	—	—	—	(494)
Compensation related to Class A restricted stock awards	—	3,574	—	—	—	3,574
Purchases of treasury stock	—	—	—	(29,040)	—	(29,040)
Balance at December 31, 2022	883	597,455	(233,023)	(29,040)	3,410	339,685
Net income	—	—	62,454	—	—	62,454
Other comprehensive income, net of taxes	—	—	—	—	592	592
Issuance and vesting of restricted stock awards	14	(14)	—	—	—	—
Taxes withheld and forfeitures of restricted stock awards	(4)	(1,165)	—	—	—	(1,169)
Compensation related to Class A restricted stock awards	—	3,471	—	—	—	3,471
Conversion of Class A warrants to Class A common stock	2	(2)	—	—	—	—
Dividends declared	—	—	(4,256)	—	—	(4,256)
Purchases of treasury stock	—	—	—	(35,340)	—	(35,340)
Purchase of Class A Warrants	—	(11,384)	—	—	—	(11,384)
Balance at December 31, 2023	$ 895	$ 588,361	$ (174,825)	$ (64,380)	$ 4,002	$ 354,053

See notes to consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

NOTE 1 — BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

The consolidated financial statements include the accounts of Overseas Shipholding Group, Inc., a Delaware corporation incorporated in 1969, and its wholly owned subsidiaries (the "Company" or "OSG", or "we" or "us" or "our"). The Company owns and operates a fleet of oceangoing vessels engaged primarily in the transportation of crude oil and refined petroleum products in the U.S. Flag trade. All significant intercompany balances and transactions have been eliminated in consolidation.

NOTE 2 — 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.

2. *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 the estimated useful lives of the vessels, which are generally 25 years (except for new articulated tug barge ("ATBs") for which estimated useful lives of 30 years are used).

   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 years to 15 years.

   Interest costs are capitalized to vessels and other property during the period when vessels are under construction and projects are in progress. During the years ended December 31, 2023, 2022 and 2021, interest costs capitalized were $951, $1,378 and $1,427, respectively.

   Expenditures incurred during a drydocking are deferred and amortized on the straight-line basis over the shorter of the terms of the leases or the period until the next scheduled drydocking, 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.

   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 or from the date (as in the case of certain of the Company's ATBs) a vessel was rebuilt. 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 economic lives assigned to the Company's vessels prove to be too long because of new regulations, a prolonged weak market environment, a 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.

3. *Impairment of long-lived assets, including right-of-use 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, the requirement for impairment could be triggered 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. A long-lived asset

impairment charge results in a new cost basis being established for the relevant long-lived asset. See Note 9, "Fair Value Measurements and Fair Value Disclosures," for further discussion on the impairment tests performed on our vessels during the three years ended December 31, 2023.

4. *Intangible assets* - Intangible assets with estimable useful lives are amortized over their estimated useful lives and are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may be impaired. See Note 9, "Fair Value Measurements and Fair Value Disclosures," for further discussion on the impairment test performed on the Company's intangible assets at December 31, 2023.

5. *Internal use software* - The Company contracted with a third party to implement a cloud-based enterprise resource planning software system. The Company concluded the arrangement is considered a cloud computing arrangement and should be accounted for as a service contract under ASC 350, *Intangibles-Goodwill and Other.* Two of the modules were completed and the Company put into service $3,500 of internal use software during 2022. The capitalized costs less accumulated depreciation of $992 is included in other assets on the consolidated balance sheets at December 31, 2023 and are being amortized on the straight-line basis over their estimated useful lives of five years.

6. *Deferred finance charges* - Finance charges incurred in the arrangement and amendment of debt are deferred and amortized to interest expense on an effective interest method over the life of the related debt.

   Unamortized deferred financing charges of $3,618 and $4,697 relating to the Company's term loans are netted against current and long-term debt in the consolidated balance sheets as of December 31, 2023 and 2022, respectively. Interest expense relating to the amortization of deferred financing charges amounted to $1,142 in 2023, $1,129 in 2022 and $2,099 in 2021.

7. *Revenue and expense recognition* - Revenues from time charters are accounted for as operating leases and are thus recognized ratably over the rental periods of such charters, as service is performed. Revenues from voyage charter contracts are recognized ratably over the estimated length of each voyage, calculated on a load-to-discharge basis.

   The Company classifies time charter leasing arrangements less than 90 days within the voyage charter revenue financial statement line item because the Company believes the pricing negotiated within these short-term time charter contracts more closely aligns with the Company's voyage charter spot market.

   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 generally paid by the Company's customers.

   The Company receives a stipend for the Company's U.S. Flag Product Carriers which participate in the TSP and previously participated in the MSP during the first quarter of 2023 and the years ended December 31, 2022 and 2021. This stipend has been recorded as an offset to vessel expenses which amounted to $13,262 in 2023, $9,252 in 2022 and $10,500 in 2021.

8. *Voyage receivables* - All customers are granted credit on a short-term basis and related credit risks are considered minimal. The Company routinely reviews its voyage receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those estimates and those differences may be material. Voyage receivables are deemed uncollectible and removed from accounts receivable and the reserve for credit losses when collection efforts have been exhausted.

9. *Concentration of credit risk* - Financial instruments that potentially subject the Company to concentrations of credit risk are voyage receivables due from charterers. With respect to voyage receivables, the Company limits its credit risk by performing ongoing credit evaluations. Voyage receivables reflected on the consolidated balance sheets as of December 31, 2023 and 2022 are net of a reserve for credit losses of $152 and $197, respectively.

   During the year ended December 31, 2023, the Company had one individual customer who accounted for 10% or more of the Company's revenues. The customer and its related percentage was Hilcorp North Slope LLC (14.3%). During the years ended December 31, 2022 and 2021, the Company had two individual customers who accounted for 10% or more of the Company's revenues. The customers and their related percentages were Hilcorp North Slope LLC (14.2%) and Valero Marketing and Supply Company (10.2%) for the year ended December 31, 2022 and Hilcorp North Slope LLC (28.2%) and BP Products North America Inc. (10.6%) for the year ended December 31, 2021.

   The Company's cash and cash equivalents balances generally exceed Federal Deposit Insurance Corporation insurance limits. Cash and cash equivalents are placed in what the Company believes to be creditworthy financial institutions. In addition, certain of the Company's money market accounts invest in U.S. Treasury securities or other obligations issued or guaranteed by the U.S. government or its agencies.

10. *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 statements and tax basis 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 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.

11. *Use of estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 and internal use software, estimates used in assessing the recoverability of vessels, intangible assets and other long-lived assets, liabilities incurred relating to pension benefits, and income taxes. Actual results could differ from those estimates.

12. *Segment information* - Operating segments are defined as components of an enterprise that engage in business activities. The Company has determined that it operates

its business as a single segment as its chief operating decision maker makes decisions about resource allocations and reviews and measures the Company's results as one line of business with similar regulatory requirements, customers and commodities transported.

13. *Inventories* - Inventories are included in the inventories and other current assets line item on the consolidated balance sheets. Inventories are accounted for on the first in first out basis and consist of fuel on the Company's vessels.

14. *Derivatives* - ASC 815, *Derivatives and Hedging*, requires the Company to recognize all derivatives on the balance sheet 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 offset against the change in fair value of the hedged item (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 ineffective portion (that is, the change in fair value of the derivative that does not offset the change in fair value of the hedged item) of an effective hedge and the full amount of the change in fair value of derivative instruments that do not qualify for hedge accounting are immediately recognized in earnings.

    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 income 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 income 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 balance sheet, recognizing changes in the fair value in current period earnings, unless it is designated in a new hedging relationship or terminated.

    During the year ended December 31, 2023, no ineffectiveness gains or losses were recorded in earnings relative to the forward contracts and options entered into by the Company that qualified for hedge accounting. See Note 9, "Fair Value of Financial Instruments and Fair Value Disclosures," for additional disclosures on the Company's forward contracts and options and other financial instruments.

15. *Recently adopted accounting standards* - In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326)*, *Derivatives and Hedging (Topic 815)* and *Leases (Topic 842): Effective Dates*, which allows a two-bucket approach for determining the effective dates of these accounting standards. Under this approach, the buckets would be defined as follows:

    Bucket 1— All public business entities ("PBEs") that are SEC filers (as defined in U.S. GAAP), excluding smaller reporting companies ("SRCs") (as defined by the SEC). The credit losses standard became effective January 1, 2020.

    Bucket 2— All other entities, including SRCs, other PBEs that are not SEC filers, private companies, not-for-profit organizations, and employee benefit plans. The credit losses standard became effective January 1, 2023.

    At June 30, 2019, the evaluation date for purposes of determining the applicability of the Bucket 2 credit losses standard, the Company met the SEC definition of a smaller reporting company. The Company adopted that standard on January 1, 2023. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

16. *Recently issued accounting standards* - In December 2023, the FASB issued *ASU 2023-09, Improvements to Income Tax Disclosures.* The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. The Company will adopt this standard on January 1, 2025. Management is currently reviewing the impact of the adoption of this accounting standard on the Company's consolidated financial statements.

    In November 2023, the FASB issued *ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*. The amendments require a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and to provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures required under ASC 280. The guidance is effective for all public entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The enhanced segment disclosure requirements apply retrospectively to all prior periods presented in the financial statements. The significant segment expense and other segment item amounts disclosed in prior periods shall be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company will adopt this standard on January 1, 2024. Management is currently reviewing the impact of the adoption of this accounting standard on the Company's consolidated financial statements.

NOTE 3 — EARNINGS PER COMMON SHARE

Basic earnings per common share is computed by dividing earnings by the weighted average number of common shares outstanding during the period. As management deems the exercise price for the Class A warrants of $0.01 per share to be nominal, warrant proceeds are ignored, and the shares issuable upon Class A warrant exercises are included in the calculation of basic weighted average common shares outstanding for all periods.

The computation of diluted earnings per share assumes the issuance of common stock for all potentially dilutive stock options and restricted stock units.

Class A

As of December 31, 2023, there were 3,179,004 shares of Class A common stock issuable under outstanding restricted stock units and 1,478,756 shares of Class A common stock issuable under outstanding options, both of which are considered to be potentially dilutive securities. As of December 31, 2022, there were 3,672,646 shares of Class A common stock issuable under outstanding restricted stock units and 1,478,756 shares of Class A common stock issuable under outstanding options, both of which are considered to be potentially dilutive securities. As of December 31, 2021, there were 3,371,177 shares of Class A common stock issuable under outstanding restricted stock units and 1,478,756 shares of Class A common stock issuable under outstanding options, both of which are considered to be potentially dilutive securities.

The components of the calculation of basic earnings per share and diluted earnings per share are as follows:

	Years Ended December 31,		
	2023	2022	2021
Net income/(loss)	$ 62,454	$ 26,564	$ (46,252)
Weighted average common shares outstanding:			
Class A common stock - basic	78,485,954	89,556,195	90,587,454
Class A common stock - diluted	81,231,761	91,400,041	90,587,454

For the years ended December 31, 2023 and 2022, there were dilutive equity awards outstanding covering 2,745,807 and 1,843,846 shares, respectively. Awards of 241,882 and 609,956 shares (related to restricted stock units and stock options) were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive for the years ended December 31, 2023 and 2022. For the year ended December 31, 2021, awards under which 2,017,810 shares may be issued related to restricted stock units and stock options were not included in the computation of diluted earnings per share because inclusion of these awards would be anti-dilutive due to a net loss during the period.

NOTE 4 — REVENUE RECOGNITION

Shipping Revenues

Time Charter Revenues

The Company enters into time charter contracts under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of a vessel. The Company recognizes revenues from time charters as operating leases ratably over the noncancellable contract term. Customers generally pay voyage expenses such as fuel, canal tolls and port charges. The Company also provides the charterer with services such as technical management expenses and crew costs. While there are lease and non-lease components related to time charter contracts, the predominant component of the contract is the charterer's lease of the vessel. The non-lease components of the contract have the same timing and pattern of transfer as the underlying lease component; therefore, the Company applies the practical expedient of combining lease and non-lease components and recognizes revenue related to this service ratably over the life of the contract term.

