

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of January 2020

Commission File Number: 001-36231

SCORPIO BULKERS INC.

(Translation of registrant's name into English)

9, Boulevard Charles III, Monaco 98000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐.

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐.

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 is a copy of the press release of Scorpio Bulkers Inc. (the "Company"), dated January 27, 2020, announcing the Company's financial results for the fourth quarter of 2019.

The information contained in this Report on Form 6-K, with the exception of the information contained on page 17 of Exhibit 99.1 under the heading "Conference Call on Results", is hereby incorporated by reference into the Company's registration statement on Form F-3 (File No. 333-217445), the Company's registration statement on Form F-3 (File No. 333-221441), the Company's registration statement on Form F-3 (File No. 333-222013) and the Company's registration statement on Form F-3 (File No. 333-222448).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCORPIO BULKERS INC.
(registrant)

Dated: January 27, 2020

By: /s/ Hugh Baker

Hugh Baker
Chief Financial Officer



Scorpio Bulk Inc. Announces Financial Results for the Fourth Quarter of 2019 and Declares a Quarterly Cash Dividend

MONACO - January 27, 2020 (GLOBE NEWSWIRE) - Scorpio Bulk Inc. (NYSE: SALT) ("Scorpio Bulk", or the "Company"), today reported its results for the three months ended December 31, 2019.

The Company also announced that on January 27, 2020, its Board of Directors declared a quarterly cash dividend of \$0.02 per share on the Company's common shares.

Results for the Three and Twelve Months Ended December 31, 2019 and 2018

For the fourth quarter of 2019, the Company's GAAP net income was \$15.1 million, or \$0.21 per diluted share, including:

- a non-cash gain of approximately \$46.1 million and cash dividend income of \$0.5 million, or \$0.66 per diluted share, primarily from the Company's equity investment in Scorpio Tankers Inc.;
- a write-down of assets held for sale of approximately \$25.2 million, or \$0.36 per diluted share, related to the classification of four Ultramax vessels as held for sale; and
- a write-off of approximately \$0.2 million of deferred financing costs on the credit facility related to the SBI Puma and the SBI Cougar.

For the same period in 2018, the Company's GAAP net loss was \$7.4 million, or \$0.11 per diluted share. These results include a non-cash loss of approximately \$7.7 million and cash dividend income of \$0.5 million, or \$0.10 per diluted share, from the Company's equity investment in Scorpio Tankers Inc. and a write-off of deferred financing costs of \$1.7 million, or \$0.03 per diluted share, related to the refinancing of debt.

Total vessel revenues for the fourth quarter of 2019 were \$60.3 million, compared to \$65.2 million for the same period in 2018. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the fourth quarters of 2019 and 2018 were \$41.5 million and \$23.3 million, respectively (see Non-GAAP Financial Measures below).

For the fourth quarter of 2019, the Company's adjusted net income was \$40.6 million, or \$0.57 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of approximately \$25.2 million relating to the classification of four Ultramax vessels as held for sale and the write-off of approximately \$0.2 million of deferred financing costs on the credit facility related to the SBI Puma and the SBI Cougar. Adjusted EBITDA for the fourth quarter of 2019 was \$66.7 million. There were no such non-GAAP adjustments to net loss in the fourth quarter of 2018 (see Non-GAAP Financial Measures below).

For the year ended December 31, 2019, the Company's GAAP net income was \$44.7 million, or \$0.64 per diluted share, including:

- a non-cash gain of approximately \$114.7 million and cash dividend income of \$2.2 million, or \$1.68 per diluted share, primarily from the Company's equity investment in Scorpio Tankers Inc.;
- a write-down of assets either sold or held for sale of approximately \$38.0 million, or \$0.55 per diluted share, related to the classification of four vessels as held for sale, the sales of the SBI Electra, SBI Flamenco, SBI Cougar and SBI Puma and the write-off of deferred financing costs on the credit facilities related to the four vessels sold; and
- the write-off of deferred financing costs of approximately \$3.1 million, or \$0.04 per diluted share, related to the refinancing of existing debt.