Voyage Charter Revenues

The Company enters into voyage charter contracts, under which the customer pays a transportation charge (voyage freight) for the movement of a specific cargo between two or more specified ports. The Company's performance obligation under voyage charters, which consists of moving cargo from a load port to a discharge port, is satisfied over time. Accordingly, under ASC 606, the Company recognizes revenue from voyage charters ratably over the estimated length of each voyage, calculated on a load-to-discharge basis. The transaction price is in the form of a fixed fee at contract inception, which is the transportation charge. Voyage charter contracts also include variable consideration primarily in the form of demurrage, which is additional revenue the Company receives for delays experienced in loading or unloading cargo that are not deemed to be the responsibility of the Company. The Company does not include demurrage in the transaction price for voyage charters since it is highly susceptible to factors outside the Company's influence. Examples of when demurrage is incurred include unforeseeable weather conditions and security regulations at ports. The uncertainty related to this variable consideration is resolved upon the completion of the voyage, the duration of which is generally less than 30 days.

Tanker Security Program and Maritime Security Program

Under the TSP and MSP arrangements, which are considered service arrangements under ASC 606, the Company received a stipend for each participating vessel. The stipend is intended to reimburse owners for the additional costs of operating U.S. Flag vessels; therefore, the Company presented this stipend as an offset to vessel expenses.

Contracts of Affreightment

The Company enters into COAs to provide transportation services between specified points for a stated quantity of cargo over a specific time period, but without designating voyage schedules. The Company has COAs to provide for lightering services and other arrangements based on the number of voyages. These contracts are service contracts within the scope of ASC 606 for which the underlying performance obligation is satisfied as transportation services are provided.

The Company's COAs include minimum purchase requirements from customers that are expressed in either fixed monthly barrels, annual minimum barrel volume requirements or annual minimum number of voyages to complete. The Company is required to transport and the charterer is required to provide the Company with a minimum volume requirement.

COAs provide the charterer with the opportunity to purchase additional transportation services above the minimum. If this is not considered a material right, the Company recognizes revenue related to the additional services at the contractual rate as the product is transferred over time. If the additional transportation service is considered a material right, the Company allocates the transaction price to the material right. As a result, the Company may recognize revenue related to COAs at an amount different from the invoiced amount if the Company's estimated volume to be transported under the contract exceeds the contractual minimum.

COAs also include variable consideration primarily related to demurrage. The Company does not include this variable consideration in the transaction price for these contracts as the consideration is constrained since the obligation to deliver this service is outside the control of the Company. The uncertainty related to this variable consideration is resolved with the customer over the course of the contract term as individual voyages discharge.

At December 31, 2023 and 2022, the Company did not have deferred revenue related to the Company's COAs.

Disaggregated Revenue

The Company has disaggregated revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Consequently, the disaggregation below is based on contract type. Since the terms within these contract types are generally standard in nature, the Company does not believe that further disaggregation would result in increased insight into the economic factors impacting revenue and cash flows.

The following table shows the Company's shipping revenues disaggregated by nature of the charter arrangement for the years ended December 31, 2023, 2022 and 2021:

	Years Ended December 31,		
	2023	2022	2021
Time and bareboat charter revenues	$ 359,543	$ 327,329	$ 254,744
Voyage charter revenues [1]	35,508	86,659	57,946
Contracts of affreightment revenues	56,820	52,812	46,372
Total shipping revenues	$ 451,871	$ 466,800	$ 359,062

(1) Voyage charter revenues include revenue related to short-term time charter contracts of $4,261, $33,612 and $14,843 for the years ended December 31, 2023, 2022 and 2021, respectively.

Voyage Receivables

As of December 31, 2023 and December 31, 2022, contract balances from contracts with customers consisted of voyage receivables of $7,768 and $9,258, respectively, net of reserves for credit losses for voyage charters and lightering contracts, which were not material. For voyage charters, voyage freight is due to the Company upon completion of discharge at the last discharge port. For lightering contracts, the Company invoices the customers based on the actual barrels of cargo lightered. The Company routinely reviews its voyage receivables and makes provisions for probable credit losses; however, those provisions are estimates and actual results could differ from those estimates and those differences may be material. Voyage receivables are removed from accounts receivable and the reserve for credit losses when they are deemed uncollectible. The Company deems voyage receivables uncollectible when the Company has exhausted collection efforts.

Costs to Fulfill a Contract

Under ASC 606, for voyage charters and COAs, the Company capitalizes the direct costs, which are voyage expenses, of relocating the vessel to the load port to be amortized during transport of the cargo. At December 31, 2023, the costs related to voyages that were not yet completed were not material.

Additionally, these contracts include out-of-pocket expense (i.e. fuel, port charges, canal tolls) incurred by the Company in fulfilling its performance obligations, which are reimbursed by the charterer at cost. The reimbursement for these fulfillment costs are included in the Company's estimated transaction price for the contract and recognized as revenue when performance obligations are satisfied.

Transaction Price Allocated to the Remaining Performance Obligations

As of December 31, 2023, the Company expects to recognize revenue of approximately $47,578 in 2024 and $14,608 in 2025 under COAs. This estimated amount relates to the fixed consideration of contractual minimums within the contracts based on the Company's estimate of future services.

Practical Expedients and Exemptions

The Company's voyage charter contracts and some of the Company's COAs have an original expected duration of one year or less; therefore, the Company has elected to apply the practical expedient, which permits the Company to not disclose the portion of the transaction price allocated to the remaining performance obligations within these COAs.

The Company expenses broker commissions for voyage charters, which are costs of obtaining a contract, as they are incurred because the amortization period is less than one year or are otherwise amortized as the underlying performance obligation is satisfied. The Company records these costs within voyage expenses on the consolidated statements of operations.

NOTE 5 — VESSELS, OTHER PROPERTY AND DEFERRED DRYDOCK

Vessels and other property consist of the following:

	Years Ended December 31,	
	2023	2022
Vessels, at cost	$ 1,092,950	$ 1,082,822
Accumulated depreciation	(427,508)	(385,242)
Vessels, net	665,442	697,580
Construction in progress	33,482	10,406
Finance lease right-of-use asset, at cost (Note 14)	26,940	26,940
Accumulated amortization (Note 14)	(10,706)	(8,856)
Transfer to operating lease right-of-use asset (Note 14)	(16,234)	—
Finance lease right-of use asset, net (Note 14)	—	18,084
Other property, at cost	5,616	5,578
Accumulated depreciation and amortization	(5,508)	(5,469)
Other property, net	108	109
Total vessels and other property	$ 699,032	$ 726,179

In November 2023, the Company purchased the *Alaskan Frontier* for $20,000 from BP Oil Shipping Company, USA. OSG intends to reactivate the 1.3-million-barrel capacity tanker which has been in cold layup in Malaysia since 2019. OSG plans to make investments in the vessel for it to begin commercial trade by the fourth quarter of 2024.

On January 27, 2023, the Company reflagged the *Overseas Sun Coast,* its sole Marshall Island flagged tanker, to U.S. Flag, joining the rest of the Company's U.S. Flag fleet.

In June 2021, the Company sold the *Overseas Gulf Coast* for $32,128, net of broker commissions and other fees, resulting in a loss of $5,268, which is included in loss on disposal of vessels and other property, including impairments, net on the consolidated statements of operations.

At December 31, 2023, the Company's owned vessel fleet with a weighted average age of 16.3 years, consisted of five MR Product Carriers, four crude oil tankers, two lightering ATBs and two ATBs. Twelve of these vessels were pledged as collateral under term loan agreements with an aggregate carrying value of $659,586.

Vessel activity, excluding construction in progress, for the three years ended December 31, 2023 is summarized as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance at December 31, 2020	$ 1,099,187	$ (308,449)	$ 790,738

Transfers from construction in progress	6,836	—	
Depreciation	—	(39,398)	
Disposals	(39,696)	2,316	
Balance at December 31, 2021	1,066,327	(345,531)	720,796
Transfers from construction in progress	16,699	—	
Additions	570	—	
Depreciation	—	(40,485)	
Disposals	(774)	774	
Balance at December 31, 2022	1,082,822	(385,242)	697,580
Transfers from construction in progress	10,128	—	
Depreciation	—	(42,266)	
Balance at December 31, 2023	$ 1,092,950	$ (427,508)	$ 665,442

The total of vessel additions can be different from expenditures for vessels as shown in the consolidated statements of cash flows because of the timing of when payments were made. For the years ended December 31, 2023, 2022 and 2021, the Company had approximately $1,908, $2,784 and $1,341 of non-cash investing activities for the accrual of capital expenditures related to the Company's vessels.

Drydocking activity for the three years ended December 31, 2023 is summarized as follows:

	2023	2022	2021
Balance at January 1	$ 38,976	$ 43,342	$ 43,134
Additions	24,254	18,198	15,017
Drydock amortization	(18,403)	(22,564)	(14,809)
Balance at December 31	$ 44,827	$ 38,976	$ 43,342

NOTE 6 — INTANGIBLE ASSETS

Intangible assets activity for the three years ended December 31, 2023 is summarized as follows:

	Total
Balance at December 31, 2020	$ 27,217
Amortization	(4,600)
Balance at December 31, 2021	22,617
Amortization	(4,600)
Balance at December 31, 2022	18,017
Amortization	(4,600)
Balance at December 31, 2023	$ 13,417

The Company's intangible assets at December 31, 2023 and 2022 consist of long-term customer relationships acquired as part of the 2006 purchase of Maritrans, Inc. The gross intangible assets were $92,000 at December 31, 2023 and 2022. The unamortized balance of the Company's intangible assets at December 31, 2023 will be recognized over the remaining useful life, which is three years. Amortization of intangible assets for the three years subsequent to December 31, 2023 is expected to approximate $4,600 per year.

NOTE 7 — DEBT

Debt consists of the following:

	December 31,	
	2023	2022
Term loan, due 2024, net of unamortized deferred costs of $119 and $257	$ 18,942	$ 20,330
Alaska tankers term loan, due 2025, net of unamortized deferred costs of $134 and $267	20,091	25,289
OSG 204 LLC term loan, due 2025, net of unamortized deferred costs of $267 and $457	23,697	25,006
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027, net of unamortized deferred costs of $484 and $609	42,163	44,342
Unsecured senior notes, net of unamortized deferred costs	390	390
Term loan, due 2028, net of unamortized deferred costs of $2,612 and $3,106	295,428	308,006
Total debt	400,711	423,363
Less current installments of long-term debt	(43,305)	(23,733)
Total long-term debt	$ 357,406	$ 399,630

The weighted average interest rate for debt outstanding at December 31, 2023 and 2022 was 7.22% and 7.18%, respectively.

Term Loans

Capitalized terms used hereafter have the meaning given in this Annual Report on Form 10-K or in the respective transaction documents referred to below, including subsequent amendments thereto.

Term loan, due 2028 - On September 29, 2021, certain subsidiaries (the "Borrowers") of the Company entered into a seven-year, $325,000 term loan credit facility with Stonebriar Commercial Finance. Proceeds were used to pay off the Company's term loan, due 2023, with The Prudential Insurance Company of America, as administrative agent, and certain other lenders, and the Company's term loan, due 2026, with Wintrust Commercial Finance, for $237,983 and $20,298, respectively. Additionally, the Company used proceeds to make a prepayment of $16,000, to partially prepay a term loan with Banc of America Leasing & Capital, LLC, the Company's Alaska tankers term loan, due 2025. The remaining proceeds were used for general working capital purposes. The Company recognized an aggregate net loss of $7,961 on these transactions, which reflects a write-off of unamortized deferred financing costs and prepayment fees. The new term loan bears interest at a rate of 7.75% and matures on October 1, 2028. The performance of the Borrowers' obligations under the term loan is guaranteed by the Company and certain other subsidiaries and are secured by the Borrowers' assets, including five tankers, three tugs, and two barges, and by the Company's equity interests in certain of its subsidiaries.

OSG 205 LLC and OSG Courageous II LLC term loan, due 2027 - In November 2020, two of the Company's subsidiaries, OSG 205 LLC and OSG Courageous II LLC, entered into a construction loan in the original principal amount of $49,150 of which $46,711 was drawn down to finance a new 204,000-barrel U.S. Flag oil and chemical ATB barge, *OSG 205*, and to refinance the tug to which the barge is being paired, the *OSG Courageous.* On December 3, 2020, upon completion and delivery of the *OSG 205,* the remainder of the construction loan was drawn down and the construction loan was converted to a term loan. The term loan had a fixed rate of interest of 6.37%. In March 2021, the Company obtained an amendment for certain financial covenants of the term loan. In connection with the amendment, the interest rate was updated to a fixed interest rate of 6.87% until the end of the first quarter of 2022. Beginning in the second quarter of 2022, the interest rate returned to a fixed interest rate of 6.37%. The loan is guaranteed by the Company and has a seven-year term maturing on December 1, 2027. The lenders hold a perfected first priority security interest and preferred ship mortgage against the barge and tug. In November 2021, the Company completed an amendment on the term loan to conform the covenants with the Stonebriar $325,000 loan.

OSG 204 LLC term loan, due 2025 - In June 2020, one of the Company's subsidiaries, OSG 204 LLC, entered into a loan with Wintrust Commercial Finance in the aggregate original principal amount of $32,933 to finance a new 204,000-barrel U.S. Flag oil and chemical ATB barge. The loan had a fixed interest rate of 5.00%. On November 5, 2021, the Company amended the loan to conform the covenants with the Stonebriar $325,000 loan. In connection with the amendment, the Company made a prepayment of $3,000 on the outstanding balance of the loan and the loan's interest rate was updated to a fixed interest rate of 5.75%. The loan is guaranteed by the Company and has a five-year term maturing on June 1, 2025. The lender holds a perfected first priority security interest and preferred ship mortgage against the vessel.

Alaska tankers term loan, due 2025 - On March 12, 2020, the Company entered into a loan with Banc of America Leasing & Capital, LLC and other syndicate lenders in the aggregate original principal amount of $54,000 to finance the purchase of three U.S.-flagged crude oil carrier vessels, the *Alaskan Explorer*, *Alaskan Legend*, and *Alaskan Navigator*. The loan is secured by first preferred ship mortgages on the vessels. On September 29, 2021, the Company made a prepayment of $16,000 to release the *Alaskan Legend* as security. The loan bears a fixed rate of interest of 4.43% and has a maturity date of March 12, 2025. In November 2021, the Company completed an amendment on the term loan to conform the covenants with the Stonebriar $325,000 loan.

Term loan, due 2024 - In August 2019, two of the Company's subsidiaries entered into term loans in an aggregate principal amount of $50,000 with a five-year term maturing on September 30, 2024 to finance the *Overseas Gulf Coast* and the *Overseas Sun Coast.* On July 30, 2020, the Company repaid, using cash on hand, its $24,000 term loan secured by the *Overseas Gulf Coast*. The remaining term loan is secured by a first preferred ship mortgage on the *Overseas Sun Coast* and a guaranty by the Company. The term loan bears a fixed rate of interest of 5.54%. In November 2021, the Company completed an amendment on the term loan to conform the covenants with the Stonebriar $325,000 loan.

Term loan, due 2023 – In December 2018, the Company and several of its subsidiaries entered into a term loan with PGIM, Inc. as Administrative Agent for a syndication of lenders, which was secured by a guarantee from the Company. The loan had an aggregate original principal amount of $325,000 and a five-year term. As discussed above, this loan was paid off in September 2021.

Term loan, due 2026 – In November 2018, two of the Company's subsidiaries, Mykonos Tanker LLC and Santorini Tanker LLC, entered into a loan with Wintrust Commercial Finance which was guaranteed by the Company. The loan had an aggregate original principal amount of $27,500 and a seven-year term. As discussed above, this loan was paid off in September 2021.

Unsecured Senior Notes

7.5% Notes – The unsecured senior notes were issued on March 7, 2003 and consisted of $146,000 in face value, which are due on February 15, 2024.

Interest Expense

The following table summarizes interest expense, including amortization of issuance and deferred financing costs, commitment, administrative and other fees, recognized during the three years ended December 31, 2023 with respect to the Company's debt facilities:

Debt Facility	Years Ended December 31, 2023	2022	2021
Term loan, due 2024	$ 1,269	$ 1,340	$ 1,407
Alaska tankers term loan, due 2025	1,156	1,406	2,193
OSG 204 LLC term loan, due 2025	1,614	1,697	1,747
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027	2,922	3,121	3,423
Unsecured senior notes	29	29	32
Term loan, due 2028	24,187	25,146	6,550
Term loan, due 2023	—	—	12,618
Term loan, due 2026	—	—	712
Total interest expense on debt facilities	$ 31,177	$ 32,739	$ 28,682

Cash paid for interest expense was $30,030, $31,618 and $25,609 in the years ended December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, the aggregate annual principal payments required to be made on the Company's debt are as follows:

2024	$ 43,183
2025	54,903
2026	19,268
2027	52,597
2028	234,375
Thereafter	—
Total	$ 404,326

NOTE 8 — Investment in Security to be Held to Maturity

In July 2022, the Company purchased a $15,000 U.S. Treasury Note for $14,794, with a maturity date of August 15, 2024. The U.S. Treasury Note is classified as investment in security to be held to maturity and is carried at amortized cost on the consolidated balance sheets, as the Company has the intent and ability to hold until maturity. The amortized cost, gross unrealized loss and fair value of the U.S. Treasury Note at December 31, 2023 and December 31, 2022 were as follows:

At December 31, 2023	Amortized Cost	Gross Unrealized Loss	Fair Value
U.S. Treasury Note	$ 14,900	$ (148)	$ 14,752
	$ 14,900	$ (148)	$ 14,752

December 31, 2022	Amortized Cost	Gross Unrealized Loss	Fair Value
U.S. Treasury Note	$ 14,803	$ (328)	$ 14,475
	$ 14,803	$ (328)	$ 14,475

Other-Than-Temporarily Impaired ("OTTI")

The Company performed quarterly reviews of the U.S. Treasury Note in order to determine whether the decline in fair value below the amortized cost basis was considered other-than-temporary in accordance with applicable guidance. At December 31, 2023 and 2022, the Company determined that the unrealized loss on the U.S. Treasury Note was primarily due to increases in interest rates. Therefore, there was no OTTI loss recognized during the years ended December 31, 2023 and 2022.

NOTE 9 — FAIR VALUE MEASUREMENTS AND FAIR VALUE DISCLOSURES

ASC 820, *Fair Value Measurements and Disclosures*, relating to fair value measurements, defines fair value and established a framework for measuring fair value. The ASC 820 fair value hierarchy distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances. 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 levels of the fair value hierarchy established by ASC 820 are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities
Level 2 - Quoted prices for similar assets and liabilities in active markets or inputs that are observable
Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

Cash and cash equivalents and restricted cash — The carrying amounts reported on the consolidated balance sheets for interest-bearing deposits approximate fair value. Investments in trading securities consist of equity securities and were measured using quoted market prices at the reporting date.

U.S. Treasury Note — The fair value of the U.S. Treasury Note is based on a quoted market price in an active market.

Debt — The fair values of the Company's publicly traded and non-public debt are estimated based on similar instruments.

The estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, at December 31, 2023 and 2022, are as follows:

	Carrying Value	Fair Value	
		Level 1	Level 2
December 31, 2023:			
Assets			
Cash and cash equivalents	$ 76,257	$ 76,257	$ —
U.S. Treasury Note	14,900	14,752	—
Total	$ 91,157	$ 91,009	$ —
Liabilities			
Term loan, due 2024, net	$ 18,942	$ —	$ 18,546
Alaska tankers term loan, due 2025, net	20,091	—	19,203
OSG 204 LLC term loan, due 2025, net	23,697	—	22,875
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027, net	42,163	—	39,350
Term loan, due 2028, net	295,428	—	287,918
Unsecured senior notes, net	390	—	389
Total	$ 400,711	$ —	$ 388,281

	Carrying Value	Fair Value	
		Level 1	Level 2
December 31, 2022:			
Assets			
Cash and cash equivalents	$ 78,732	$ 78,732	$ —
U.S. Treasury Note	14,803	14,475	—
Total	$ 93,535	$ 93,207	$ —
Liabilities			
Term loan, due 2024, net	$ 20,330	$ —	$ 19,296
Alaska tankers term loan, due 2025, net	25,289	—	23,195
OSG 204 LLC term loan, due 2025, net	25,006	—	23,448
OSG 205 LLC and OSG Courageous II LLC term loan, due 2027, net	44,342	—	40,331
Term loan, due 2028, net	308,006	—	295,320
Unsecured senior notes, net	390	—	385
Total	$ 423,363	$ —	$ 401,975

Derivatives

During the fourth quarter of 2023, the Company entered into contracts for the purchase and installation of equipment related to engine life cycle upgrades on the Company's four Alaska class vessels. The contracts are denominated in euros and the Company is party to forward contracts and options to fix the dollar cost of the project. The maturity dates and amounts of the forward contracts and options correspond to the scheduled payments due under the contracts. Accordingly, the Company concluded that the forward contracts and options were effective at hedging the scheduled payments and recognized a forward contract and firm commitment, which were not material at December 31, 2023.

Nonfinancial Instruments that are Measured at Fair Value on a Nonrecurring Basis

Vessel Impairments

During the years ended December 31, 2023 and 2022, the Company gave consideration as to whether events or changes in circumstances had occurred that could indicate the carrying amounts of the vessels in the Company's fleet may not be recoverable. The Company concluded that no such events or changes in circumstances had occurred.

During the third quarter of 2021, the Company gave consideration as to whether events or changes in circumstances had occurred that could indicate that the carrying amounts of the Company's operating lease right-of-use assets may not be fully recoverable. The Company concluded that the decline in previously forecasted cash flows on two of the Company's leased vessels, due to a change in the expected deployment, constituted an impairment triggering event during the third quarter of 2021. Based on the Company's analysis, an impairment charge of $1,000, which is included in loss on disposal of vessels and other property, including impairments, net on the consolidated statements of operations, was recorded to reduce the carrying value of the operating lease right-of-use assets to the estimated fair value. The Company's undiscounted cash flows are highly subjective as future expected deployment of the vessels is uncertain. If market conditions decline, changes in the Company's expectations on future cash flows may result in recognition of additional impairment charges in future periods. Because the Company uses its own cash flow projections, the cash flow projections are considered to be Level 3.

Valuation of Intangible Assets

The Company's intangible assets at December 31, 2023 and 2022 consisted of long-term customer relationships acquired as part of the 2006 purchase of Maritrans, Inc. The long-term customer relationships are being amortized on a straight-line basis over 20 years.

During the years ended December 31, 2023, 2022 and 2021, the Company gave consideration as to whether events or changes in circumstances had occurred that could indicate the carrying value of the Company's intangible assets may not be recoverable. The Company concluded that no such events or changes in circumstances had occurred.