For the same period in 2018, the Company's GAAP net loss was \$12.7 million, or \$0.18 per diluted share, including a non-cash loss of approximately \$7.7 million and cash dividend income of \$0.5 million, or \$0.10 per diluted share, from the Company's

equity investment in Scorpio Tankers Inc. and a write-off of deferred financing costs of \$3.8 million, or \$0.05 per diluted share, related to the refinancing of debt.

Total vessel revenues for the year ended December 31, 2019 were \$224.6 million, compared to \$242.5 million for the same period in 2018. EBITDA for the year ended December 31, 2019 and 2018 were \$158.3 million and \$100.6 million, respectively (see Non-GAAP Financial Measures below).

For the year ended December 31, 2019, the Company's adjusted net income was \$82.6 million, or \$1.19 adjusted per diluted share, which excludes the impact of the write-down of assets either sold or held for sale of \$37.3 million and the write-off of deferred financing costs on the credit facilities relating to the vessels sold of \$0.7 million. Adjusted EBITDA for the year ended December 31, 2019 was \$195.6 million. There were no such non-GAAP adjustments to net loss in the year ended December 31, 2018 (see Non-GAAP Financial Measures below).

TCE Revenue

TCE Revenue Earned during the Fourth Quarter of 2019 (see Non-GAAP Financial Measures)

- Our Kamsarmax fleet earned an average of \$11,934 per day
- Our Ultramax fleet earned an average of \$11,244 per day

Voyages Fixed thus far for the First Quarter of 2020, as of the date hereof

- Kamsarmax fleet: approximately \$12,242 per day on average for 57% of the days
- Ultramax fleet: approximately \$10,505 per day on average for 49% of the days

Cash and Cash Equivalents

As of January 24, 2020, the Company had approximately \$65.9 million in cash and cash equivalents.

Recent Significant Events

Special Stock Dividend

In the fourth quarter of 2019, the Company's Board of Directors declared a one-time special stock dividend to the shareholders of the Company of an aggregate of approximately one million shares of common stock of Scorpio Tankers Inc. (NYSE:STNG), a related party. For each common share that a shareholder held in the Company on November 15, 2019, that shareholder received 0.0138 shares of common stock of Scorpio Tankers Inc. Following the payment of the special dividend, the Company continues to own approximately 4.4 million common shares of Scorpio Tankers Inc.

Quarterly Cash Dividend

In the fourth quarter of 2019, the Company's Board of Directors declared and the Company paid a quarterly cash dividend of \$0.02 per share totaling approximately \$1.4 million.

On January 27, 2020, the Company's Board of Directors declared a quarterly cash dividend of \$0.02 per share, payable on or about March 13, 2020, to all shareholders of record as of February 14, 2020. As of January 24, 2020, 72,482,958 shares were outstanding.

Vessel Sales

In October 2019, the Company completed the sale of the SBI Puma and SBI Cougar, 2014 and 2015 built Ultramax vessels, respectively, that the Company agreed to sell in September 2019, for approximately \$37.9 million in aggregate to an unaffiliated third party. The Company recorded a loss of approximately \$4.9 million in the second quarter of 2019 and wrote-off deferred financing costs of approximately \$0.2 million in the fourth quarter of 2019 upon the repayment of \$21.9 million of outstanding debt.

During the fourth quarter of 2019, the Company's Board of Directors made the decision to sell four Ultramax vessels and as such these vessels were classified as held for sale at December 31, 2019. The Company recorded a loss of approximately \$25.2 million in the fourth quarter of 2019 and expects to write-off deferred financing costs of approximately \$0.8 million upon closing of the sale and repaying the outstanding debt.

Debt

\$38.7 Million Credit Facility

During October 2019, the Company prepaid \$21.9 million of its \$38.7 Million Credit Facility and wrote-off approximately \$0.2 million of deferred financing costs as part of the sale of the SBI Puma and SBI Cougar.