NOTE 10 — ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	Years Ended December 31,	
	2023	2022
Accounts payable	$ 5,172	$ 5,962
Payroll and benefits	16,891	10,397
Dividend payable	4,256	—
Interest	2,322	2,437
Insurance	748	520
Accrued drydock and repair costs	3,988	957
Bunkers and lubricants	710	370
Charter revenues received in advance	15,752	21,778
Accrued vessel expenses	8,598	10,888
Accrued general and administrative, primarily professional fees	978	985
Other	1,496	612
	$ 60,911	$ 54,906

NOTE 11 —TAXES

The (expense)/benefit for income taxes on income before income taxes consists of the following:

	Years Ended December 31,		
	2023	2022	2021
Current - Federal	$ (12)	$ (9)	$ (8)
Current - State	(933)	(538)	(131)
Deferred - Federal	(12,544)	(4,630)	15,275
Deferred - State	3,570	(1,717)	2,961
Total	$ (9,919)	$ (6,894)	$ 18,097

The reconciliations between the U.S. federal statutory income tax rate and the effective tax rate follows:

	Years Ended December 31,		
	2023	2022	2021
U.S. federal statutory income tax rate	21.0%	21.0%	21.0%
Adjustments due to:			
State taxes, net of federal benefit	(1.6)%	0.4%	3.7%
Change in valuation allowance	(3.1)%	5.6%	0.9%
Equity awards	0.1%	0.6%	0.0%
Return to provision	0.8%	0.5%	(0.5)%
U.S. income subject to tonnage tax	(2.9)%	(8.2)%	2.2%
Other	(0.6)%	0.7%	0.8%
Effective tax rate	13.7%	20.6%	28.1%

During the years ended December 31, 2023, 2022 and 2021, $9,900, $13,100 and $6,700, respectively, of income was excluded as part of the tonnage tax exclusion resulting in a (2.9)%, (8.2)% and 2.2%, respectively, impact on the Company's effective tax rate. Prior to 2023, only *Overseas Mykonos* and *Overseas Santorini* income was excluded as part of the tonnage tax exclusion. In 2023, income from *Overseas Sun Coast* was also excluded as part of the tonnage tax exclusion as it was converted to U.S. Flag status in January 2023 and the Company made the election for the vessel to be treated under the tonnage tax regime.

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

	December 31,	
	2023	**2022**
Deferred tax liabilities:		
Vessels and other property (1)	$ 108,740	$ 119,987
Prepaid expenditures	9,107	8,695
Operating lease right-of-use assets	39,720	50,792
Other-net	—	8
Total deferred tax liabilities	157,567	179,482
Deferred tax assets:		
Loss carryforwards	52,462	67,686
Operating lease liability	39,822	50,622
Finance lease liability	—	4,662
Employee compensation and benefit plans	(654)	(212)
Financing and professional fees	6,517	8,710
Accrued expenses and other	132	79
Total deferred tax assets	98,279	131,547
Valuation allowance	(20,085)	(22,298)
Net deferred tax assets	78,194	109,249
Net deferred tax liabilities	$ 79,373	$ 70,233

(1) Includes deferred tax liabilities related to finance lease right-of-use assets totaling $4,122 at December 31, 2022.

As of December 31, 2023, the Company had U.S. federal net operating loss carryforwards of $132,643 which are available to reduce future taxes. The federal net operating loss carryforwards begin to expire in 2034. Additionally, as of December 31, 2023, the Company had U.S. state net operating loss carryforwards of $568,487. These U.S. state net operating loss carryforwards expire in various years from December 31, 2024 through December 31, 2041. Included in the financing and professional fees deferred income assets above are U.S. federal interest expense deductions with an indefinite carryforward period.

As of December 31, 2023, the Company had $30,129 in disallowed interest deduction carryforward that is available to reduce future taxes, if any. The interest deduction carryforward has no expiration date.

The Company assessed all available positive and negative evidence to determine whether sufficient future taxable income will be generated to permit use of existing deferred tax assets. For U.S. federal deferred tax assets, the Company concluded that sufficient positive evidence existed, primarily the result of reversing deferred tax liabilities during the carryover period. For certain state deferred tax assets, an increase in positive evidence has resulted in the Company reducing its valuation allowance to $20,085 as of December 31, 2023 from $22,298 as of December 31, 2022 to recognize only the portion of the deferred tax asset that is more likely than not to be realized.

During the year ended December 31, 2023, the Company received refunds of $1,022. For the years ended December 31, 2022 and 2021, the Company paid income taxes of $393 and $1,751, respectively.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (excluding interest and penalties):

	Years Ended December 31,		
	2023	**2022**	**2021**
Balance of unrecognized tax benefits as of January 1,	$ 1,035	$ 834	$ 813
(Decreases)/increases for positions taken in prior years	(307)	201	21
Balance of unrecognized tax benefits as of December 31,	$ 728	$ 1,035	$ 834

Included in the balance of unrecognized tax benefits as of December 31, 2023, 2022 and 2021 are $728, $1,035 and $834, respectively, of tax benefits that, if recognized would affect the effective tax rate.

The Company records interest and penalties on unrecognized tax benefits in its provision for income taxes. Accrued interest and penalties are included within the related liability for unrecognized tax benefit line on the consolidated balance sheets. During the years ended December 31, 2023, 2022 and 2021, the Company accrued interest and recorded liabilities for interest and penalties which were not material to the consolidated financial statements.

After taking into consideration tax attributes, such as net operating loss carryforwards and interest, the Company's unrecognized tax benefits represent a noncurrent reserve for uncertain tax positions of $285 and $175 as of December 31, 2023 and 2022, respectively.

With few exceptions, the Company is no longer subject to state and local income tax examinations by tax authorities for years before 2018. The Company conducts business and files income tax returns in numerous states. Currently, one of the Company's state tax returns is under examination by a state as part of routine audits conducted in the ordinary course of business. The future utilization of state net operating losses could potentially subject the Company to state examinations prior to the otherwise applicable statute of limitation. States vary in carryforward periods but generally extend up to 20 years or a period consistent with the federal limits under the Tax Cuts and Jobs Act.

NOTE 12 — CAPITAL STOCK AND STOCK COMPENSATION

Ownership Restrictions

In order to preserve the status of OSG as a Jones Act company, the percentage of each class of its common stock that may be owned by non-U.S. citizens is limited. The Company has established policies and procedures to ensure compliance with the Jones Act, determining to provide a reasonable margin for compliance requiring at least 77% of the outstanding shares of each class of capital stock of the Company to be owned by U.S. citizens. During any time that the limit is reached with respect to foreign ownership of shares of stock, we will not issue any further shares of such class of common stock or approve transfers of such class of common stock to non-U.S. citizens until the holdings of non-U.S.

citizens falls below the maximum percentage allowable.

Share Repurchases

On March 17, 2023, the Company's Board authorized a program to purchase up to $10,000 of the Company's common stock. In June 2023 and December 2023, the Board authorized the repurchase of an additional $10,000 and $25,000 of common stock, raising the total value of the program to $45,000. Under the program, the Company may repurchase shares from time to time in open market transactions or in privately negotiated transactions.

In August 2023, the Company purchased 3,788,639 shares of the Company's common stock from entities managed by Cyrus at a price of $4.05 per share for total consideration of $15,344. Including these transactions, for the year ended December 31, 2023, the Company repurchased 8,599,059 shares for $35,339 at an average price of $4.11. At December 31, 2023, there is $25,000 of remaining availability under the program.

On June 13, 2022, the Company's Board authorized a program to purchase up to 5,000,000 shares of the Company's common stock. Under the program, the Company repurchased shares from time to time in open market transactions or in privately negotiated transactions. The program was completed in October 2022 and the Company spent $14,740 to repurchase the 5,000,000 shares at an average price of $2.95.

In November 2022, the Company purchased 5,000,000 shares of the Company's common stock from Cyrus, at a price of $2.86 per share for a total of $14,300 using excess cash. The purchase price for the shares was determined based on the trailing three day volume weighted average price at the market closing on November 10, 2022.

Warrant Conversions

Each Class A warrant represents the right to purchase one share of Class A common stock, subject in each case to the adjustments as provided pursuant to the terms thereof. The warrants may be exercised at a price per share of Class A common stock, as applicable, of $0.01, which shall be paid pursuant to a cashless exercise procedure. Warrants may be exercised at any time or from time to time on or before August 5, 2039 and will expire thereafter. Until they exercise their warrants, except as otherwise provided in the warrants, the holders of the warrants will not have the rights or privileges of holders of the Company's common stock, including any voting rights. Warrants may only be exercised by holders who establish to OSG's reasonable satisfaction that they or the person designated to receive the shares is a U.S. person or to the extent shares deliverable upon exercise would not constitute Non-Complying Shares (as defined in OSG's Amended and Restated Certificate of Incorporation).

In September 2023, the Company purchased 13,851,382 warrants for the Company's common stock from entities managed by Cyrus for total consideration of $11,384. The warrants purchased, which were exercisable for 2,631,763 shares of the Company's Class A common stock and represented all of the warrants held by Cyrus, were cancelled subsequent to the purchase. At December 31, 2023, the Company had 4,260,919 warrants outstanding convertible into 809,575 shares.

During the years ended December 31, 2023 and 2022, the Company issued 177,966 and 11,179 shares of Class A common stock, respectively, as a result of the exercise of 939,477 and 59,124 Class A warrants, respectively.

Dividends

In December 2023 the Company's Board declared a cash dividend of $0.06 per share on its Class A common stock. Pursuant to such dividend declaration, the Company made dividend payments on January 4, 2024 totaling $4,256, which is included in accounts payable, accrued expenses and other current liabilities on the consolidated balance sheet as of December 31, 2023.

Incentive Plans

In 2014, the Overseas Shipholding Group, Inc. Management Incentive Compensation Plan (the "Management Compensation Plan") and the Overseas Shipholding Group, Inc. Non-Employee Director Incentive Compensation Plan (the "Director Plan") were approved by OSG's stockholders. On June 6, 2017, the Company's stockholders approved an increase to the maximum number of shares for issuance under the Director Plan by 1,500,000 shares. In 2019, the 2019 Incentive Compensation Plan for Management ("2019 Incentive Plan") was approved by the Company's stockholders at the annual meeting on May 30, 2019 (together with the Management Compensation Plan and the Director Plan, the "Incentive Plans"). On June 1, 2022, at the annual stockholders meeting, the Company's stockholders approved an increase to the maximum number of shares for issuance under the 2019 Incentive Plan by 5,000,000 shares.

The Incentive Plans contain anti-dilution provisions whereby in the event of any change in the capitalization of the Company, the number and type of securities underlying outstanding share-based payment awards must be adjusted, as appropriate, in order to prevent dilution or enlargement of rights. The impact of these provisions resulted in a modification of all outstanding share-based payment awards upon the stock dividend, reverse stock split and spin-off transactions. As the fair value of the awards immediately after the stock dividend, reverse stock split and spin off transactions, did not increase when compared to the fair value of such awards immediately prior to such transactions, no incremental compensation costs were recognized as a result of such modifications.

The purpose of the Incentive Plans is to promote the interests of the Company and its stockholders by providing certain employees and members of the Board, who are largely responsible for the management, growth and protection of the business of the Company, with incentives and rewards to encourage them to continue in the service of the Company. The Incentive Plans permit the Committee to grant to eligible employees and directors of the Company any of the following types of awards (or any combination thereof): cash incentive awards, nonqualified stock options, incentive stock options and other stock-based awards, including, without limitation, stock appreciation rights, phantom stock, restricted stock, restricted stock units, performance shares, deferred share units and share-denominated performance units.

Stock Compensation

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

Director Compensation - Restricted Stock Units

The Company awarded a total of 195,800, 305,000 and 275,800 RSUs for the years ended December 31, 2023, 2022 and 2021, respectively, to its non-employee directors. The grant date fair values of these awards were $3.83 (2023), $2.09 (2022) and $2.29 (2021) per RSU, respectively. Such RSUs vest in full on the earlier of the next annual meeting of the stockholders or the first anniversary of the grant date, subject to each director continuing to provide services to the Company through such date. The RSUs granted may not be transferred, pledged, assigned or otherwise encumbered prior to vesting. Upon vesting, the holder has all the rights of a stockholder of the Company, including the right to vote such shares and the right to receive dividends (and accumulated dividends) paid with respect to such shares at the same time as common stockholders generally.

Management Compensation

Restricted Stock Units

During the years ended December 31, 2023, 2022 and 2021, the Company granted RSUs to its employees, including senior officers, covering 584,922, 718,360 and 552,844 shares, respectively. The grant date fair values of these awards were $2.90 (2023), $2.09 (2022) and $2.36 (2021) per RSU, respectively. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting. Each award of RSUs will vest in equal installments on each of the first three anniversaries of the grant date. RSUs may not be transferred, pledged, assigned or otherwise encumbered until they are settled. Settlement of vested RSUs may be in either shares of Class A common stock or cash, as determined at the discretion of the Human Resources and Compensation Committee, and will 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 Class A 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 (and accumulated dividends) with respect to such shares of Class A common stock. If there is a change in control of the Company, the vesting of unvested RSUs accelerate. 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, 2023, 2022 and 2021, the Company awarded performance-based RSUs to its senior officers covering 416,832, 518,600 and 363,238 shares, respectively. Each performance-based RSU represents a contingent right to receive RSUs based upon continuous employment through the end of a three-year performance period and will vest as follows: (i) one-half of the target RSUs will vest and become nonforfeitable subject to OSG'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 (which define ROIC as net operating profit after taxes divided by the net of total debt plus shareholders equity less cash); and (ii) one-half of the target RSUs will be subject to OSG's three-year total shareholder return ("TSR Target") performance relative to that of a performance index over a three-year TSR performance period. The performance index consists of companies that comprise a combination of the oil and gas storage and transportation and marine GICS sub-industries indexes during the performance period. Vesting is subject in each case to certification by the Human Resources and Compensation Committee of the Company's Board as to achievement of the performance measures and targets.

For the year ended December 31, 2023, the ROIC Target RSU awards and the TSR Target RSU awards were subject to an increase up to a maximum of 208,416, 259,300 and 181,619 target RSUs combined, respectively, (625,248, 777,900 and 544,857 RSUs in total, respectively) or decrease, depending on performance against the applicable measure and targets. Accordingly, for financial reporting purposes, compensation costs have been recognized for these awards. The grant date fair values of the performance awards, which have a market condition, were determined to be $2.90 (2023), $2.09 (2022) and $2.36 (2021) per RSU, respectively.

During the year ended December 31, 2022, the Company awarded RSUs to its senior officers covering 576,981 shares. The grant date fair value of these awards was $2.09. Each award of RSUs vest as follows: i.) 20% vests on the first anniversary of the grant date, ii.) 30% vests on the second anniversary of the grant date, and iii.) 50% vests on the third anniversary of the grant date. Each RSU represents a contingent right to receive one share of Class A common stock upon vesting.

During the year ended December 31, 2021, the Company awarded performance-based RSUs to its senior officers covering 590,251 shares. The grant date fair value of these awards was $2.36 per RSU. Each performance-based RSU represents a contingent right to receive RSUs based on performance criteria tied to specific operational and financial goals to be achieved over an 18-month performance period.

During the years ended December 31, 2023, 2022 and 2021, in connection with the vesting of restricted stock units ("RSUs"), the Company withheld 333,085, 239,686 and 185,459, respectively, shares of Class A common stock at average prices of $3.51, $2.07 and $2.18 per share (based on the market prices on the dates of vesting), respectively, from certain members of management to cover withholding taxes.

For the Incentive Plans, compensation expense is recognized over the vesting period, contingent or otherwise, applicable to each grant, using the straight-line method. Compensation expense as a result of the RSUs described above was $3,471, $3,574 and $2,232 during the years ended December 31, 2023, 2022 and 2021, respectively.

Activity with respect to restricted stock units under the Incentive Plans during the three years ended December 31, 2023 is summarized as follows:

Activity for the three years ended December 31, 2023	**Class A common shares**
Nonvested Shares Outstanding at December 31, 2020	2,605,263
Granted	1,782,133
Vested ($2.12 to $2.31 per share)	(963,338)
Forfeited ($1.69 to $2.59 per share)	(52,881)
Nonvested Shares Outstanding at December 31, 2021	3,371,177
Granted	2,118,942
Vested ($1.82 to $2.23 per share)	(1,355,483)
Forfeited ($1.92 to $2.05 per share)	(461,990)
Nonvested Shares Outstanding at December 31, 2022	3,672,646
Granted	1,195,837
Vested ($2.89 to $3.81 per share)	(1,403,217)
Forfeited ($2.89 to $4.07 per share)	(286,262)
Nonvested Shares Outstanding at December 31, 2023	3,179,004

Activity with respect to stock options under the Incentive Plans during the three years ended December 31, 2023 is summarized as follows:

Activity for the three years ended December 31, 2023	**Class A common shares**
Options Outstanding at December 31, 2020	1,478,756
Options Outstanding at December 31, 2021	1,478,756
Options Outstanding at December 31, 2022	1,478,756
Options Outstanding at December 31, 2023	1,478,756
Options Exercisable at December 31, 2023	1,478,756

For the years ended December 31, 2023, 2022 and 2021, the total fair value of shares vested was $4,986, $2,720 and $2,131, respectively.

The weighted average remaining contractual life of the outstanding stock options at December 31, 2023 was 4.18 years. The range of exercise prices of the stock options outstanding at December 31, 2023 was between $1.70 and $5.57 per share. The weighted average exercise price of the stock options outstanding was $2.67 per share at December 31, 2023, 2022 and 2021.

There was no compensation expense as a result of the grants of stock options for the years ended December 31, 2023, 2022 and 2021.

As of December 31, 2023, there was $4,388 of unrecognized compensation cost related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted average period of 1.63 years.

NOTE 13 — ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income, net of related taxes at an effective tax rate of 13.7% and 20.6% for the years ended December 31, 2023 and 2022, respectively, on the consolidated balance sheets follow:

	Years Ended December 31, 2023	2022
Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement benefit plans)	$ 4,002	$ 3,410
	$ 4,002	$ 3,410

The following tables present the changes in the balances of each component of accumulated other comprehensive income, net of related taxes, for the three years ended December 31, 2023.

	Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement plans)
Balance as of December 31, 2022	$ 3,410
Current period change, excluding amounts reclassified from accumulated other comprehensive income	1,172
Amounts reclassified from accumulated other comprehensive income	(580)
Total change in accumulated other comprehensive income	592
Balance as of December 31, 2023	$ 4,002
Balance as of December 31, 2021	$ 2,943
Current period change, excluding amounts reclassified from accumulated other comprehensive income	1,041
Amounts reclassified from accumulated other comprehensive income	(574)
Total change in accumulated other comprehensive income	467
Balance as of December 31, 2022	$ 3,410
Balance as of December 31, 2020	$ (282)
Current period change, excluding amounts reclassified from accumulated other comprehensive income	3,522
Amounts reclassified from accumulated other comprehensive income	(297)
Total change in accumulated other comprehensive income	3,225
Balance as of December 31, 2021	$ 2,943

The following table presents information with respect to amounts reclassified out of accumulated other comprehensive income for the three years ended December 31, 2023.

	Years Ended December 31,			Statement of Operations
Accumulated Other Comprehensive Income Component	**2023**	**2022**	**2021**	**Line Item**
Items not yet recognized as a component of net periodic benefit cost (pension and other postretirement plans):				
Net periodic benefit costs associated with pension and postretirement benefit plans for shore-based employees	$ 267	$ 315	$ (63)	Other income, net
Net periodic benefit costs associated with pension and postretirement benefit plans for seagoing employees	484	433	450	Other income, net
	751	748	387	Total before tax
	(1,331)	(1,322)	(684)	Tax provision
	$ (580)	$ (574)	$ (297)	Total net of tax

The following amounts are included in accumulated other comprehensive income at December 31, 2023, which have not yet been recognized in net periodic cost: unrecognized prior service credits of $5,440 ($5,023 net of tax) and unrecognized actuarial losses of $124 ($1,021 net of tax).

The income tax (expense)/benefit allocated to each component of other comprehensive income/(loss) follows:

	Items not yet recognized as a component of net periodic benefit cost
For the year ended December 31, 2023:	
Current period change excluding amounts reclassified from accumulated other comprehensive income	$ (346)
Amounts reclassified from accumulated other comprehensive income	171
Total change in accumulated other comprehensive income	$ (175)

For the year ended December 31, 2022:	
Current period change excluding amounts reclassified from accumulated other comprehensive income	$ (316)
Amounts reclassified from accumulated other comprehensive income	174
Total change in accumulated other comprehensive income	$ (142)
For the year ended December 31, 2021:	
Current period change excluding amounts reclassified from accumulated other comprehensive income	$ (1,069)
Amounts reclassified from accumulated other comprehensive income	90
Total change in accumulated other comprehensive income	$ (979)

NOTE 14 — LEASES

The Company's lease portfolio is comprised of vessels chartered-in, office space and equipment under agreements with contractual periods ranging from less than one year to 11 years. Many of the Company's leases contain one or more options to extend. The Company includes options that it is reasonably certain to exercise in its evaluation of the lease term after considering all relevant economic and financial factors and calculates the initial lease liability as the present value of fixed payments, or in substance fixed payments, not yet paid and variable payments that are based on an index (e.g., CPI), measured at commencement. Leases are discounted using the Company's incremental borrowing rate adjusted for risk based on the length of the lease term because the rate implicit in the lease is not readily determinable. The Company made the accounting policy election to keep leases with a term of 12 months or less off the balance sheet.

The Company's lease right-of-use assets and lease liabilities at December 31, 2023 and 2022 were as follows:

	December 31,	
	2023	2022
Operating leases		
Vessels chartered-in noncurrent operating lease assets	$ 169,798	$ 203,393
Office space noncurrent operating lease assets	2,905	3,404
Total noncurrent operating lease assets	$ 172,703	$ 206,797
Vessels chartered-in operating lease liabilities		
Current portion of operating lease liabilities	$ 64,607	$ 62,534
Noncurrent operating lease liabilities	105,630	147,243
	170,237	209,777
Office space operating lease liabilities		
Current portion of operating lease liabilities	665	754
Noncurrent operating lease liabilities	2,281	2,717
	2,946	3,471
Total operating lease liabilities	$ 173,183	$ 213,248

Charters-in

As of December 31, 2023, the Company had commitments to charter-in eight vessels, which are all bareboat charters and accounted for as operating leases. The Company holds options for seven of the vessels chartered-in. For one of these vessels, the Company has two option periods of five years each and, after the five-year optional periods are exercised, can extend the lease for five one-year optional periods. For the remaining six vessels, the options can be exercised for three or five years, which are available indefinitely. The lease payments for the charters-in are fixed throughout the option periods and the options are on a vessel-by-vessel basis that can be exercised individually.

In March 2024, the Company exercised its first option to extend the bareboat charter of the *Overseas Tampa* with its vessel owner for a 5-year option period, commencing June 2025 until June 2030. Additional options to extend remain. The total of the future lease payments for the 5-year option period is $46,882.

In October 2023, the Company entered into new bareboat charter agreements for seven vessels leased from subsidiaries of American Shipping Corporation, all of which are now owned by the MP Fund. The economic terms of the bareboat charters remain the same as the respective previous bareboat charters. Prior to their recent acquisition by the MP Fund, these seven vessels were owned indirectly by AMSC. The previous charters with AMSC for two of the seven chartered-in vessels contained a DPO. As part of the new agreements, the Company prepaid, at a discount, $5,602 to the MP Fund, representing all of its remaining outstanding DPO. The gain recognized on the transaction of $912 is included in other income, net on the consolidated statements of operations.

In August 2023, the Company extended its lease on the *Overseas Key West* for an additional lease term of two months to April 2029. Upon reassessment, the lease is accounted for as an operating lease. It was previously accounted for as a finance lease and included in vessels and other property, less accumulated depreciation on the consolidated balance sheets with a cost of $26,940 and accumulated depreciation of $8,856 at December 31, 2022.

In March 2023, the Company extended its lease on the *Alaskan Frontier* for an additional lease term of three years, to March 2026. Subsequently, the Company entered into an agreement with BP Oil Shipping Company, USA, in October 2023, to purchase the *Alaskan Frontier* for $20,000. The purchase was completed in November 2023. OSG intends to reactivate the 1.3-million-barrel capacity tanker which has been in cold layup in Malaysia since 2019. OSG plans to make investments in the vessel for it to begin commercial trade by the fourth quarter of 2024.

In December 2022, the Company redelivered three conventional tankers leased from AMSC and made DPO payments of $8,069 on the returned vessels.

The future minimum commitments under these operating leases are as follows:

At December 31, 2023	Operating Leases
2024	$ 68,157
2025	63,247
2026	55,617
2027	4,161
2028	4,172
Thereafter	1,277
Net minimum lease payments	196,631
Less present value discount	(26,394)
Total lease liabilities	$ 170,237

The bareboat charters-in on seven vessels, provide for variable lease payments in the form of profit share to the owners of the vessels calculated based on time charter sublease revenue. Because such amounts and the periods impacted are not reasonably estimable, they are not currently reflected in the table above. Due to reserve funding requirements and current rate forecasts, no profits are currently expected to be paid to the owners in respect of the charter term within the next year.