Debt Overview

The Company's outstanding debt balances, gross of unamortized deferred financing costs as of December 31, 2019 and January 24, 2020, are as follows (dollars in thousands):

| Credit Facility | As of December 31, 2019 | As of January 24, 2020 | As of January 24, 2020 |
|--|------------------------------------|-----------------------------------|--|
| | Amount Outstanding | | Amount Committed ⁽¹⁾ |
| \$12.5 Million Credit Facility | \$ 8,617 | \$ 8,617 | \$ — |
| \$27.3 Million Credit Facility | 8,813 | 8,617 | — |
| \$85.5 Million Credit Facility | 46,499 | 46,499 | — |
| \$38.7 Million Credit Facility | 10,200 | 10,200 | — |
| \$12.8 Million Credit Facility | 11,475 | 11,475 | 1,398 |
| \$30.0 Million Credit Facility | 27,198 | 27,198 | 2,585 |
| \$60.0 Million Credit Facility | 26,573 | 26,573 | 2,862 |
| \$184.0 Million Credit Facility | 130,145 | 165,145 | 17,448 |
| \$34.0 Million Credit Facility | 31,571 | 31,571 | 3,000 |
| \$90.0 Million Credit Facility | 82,100 | 82,100 | 8,706 |
| \$19.6 Million Lease Financing - SBI Rumba | 16,883 | 16,780 | — |
| \$19.0 Million Lease Financing - SBI Tango | 17,303 | 17,207 | — |
| \$19.0 Million Lease Financing - SBI Echo | 17,396 | 17,305 | — |
| \$20.5 Million Lease Financing - SBI Hermes | 19,059 | 18,954 | — |
| \$21.4 Million Lease Financing - SBI Samba | 20,384 | 20,269 | — |
| CMBFL Lease Financing | 113,006 | 113,006 | 11,842 |
| \$45.0 Million Lease Financing - SBI Virgo & SBI Libra | 40,027 | 39,772 | 3,000 |
| AVIC Lease Financing | 111,450 | 110,304 | 8,200 |
| Total | \$ 738,699 | \$ 771,592 | \$ 59,041 |

(1) Includes the maximum loan amount available for the installation of exhaust gas cleaning systems, or scrubbers, following upsizes of certain credit facilities.

The Company's projected quarterly debt repayments on its bank loans and lease financing arrangements through 2020 are as follows (dollars in thousands):

| | Principal on Bank Loans | Principal on Lease Financing Arrangements | Total ⁽¹⁾ |
|------------------------|------------------------------------|--|-----------------------------|
| Q1 2020 ⁽²⁾ | \$ 9,065 | \$ 5,656 | \$ 14,721 |
| Q2 2020 | 10,527 | 7,875 | 18,402 |
| Q3 2020 | 10,281 | 8,342 | 18,623 |
| Q4 2020 ⁽³⁾ | 18,575 | 8,454 | 27,029 |
| Total | \$ 48,448 | \$ 30,327 | \$ 78,775 |

(1) Includes estimated repayments on the upsizings of certain credit facilities for the installation of scrubbers, for which the timing of the drawdowns and repayment schedules set forth are estimates only and may vary as the timing of the related installations finalizes.

(2) Relates to payments expected to be made from January 25, 2020 to March 31, 2020.

(3) Includes \$8.0 million repayment of the \$12.5 Million Credit Facility due at maturity.

IMO 2020

The Company's projected schedule and estimated payments for the installation of scrubbers on all the owned and finance leased vessels in the Company's fleet is as follows (dollars in thousands). Through January 24, 2020, the Company has completed the installation of scrubbers on eight of its vessels.

| Completed Scrubber Installation by Vessel Type | | | |
|---|------------------------|-------------------------|---|
| | <u>Ultramax</u> | <u>Kamsarmax</u> | <u>Estimated Payments</u> ⁽¹⁾ |
| Q1 2020 ⁽²⁾ | 9 | 5 | 20,209 |
| Q2 2020 | 10 | 4 | 25,028 |
| Q3 2020 | 1 | 5 | 15,467 |
| Q4 2020 | 4 | — | 8,622 |
| Q1 2021 | 2 | — | 4,467 |
| Total | 26 | 14 | \$ 73,793 |

(1) Includes estimated cash payments for scrubbers that are due in advance of the scheduled service and may be scheduled to occur in quarters prior to the actual installation. In addition to these installment payments, these amounts also include estimates of the installation costs of such systems. The timing of the payments set forth are estimates only and may vary as the timing of the related installations finalizes.