For the years ended December 31, 2023, 2022 and 2021, lease expense for the Company's chartered-in vessels accounted for as operating leases was $64,971, $88,849 and $90,166, respectively, which is included in charter hire expense on the consolidated statements of operations and operating cash flows on the consolidated statements of cash flows. The Company recognized sublease income of $183,699, $166,530 and $75,516, respectively, for the years ended December 31, 2023, 2022 and 2021. For the year ended December 31, 2023, the Company had non-cash operating activities of $20,203, which included $18,363 related to the reclassification of the *Overseas Key West* lease from a financing lease to an operating lease due to a lease modification. The Company had non-cash operating activities of $132,231 and $15,713, respectively, for obtaining operating right-of-use assets and liabilities related to vessel lease extensions for the years ended December 31, 2022 and 2021.

For the years ended December 31, 2023, 2022 and 2021, lease expense related to the Company's previous finance lease, which changed to an operating lease in August 2023, was $1,850 for 2023 and $2,949 for both 2022 and 2021 related to amortization of the right-of-use asset and $917, $1,618 and $1,799, respectively, related to interest on the lease liability. These are included in operating cash flows on the consolidated statements of cash flows.

Office space

The Company has lease obligations for office space that generally require fixed annual rental payments and may also include escalation clauses and renewal options.

In September 2022, the Company extended its lease on the Company's Tampa, Florida office space for an additional lease term of five years and two months, expiring in October 2028. The lease is accounted for as an operating lease. For the year ended December 31, 2022, the Company had non-cash operating activity of $2,088 for obtaining an operating right-of-use asset and liability as a result of the lease extension.

The future minimum commitments under lease obligations for office space, which are operating leases, as of December 31, 2023 are as follows:

At December 31, 2023	Amount
2024	$ 682
2025	630
2026	648
2027	666
2028	488
Thereafter	677
Net minimum lease payments	3,791
Less present value discount	(845)
Total lease liabilities	$ 2,946

For the years ended December 31, 2023, 2022 and 2021, the rental expense for office space, which is included in general and administrative expenses on the consolidated statements of operations, was $698, $685 and $640, respectively. For the years ended December 31, 2023, 2022 and 2021, cash paid for office space rental was $779, $780 and $748, respectively, which is included in operating cash flows on the consolidated statements of cash flows.

Supplemental balance sheet information related to leases was as follows:

	December 31,		
	2023	2022	2021
Weighted average remaining lease term - operating leases	3.1 years	3.8 years	2.1 years
Weighted average discount rate - operating leases	8.6%	8.6%	6.5%
Weighted average remaining lease term - finance lease	N/A	6.1 years	7.1 years
Weighted average discount rate - finance lease	N/A	7.3%	7.3%

Charters-out

The Company enters into time charter contracts under which a customer pays a fixed daily or monthly rate for a fixed period of time for use of a vessel. The Company recognizes revenues from time charters as operating leases ratably over the noncancelable contract term. Under certain time charter contracts, the Company receives variable lease payments based on a defined profit share arrangement, which are recognized as revenue in the period in which the changes in facts and circumstances on which the variable lease payments are based occur. Customers generally pay voyage expenses such as fuel, canal tolls and port charges. The Company also provides the charterer with services such as technical management and crew costs. Services are recognized ratably over the life of the contract term.

The Company is the lessor under its time charter contracts. Certain time charter contracts provide the charterer with the option to extend the contract for a specific period of time. For time charters, the Company applied the practical expedient to combine the lease and non-lease components for these contracts under ASC 842. Total time charter revenue for the years ended December 31, 2023, 2022 and 2021 was equal to lease income from lease payments of $353,622, $326,980 and $254,181, respectively, plus straight-line adjustments of $5,921, $349 and $563, respectively. The net book value of owned vessels on noncancelable time charters was equal to $491,084, $489,718 and $355,388 at December 31, 2023, 2022 and 2021, respectively.

The future minimum revenues, including rent escalations, which is equal to lease payments expected to be received over the noncancelable time charters term are as follows:

At December 31, 2023	Amount
2024	$ 371,383
2025	226,505
2026	88,998
2027	578
2028	—
Thereafter	—
Net minimum lease receipts	$ 687,464

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 it cannot be assured that such estimate will be reflective of the actual off-hire in the future.

NOTE 15 — PENSION, OTHER POSTRETIREMENT BENEFIT PLANS AND BENEFIT LIABILITIES

For the years ended December 31, 2023 and 2022, pension and other benefit liabilities are included in other liabilities on the consolidated balance sheets.

Pension Plans

In connection with the November 2006 acquisition of Maritrans, the Company assumed the obligations under the defined benefit retirement plan of Maritrans Inc. ("the Maritrans Plan"). As of December 31, 2006, the Company froze the benefits under the Maritrans Plan. At December 31, 2023, the Maritrans Plan is the only defined benefit pension plan in existence at the Company. The Maritrans Plan was noncontributory and covered substantially all shore-based employees and substantially all of the seagoing supervisors who were supervisors in 1984, or who were hired in, or promoted into, supervisory roles between 1984 and 1998 for that period of time. Beginning in 1999, the seagoing supervisors' retirement benefits are provided through contributions to an industry-wide, multiemployer union sponsored pension plan. Upon retirement, those seagoing supervisors are entitled to retirement benefits from the Maritrans Plan for service periods between 1984 and 1998 and from the multiemployer union sponsored plan for other covered periods. Retirement benefits are based primarily on years of service and average compensation for the five consecutive plan years that produce the highest results.

Multiemployer Pension and Postretirement Benefit Plans

The Company's subsidiaries are parties to collective-bargaining agreements that require them to make contributions to three jointly managed (Company and union) multiemployer pension plans covering seagoing personnel of U.S. Flag vessels. All three plans, the American Maritime Officers ("AMO") Pension Plan, the Seafarers Pension Plan ("SIU") and the Marine Engineers' Beneficial Association ("MEBA") Defined Benefit Pension Plan, are deemed individually significant by management.

Plan level information is available in the public domain for each of the multiemployer pension plans the Company participates in. The table below provides additional information about the Company's participation in the above multi-employer pension plans:

		Pension Protection Act Zone Status			Contributions made by the Company		
Pension Plan	**EIN / Pension Plan Number**	**2023**	**2022**	**Rehabilitation Plan Status**	**2023**	**2022**	**2021**
AMO Pension Plan	13-1936709	Green (1)	Green (1)	None	$ 471	$ 453	$ 795
MEBA Pension Plan	51-6029896	Green (1)	Green (1)	None	2,957	3,172	2,748
Seafarers Pension Plan	13-6100329	Green (1)	Green (1)	None	337	295	222
				Total contributions	$ 3,765	$ 3,920	$ 3,765

(1) A "Yellow" Zone Status plan is a plan that has a funding ratio between 65% and 80%. A "Green" Zone Status plan is a plan that is 80% funded or more.

The plan years for the three union plans end as follows: MEBA and SIU on December 31 and AMO on September 30. The Company has no future minimum contribution requirements under the three multiemployer pension plans shown above as of December 31, 2023 and any future contributions are subject to negotiations between the employers and the unions.

ERISA requires employers who are contributors to U.S. multiemployer plans to continue funding their allocable share of each plan's unfunded vested benefits in the event of withdrawal from or termination of such plans. Based on information received from the trustees of the SIU Pension Plan, the Company is not subject to withdrawal liabilities under that plan. Based on the actuarial report received from the trustees of the MEBA Pension Plan, as of December 31, 2022, the Company's estimated withdrawal liability would have been approximately $31,281 had the Company elected to withdraw from the plan in 2023. Based on the actuarial report received from the trustees of the AMO Pension Plan, as of September 30, 2022, the Company's estimated withdrawal liability would have been approximately $18,475 had the Company elected to withdraw from the plan in 2023. The Company has no intentions of terminating its participation in any of the three multiemployer pension plans and has no expectations that the plans will be terminated. Accordingly, no provisions have been made for the estimated withdrawal liability as of December 31, 2023.

The SIU – Tug Agreement and AMO collective bargaining agreements for OSG expire in March 2024. The ATC MEBA collective bargaining agreement expires in May 2024 and the SIU – Tanker Agreement for OSG and MEBA for the Parent Company collective bargaining agreements expire in June 2027.

Postretirement Benefit Plans

The Company also provides certain postretirement health care and life insurance benefits to qualifying domestic retirees and their eligible dependents ("OSG Postretirement Plan"). The health care plan for shore-based employees and their dependents and seagoing licensed deck officers ("Deck Officers") and their dependents is contributory at retirement, while the life insurance plan for all employees is noncontributory. In general, postretirement medical coverage is provided to shore-based employees hired prior to January 1, 2005 and all Deck Officers who retire and have met minimum age and service requirements under a formula related to total years of service. The Company no longer provides prescription drug coverage to its retirees or their beneficiaries once they reach age 65. The Company does not currently fund these benefit arrangements and has the right to amend or terminate the health care and life insurance benefits at any time.

Information with respect to the domestic pension and postretirement benefit plans for which the Company uses a December 31 measurement date, follow:

	Pension Benefits		Other Benefits	
At December 31,	**2023**	**2022**	**2023**	**2022**
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 34,313	$ 45,470	$ 3,711	$ 5,537
Cost of benefits earned (service cost)	—	—	91	180
Interest cost on benefit obligation	1,797	1,218	196	153
Actuarial gains	1,031	(9,625)	(40)	(1,939)

	Pension Benefits 2023	Pension Benefits 2022	Other Benefits 2023	Other Benefits 2022
Benefits paid	(2,923)	(2,750)	(229)	(220)
Plan Amendments	—	—	—	—
Acquisition	—	—	—	—
Benefit obligation at year end	34,218	34,313	3,729	3,711
Change in plan assets:				
Fair value of plan assets at beginning of year	35,068	44,872	—	—
Actual return on plan assets	4,949	(7,054)	—	—
Employer contributions	—	—	—	—
Benefits paid	(2,923)	(2,750)	—	—
Fair value of plan assets at year end	37,094	35,068	—	—
Funded/(unfunded status) at December 31	$ 2,876	$ 755	$ (3,729)	$ (3,711)

Information for defined benefit pension plans with accumulated benefit obligations in excess of plan assets follows:

At December 31,	2023	2022
Projected benefit obligation	$ 34,218	$ 34,313
Accumulated benefit obligation	34,218	34,313
Fair value of plan assets	37,094	35,068

Information for defined benefit pension plans and other postretirement benefit plans net periodic (benefit)/cost follows:

	Pension Benefits			Other Benefits		
For the year ended December 31,	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Components of expense:						
Cost of benefits earned	$ —	$ —	$ —	$ 91	$ 180	$ 203
Interest cost on benefit obligation	1,797	1,218	1,120	196	153	165
Expected return on plan assets	(2,439)	(3,152)	(2,970)	—	—	—
Amortization of prior-service costs	—	—	—	(722)	(722)	(722)
Recognized net actuarial loss	82	—	335	(111)	(27)	—
Net periodic benefit cost	$ (560)	$ (1,934)	$ (1,515)	$ (546)	$ (416)	$ (354)

The weighted-average assumptions used to determine benefit obligations follow:

	Pension Benefits		Other Benefits	
At December 31,	**2023**	**2022**	**2023**	**2022**
Discount rate	5.10%	5.45%	5.30%	5.65%

The selection of a single discount rate for the Maritrans Plan was derived from bond yield curves, which the Company believed as of such dates to be appropriate for ongoing plans with a long duration, such as the Maritrans Plan, and that generally mirror the type of high yield bond portfolio the Company could acquire to offset its obligations under the Maritrans Plan.

The weighted-average assumptions used to determine net periodic benefit cost follow:

	Pension Benefits			Other Benefits		
For the year ended December 31,	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Discount rate	5.45%	2.80%	2.35%	5.65%	3.10%	2.90%
Expected (long-term) return on plan assets	7.25%	7.25%	7.25%	—	—	—

The assumed health care cost trend rate for measuring the benefit obligation included in Other Benefits above is an increase of 6.50% as of December 31, 2023, with the rate of increase declining to an ultimate trend rate of 4.75% per annum by 2032. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

Expected benefit payments for the following ten years are as follows:

	Pension Benefits	Other Benefits
2024	$ 3,010	$ 222
2025	3,059	212
2026	3,055	220
2027	3,004	226
2028	2,936	230
2029-2033	13,328	1,200
Total	$ 28,392	$ 2,310

The expected long-term rate of return on plan assets is based on the current and expected asset allocations. Additionally, the long-term rate of return is based on historical returns, investment strategy, inflation expectations and other economic factors. The expected long-term rate of return is then applied to the market value of plan assets.

The fair values of the Company's pension plan assets, which are valued based Level 1 inputs, at December 31, 2023 and 2022, by asset category are as follows:

	Fair Value Level 1	
At December 31,	**2023**	**2022**
Cash and cash equivalents	$ 779	$ 659
Equity securities:		
Large cap exchange traded fund	14,023	12,744
Small company - mid value	2,282	2,140
Small company - mid growth	2,408	2,099
International value	2,750	2,625

International growth	2,829	2,694
Fixed income and preferred stock:		
Short duration bond	5,936	5,973
Intermediate term bond fund	6,061	6,111
Small company - mid value - preferred stock	26	23
Total	$ 37,094	$ 35,068

Plan fiduciaries of the Retirement Plan of Maritrans, Inc. set investment policies, strategies and oversee its investment allocation, which includes selecting investment managers and setting long term strategic targets. The primary strategic investment objective is to maximize total return while maintaining a broadly diversified portfolio for the primary purpose of satisfying obligations for future benefit payments. Equities are the primary holdings of the Retirement Plan of Maritrans, Inc. Other investments, including fixed income investments, provide diversification, and, in certain cases, lower the volatility of returns. In general, equity can range from 55 to 75 percent of total plan assets, fixed income securities can range from 25 to 45 percent of total plan assets and cash can be held in amounts up to 5 percent of plan assets. Actual asset allocation within the approved ranges varies from time to time based on economic conditions (both current and forecast) and the advice of professional advisors.

During the years ended December 31, 2023 and 2022, the Company did not make any contributions to the Maritrans Plan and contributed $160 to the plan during the year ended December 31, 2021. The Company does not expect to make any contributions to the Maritrans Plan in 2024.

Defined Contribution Plans

The Company also had defined contribution plans covering all eligible employees. Contributions are limited to amounts allowable for income tax purposes. Commencing in 2006, employer contributions include both employer contributions made regardless of employee contributions and matching contributions to the plans. All contributions to the plans are at the discretion of the Company. The Company’s contributions to the plan were $3,170, $3,304 and $2,415 for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company also has an unfunded, nonqualified supplemental savings plan covering highly compensated U.S. shore-based employees of the Company, which was terminated in connection with the Company’s filing for bankruptcy in 2012. This plan provided for levels of hypothetical employer contributions that would otherwise have been made under the Company’s defined contribution plans in the absence of limitations imposed by income tax regulations. The Company’s unfunded obligations under this plan at December 31, 2023 and 2022 were not material.

Benefit Liabilities

As part of the acquisition of Alaska Tanker Company in 2020, the Company assumed liabilities related to a deferred compensation plan. The deferred compensation plan was an unfunded, nonqualified plan that allowed eligible employees to defer up to 100% of their performance bonuses, or defer up to 50% (5% minimum) of their salary, select investments for their deferral balances and determine when to be paid out. Eligible employees were able to elect to receive payment either on a specified date, or on a specified date after termination of employment, and either in a lump sum or annual installments, with a maximum deferral period of 20 years. The balance of the deferred compensation plan at December 31, 2023 was $6,661, which is included in accounts payable, accrued expenses and other current liabilities on the consolidated balance sheets. The plan was fully paid out in February 2024. For the year ended December 31, 2022, the balance of the deferred compensation plan was $7,177, of which $1,006 is included in accounts payable, accrued expenses and other current liabilities and $6,171 is included in other liabilities on the consolidated balance sheets.

NOTE 16 — OTHER INCOME, NET

Other income, net consists of:

	Years Ended December 31,		
	2023	**2022**	**2021**
Investment income:			
Interest	$ 3,959	$ 840	$ 5
Change in investment value	611	60	(241)
	4,570	900	(236)
Pension and post retirement items (1)	1,290	2,582	2,157
Gain on prepayment of deferred payment obligations	912	—	—
Miscellaneous-net	(106)	(155)	64
	$ 6,666	$ 3,327	$ 1,985

(1) The Company includes the service cost component for net periodic benefit cost/(income) in vessel expenses and general and administrative expenses and other components in other income, net on the consolidated statements of operations.

NOTE 17 — CONTINGENCIES

The Company’s policy for recording legal costs related to contingencies is to expense such legal costs as incurred.

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 (including without limitation exposure to asbestos and other toxic materials), wrongful death, collision or other casualty and to claims arising under charter parties. 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, are not expected to be material to the Company’s financial position, results of operations and cash flows.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Overseas Shipholding Group, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Overseas Shipholding Group, Inc. (a Delaware corporation) and subsidiaries (the "Company”) as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income/(loss), changes in equity/(deficit), and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements”). In our opinion, the financial statements present fairly, in all material

respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

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, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 11, 2024 expressed an unqualified opinion.

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 matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.

Tampa, Florida
March 11, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Overseas Shipholding Group, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Overseas Shipholding Group, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2023, and our report dated March 11, 2024 expressed an unqualified opinion on those financial statements.

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/ GRANT THORNTON LLP

Tampa, Florida
March 11, 2024

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, 2023 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, 2023, 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, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023 has been audited by Grant Thornton 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 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Dollar amounts in Part III are expressed in whole dollars unless otherwise noted.

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 the Company immediately following the annual meeting of its stockholders, and until the election and qualification of his or her successor. There are no family relationships between the executive officers.

Name	Age	Position Held	Date Assumed Executive Officer Position
Samuel H. Norton	65	President and CEO	December 2016
Richard Trueblood	78	Vice President and Chief Financial Officer	July 2017
Susan Allan	61	Vice President, Secretary and General Counsel	November 2016
Patrick O'Halloran	54	Vice President and Chief Operations Officer	December 2016
Damon Mote	56	Vice President and Chief Administrative Officer	December 2016

Samuel H. Norton was appointed CEO and President of OSG in December 2016. Prior to this, he served as Senior Vice President of OSG and President and CEO of the U.S. Flag Strategic Business Unit from July 2016 and has served on the Company's Board since August 2014. Prior to joining OSG, Mr. Norton Co-Founded SeaChange Maritime, LLC in 2006 and served as its Chairman and Chief Executive Officer. Mr. Norton spent the seventeen-year period ending July 2005 as a senior executive officer at Tanker Pacific Management (Singapore) Pte. Ltd. In 1995, Mr. Norton initiated and led the entry of the Sammy Ofer Group into the container segment, and acquired and operated the first container vessels in the group's fleet. While at Tanker Pacific, Mr. Norton also conceived and started a related business, Tanker Pacific Offshore Terminals (TPOT), which owned and operated a fleet of floating, offshore oil storage terminals (FSO). Prior to joining the Ofer group, Mr. Norton played a lead role in the Asian distressed assets group of the First

National Bank of Boston, a position which acquainted him with the shipping industry and the Ofer family. Mr. Norton holds a BA in Chinese Language and Literature from Dartmouth College where he graduated in 1981.

Richard Trueblood, CPA, was appointed as Chief Financial Officer of OSG in December 2017, following his appointment as interim CFO in July 2017. Prior to OSG, he was a Partner in the Florida CFO Group providing interim and project Chief Financial Officer services to companies such as the technology start-up Heliotrope Technologies, Inc. He has been CFO at Advent Solar Inc. and Troon Golf LLC. He has extensive experience with equity and debt financing with companies at all stages of development including NYSE listed Promus Hotel Corporation where he was Senior Vice President - Finance. Mr. Trueblood was a partner at KPMG where he provided extensive services to clients in strategic business management, mergers and acquisitions, divestitures and SEC compliance. While at KPMG, he led the real estate practices in Boston, Massachusetts and Orange County, California. He also served as a director for UMB Bank Arizona, N.A. for eight years. Mr. Trueblood holds a Bachelor of Science degree from Bentley University.

Susan Allan joined OSG in November 2016 as OSG's Vice President, General Counsel and Corporate Secretary. Ms. Allan has extensive experience in corporate governance and SEC matters from her positions as Vice President, Assistant Corporate Secretary at Jabil Circuit, Inc. from 2009 until September 2016, and as Director, Senior Counsel at Tech Data Corporation from 1997 to 2009. Prior to that, Ms. Allan worked as Director, Senior Counsel at Anchor Glass Container, as an Assistant County Attorney in the Hillsborough County Attorney's Office, and as an associate attorney at Barkan and Neff law firm, all in Tampa. Ms. Allan received her law degree from the University of Southern California Gould School of Law in Los Angeles and her undergraduate degree from George Mason University.

Patrick O'Halloran was appointed as Vice President and Chief Operations Officer of OSG in December 2016 with oversight of all operations, maintenance, SQE and commercial operations for the Company's Fleet. Prior to that, Mr. O'Halloran served as Vice President Marine Operations for the Company since December 2014. Mr. O'Halloran joined OSG in November 2006 as Fleet Manager as part of the acquisition of Maritrans Inc., where he served as Fleet Maintenance Manager. He joined Maritrans, Inc. in 2002 as Technical Superintendent. Prior to joining Maritrans, Mr. O'Halloran was a Surveyor for the American Bureau of Shipping for ten years. Mr. O'Halloran holds a Bachelor of Science degree in Mechanical Engineering from State University of New York – Maritime College and a Master's in Business Administration from the University of South Florida. He sits on the Board of Directors of the Chamber of Shipping of America.

Damon Mote was appointed as Vice President and Chief Administrative Officer of OSG in December 2016 with oversight of the Company's marine labor relations, human resources, information technology service and insurance functions. Prior to that, Mr. Mote served as Vice President of Marine Labor Relations since December 2014. Mr. Mote joined the Company in 2004 as Manager, Major Projects and then served as Director, New Construction beginning in 2006. In 2011 he was appointed as the Regional Manager of the Technical Services Group, which included responsibilities for engineering, purchasing, and the fleet management software system. Prior to joining OSG, he worked for fourteen years with Crowley Maritime. Mr. Mote holds a Bachelor of Science in Marine Engineering from California Maritime Academy. Mr. Mote represents OSG on the Board of Trustees of SIU, AMO and MEBA. In addition, he is a Director of the American Maritime Association.

ITEM 11. EXECUTIVE COMPENSATION

See Item 14 below.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

See 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 information set forth in item 10, 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 in connection with its 2024 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, 2023 and 2022.

Consolidated Statements of Operations for the Years Ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Comprehensive Income/(Loss) for the Years Ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Changes in Equity/(Deficit) for the Years Ended December 31, 2023, 2022 and 2021.

Notes to Consolidated Financial Statements.

Reports of Independent Registered Public Accounting Firms.

(a)(2) The 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 International Seaways, Inc. (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated December 2, 2016 and incorporated herein by reference).

3.1 Amended and Restated Certificate of Incorporation of the Registrant (filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q dated August 9, 2016 and incorporated herein by reference).

3.2	Amended and Restated Bylaws of the Registrant (filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference).
4.1	Class A Warrant Agreement, dated as of August 5, 2014, between the Registrant and Computershare Trust Company, N.A., as Warrant Agent (filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference).
4.2	Form of Class A Warrant Certificate (included in Exhibit 4.1).
4.3	Class B Warrant Agreement, dated as of August 5, 2014, between the Registrant and Computershare Trust Company, N.A, as Warrant Agent (filed as Exhibit 4.2 to Registrant's Current Report on Form 8-K filed on August 8, 2014, dated August 5, 2014 and incorporated herein by reference).
4.4	Form of Class B Warrant Certificate (included in Exhibit 4.2).
4.5	Registration Rights Agreement, dated as of May 2, 2014, between the Registrant and certain stockholders party thereto (filed as Exhibit 4.5 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference).
4.6	Amendment to Registration Rights Agreement, dated as of May 26, 2014, between the Registrant and certain stockholders party thereto (filed as Exhibit 4.6 to Registrant's Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference).
4.7	Indenture dated as of March 7, 2003 between the Registrant and Wilmington Trust Company, as trustee, providing for the issuance of debt securities of the Registrant from time to time (filed as Exhibit 4(e)(1) to the Registrant's Registration Statement on Form S-4 filed May 5, 2003 and incorporated herein by reference) (No. 333-105018) (filed May 5, 2003). Such Indenture is hereby modified, effective as of January 13, 2004, by deleting all references therein to "Wilmington Trust Company", "March 7, 2003" and any specific day, month and/or year and substituting therefore blank spaces.
4.8	Form of First Supplemental Indenture dated as of February 19, 2004 between the Registrant and Wilmington Trust Company, as trustee (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K dated February 18, 2004 and incorporated herein by reference) (No. 001-06479) (filed February 18, 2004).

4.9	Second Supplemental Indenture dated as of August 5, 2014 between the Registrant and Wilmington Trust Company, as trustee (filed as Exhibit 4.3 to Registrant's Current Report on Form 8-K dated August 8, 2014 and incorporated herein by reference).
4.10	Third Supplemental Indenture dated as of August 5, 2014 between the Registrant and Wilmington Trust Company, as trustee (filed as Exhibit 4.4 to Registrant's Current Report on Form 8-K dated August 8, 2014 and incorporated herein by reference).
4.11	Fifth Supplemental Indenture, dated as of December 16, 2015, relating to the 7.50% Senior Notes I due 2021, between Overseas Shipholding Group, Inc. and Wilmington Trust Company, as Trustee (filed as Exhibit 4.2 to Registrant's Current Report on Form 8-K dated December 16, 2015 and incorporated herein by reference).
4.12	Sixth Supplemental Indenture, dated as of December 16, 2015, relating to the 7.50% Senior Notes II due 2021, between Overseas Shipholding Group, Inc. and Wilmington Trust Company, as Trustee (filed as Exhibit 4.3 to Registrant's Current Report on Form 8-K dated December 16, 2015 and incorporated herein by reference).
4.13	Description of Company's Common Stock.
*10.1	Supplemental Executive Savings Plan of the Registrant dated as of December 22, 2005, as amended by Amendment One effective as of January 1, 2006 (filed as Exhibit 10(iii)(a) to the Registrant's Annual Report on Form 10-K for 2008 and incorporated herein by reference) (No. 001-06479) (filed March 2, 2009).
*10.2	Form of Director Indemnity Agreement for the directors of the Registrant (filed as Exhibit 10.8 to Registrant's Registration Statement on Form S-1 filed on August 20, 2014 and incorporated herein by reference).
10.3	Incentive Compensation Recoupment Policy for Executive Officers (filed as Exhibit 99.2 to the Registrant's Current Report on Form 8-K dated January 25, 2010 and incorporated herein by reference).
*10.4	Management Incentive Compensation Plan (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference).
*10.5	Management Incentive Compensation Plan Stock Option Grant Agreement (Subject to stockholder approval) (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference).
*10.6	Management Incentive Compensation Plan Stock Option Grant Agreement (Not subject to stockholder approval) (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated September 23, 2014 and incorporated herein by reference).
*10.7	Form of Officers Indemnity Agreement for the officers of the Registrant (filed as Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference).
*10.8	Settlement, Release and Indemnity Agreement dated as of February 3, 2015 between the Registrant, certain subsidiaries of the Registrant and an executive (filed as Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated herein by reference).
*10.9	Separation Agreement dated July 29, 2016 between the Registrant and a former executive (filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference).
*10.10	Employment Agreement dated as of July 17, 2016 between the Registrant and an executive (filed as Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 and incorporated herein by reference).
*10.11	Employment Agreement dated as of November 10, 2016 between the Registrant and an executive (filed as Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference).
*10.12	Amendment No. 1 to Employment Agreement dated as of December 12, 2016 between the Registrant and an executive (filed as Exhibit 10.49 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 and incorporated herein by reference).
*10.13	Overseas Shipholding Group, Inc. Management Incentive Comprehensive Plan Stock Option Grant Agreement, Form StOp 2017 (filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and incorporated herein by reference).

*10.14 Overseas Shipholding Group, Inc. Non-Employee Director Incentive Compensation Plan approved by the stockholders at the Annual Meeting of Stockholders held on June 6, 2017, effective June 6, 2017.

*10.15 Letter Agreement dated as of July 17, 2017 between the Registrant and an executive (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated July 17, 2017 and incorporated herein by reference).

*10.16 Employment Agreement dated as of November 30, 2017 between the Registrant and an executive (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated December 4, 2017 and incorporated herein by reference).

*10.17 Employment Agreement dated as of November 30, 2017 between the Registrant and an executive.

*10.18 Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Option Grant Agreement.

*10.19 Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Stock Option Grant Agreement.

*10.20 Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Time-Based Restricted Stock Unit Grant Agreement Form TB-Officer 20_.

*10.21 Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement Form PB 20_-ROIC.

*10.22 Form of Overseas Shipholding Group, Inc. Management Incentive Compensation Plan Performance-Based Restricted Stock Unit Grant Agreement Form PB-TSR 20_.

*10.23 Employment Agreement dated as of December 15, 2018 between the Registrant and an executive (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated December 15, 2018 and incorporated herein by reference).

*10.24 2019 Incentive Compensation Plan for Management (filed as Appendix A to the Registrant's Form DEF 14A dated May 30, 2019 and incorporated herein by reference).

*10.25 Form of Overseas Shipholding Group, Inc. Non-Employee Director Incentive Compensation Plan Time-Based Restricted Stock Unit Award Agreement Form Non-Employee Director.

10.26 Loan and Security Agreement dated as of August 7, 2019 between Overseas Sun Coast LLC, subsidiary of Registrant, as borrower, and Pacific Western Bank, as lender.

10.27 First Amendment to Loan and Security Agreement dated as of September 30, 2019 between Overseas Sun Coast LLC, subsidiary of Registrant, as borrower, and Pacific Western Bank, as lender.

*10.28 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Time-Based Restricted Stock Unit Grant Agreement Form TB-Officer_.

*10.29 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-ROIC_.

*10.30 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-TSR_.

10.31 Amendment No. 3 dated April 1, 2021 to Term Loan Credit Agreement dated December 21, 2018.

*10.32 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-2021 Special Grant.

10.33 Non-Disclosure Agreement.

10.34 Credit Agreement dated as of September 29, 2021 by and among certain subsidiaries of the Registrant, as the borrowers, and Stonebriar Commercial Finance LLC, as lender.

*10.35 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Time-Based Restricted Stock Unit Grant Agreement Form TB-Officer-rev. 2022.

*10.36 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-TSR-rev. 2022.

*10.37 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-ROIC-rev. 2022.

*10.38 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan for Management Time-Based Award Agreement Form Retention-TB-Officer.

*10.39 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Time-Based Restricted Stock Unit Grant Agreement Form TB-Officer-rev. 2023.

*10.40 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-TSR-rev. 2023.

*10.41 Form of Overseas Shipholding Group, Inc. 2019 Incentive Compensation Plan For Management Performance-Based Restricted Stock Unit Grant Agreement Form PB-ROIC-rev. 2023.

10.42 Amended and Restated Certificate of Incorporation of Overseas Shipholding Group, Inc.

21**	List of subsidiaries of the Registrant.
23.1**	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.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

(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: March 11, 2024

OVERSEAS SHIPHOLDING GROUP, INC.

By: */s/ RICHARD TRUEBLOOD*
Richard Trueblood
Vice President
and 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 Samuel H. Norton and Richard Trueblood, 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/ REBECCA DELAET Rebecca DeLaet, Director	March 11, 2024
/s/ JOSEPH I. KRONSBERG Joseph I. Kronsberg, Director	March 11, 2024
/s/ ELAINE LURIA Elaine Luria, Director	March 11, 2024
/s/ SAMUEL H. NORTON Samuel H. Norton, Principal Executive Officer and Director	March 11, 2024
/s/ JOHN P. REDDY John P. Reddy, Director	March 11, 2024
/s/ JULIE E. SILCOCK Julie E. Silcock, Director	March 11, 2024
/s/ GARY EUGENE TAYLOR Gary Eugene Taylor, Director	March 11, 2024
/s/ DOUGLAS D. WHEAT Douglas D. Wheat, Director	March 11, 2024

Exhibit 21

SUBSIDIARIES OF OVERSEAS SHIPHOLDING GROUP, INC.

The following table lists all subsidiaries of OSG and all companies in which OSG 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 subsidiary as of the end of the year covered by this report.

Company	Where Incorporated, Organized or Domiciled
Akun Island LLC	Delaware
Alaska Tanker Company, LLC	Delaware
Aptamus LLC	Delaware
Kiska Island LLC	Delaware
Maritrans General Partner Inc.	Delaware
Maritrans Operating Company L.P.	Delaware
Mykonos Tanker LLC	Delaware
OSG 204 LLC	Delaware
OSG 205 LLC	Delaware
OSG Alaska LLC	Delaware
OSG America Operating Company LLC	Delaware
OSG Bulk Ships, Inc.	New York
OSG Champa Bay Shipholding LLC	Delaware
OSG Courageous II LLC	Delaware
OSG Delaware Bay Lightering LLC	Delaware
OSG Endurance LLC	Delaware
OSG Financial Corp.	Delaware
OSG Maritrans Parent LLC	Delaware
OSG Ship Management, Inc.	Delaware
OSG Thunder Holdings LLC	Delaware
Overseas Anacortes LLC	Delaware
Overseas Boston LLC	Delaware
Overseas Frontier LLC	Delaware
Overseas Gulf Coast LLC	Delaware
Overseas Houston LLC	Delaware
Overseas Key West LLC	Delaware
Overseas Long Beach LLC	Delaware
Overseas Los Angeles LLC	Delaware
Overseas Martinez LLC	Delaware
Overseas New York LLC	Delaware
Overseas Nikiski LLC	Delaware
Overseas ST Holding LLC	Delaware
Overseas Sun Coast LLC	Delaware
Overseas Tampa LLC	Delaware
Overseas Texas City LLC	Delaware
Santorini Tanker LLC	Delaware
Tagalak Island LLC	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 11, 2024, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Overseas Shipholding Group, Inc. on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said reports in the Registration Statements of Overseas Shipholding Group, Inc. on Form S-3 (File No. 333-213035) and on Forms S-8 (File No. 333-266646, File No. 333-208736, File No. 333-237228 and File No. 333-238158).

/s/ GRANT THORNTON LLP

Tampa, Florida
March 11, 2024

EXHIBIT 31.1

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

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

I, Samuel H. Norton, certify that:

1 I have reviewed this annual report on Form 10-K of Overseas Shipholding Group, 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: March 11, 2024

/s/ SAMUEL H. NORTON
Samuel H. Norton
Chief Executive Officer

EXHIBIT 31.2

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES

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

I, Richard Trueblood, certify that:

1 I have reviewed this annual report on Form 10-K of Overseas Shipholding Group, 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: March 11, 2024

/s/ RICHARD TRUEBLOOD
Richard Trueblood
Chief Financial Officer

EXHIBIT 32

OVERSEAS SHIPHOLDING GROUP, 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 Overseas Shipholding Group, Inc. (the "Company"), hereby certifies, to the best of his knowledge and belief, that the Form 10-K of the Company for the annual period ended December 31, 2023 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: March 11, 2024

/s/ SAMUEL H. NORTON
Samuel H. Norton
Chief Executive Officer

Date: March 11, 2024

/s/ RICHARD TRUEBLOOD
Richard Trueblood
Chief Financial Officer