(2) Relates to payments expected to be made from January 25, 2020 to March 31, 2020.

Financial Results for the Three Months Ended December 31, 2019 Compared to the Three Months Ended December 31, 2018

For the fourth quarter of 2019, the Company's GAAP net income was \$15.1 million, or \$0.21 per diluted share, compared to a net loss of \$7.4 million, or \$0.11 per diluted share, for the same period in 2018. Results for the fourth quarter of 2019 include: a non-cash gain of approximately \$46.1 million and cash dividend income of \$0.5 million, or \$0.66 per diluted share, primarily from the Company's equity investment in Scorpio Tankers Inc., charges of approximately \$25.2 million related to the classification of four Ultramax vessels as held for sale and the write-off of deferred financing costs of approximately \$0.2 million on the credit facility related to the SBI Puma and the SBI Cougar. Results for the fourth quarter of 2018 include a non-cash loss of approximately \$7.7 million and cash dividend income of \$0.5 million, or \$0.10 per diluted share, from the Company's equity investment in Scorpio Tankers Inc. and a write-off of deferred financing costs of \$1.7 million, or \$0.03 per diluted share, related to the refinancing of debt.

EBITDA for the fourth quarters of 2019 and 2018 were \$41.5 million and \$23.3 million, respectively (see Non-GAAP Financial Measures below).

For the fourth quarter of 2019, the Company's adjusted net income was \$40.6 million, or \$0.57 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of approximately \$25.2 million and the write-off of deferred financing costs of approximately \$0.2 million on the credit facility related to the SBI Puma and the SBI Cougar. Adjusted EBITDA for the fourth quarter of 2019 was \$66.7 million. There were no such non-GAAP adjustments to net loss in the fourth quarter of 2018 (see Non-GAAP Financial Measures below).

Total vessel revenues for the fourth quarter of 2019 were \$60.3 million compared to \$65.2 million in the fourth quarter of 2018. The Company's TCE revenue (see Non-GAAP Financial Measures below) for the fourth quarter of 2019 was \$56.9 million, a decrease of \$8.1 million from the prior year period.

Total operating expenses for the fourth quarter of 2019 were \$80.9 million, including the charge related to the classification of four Ultramax vessels as held for sale of approximately \$25.2 million and an increase in charterhire expense of approximately \$5.4 million due to an increase in the number vessels time chartered-in, compared to \$51.4 million in the fourth quarter of 2018.

Ultramax Operations

| | Three Months Ended December 31, | | | |
|---|---------------------------------|------------------|--------------------|--------------|
| <i>Dollars in thousands</i> | 2019 | 2018 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 35,153 | \$ 42,419 | \$ (7,266) | (17) |
| Voyage expenses | 1,073 | 65 | 1,008 | 1,551 |
| TCE Revenue | \$ 34,080 | \$ 42,354 | \$ (8,274) | (20) |
| Operating expenses: | | | | |
| Vessel operating costs | 16,343 | 17,791 | (1,448) | (8) |
| Charterhire expense | 996 | 981 | 15 | 2 |
| Vessel depreciation | 8,824 | 9,401 | (577) | (6) |
| General and administrative expense | 1,021 | 1,089 | (68) | (6) |
| Loss / write-down on assets held for sale | 25,248 | — | 25,248 | NA |
| Total operating expenses | \$ 52,432 | \$ 29,262 | \$ 23,170 | 79 |
| Operating (loss) income | \$ (18,352) | \$ 13,092 | \$ (31,444) | (240) |

Vessel revenue for the Company's Ultramax Operations decreased to \$35.2 million for the fourth quarter of 2019 from \$42.4 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures below) for the Company's Ultramax Operations was \$34.1 million for the fourth quarter of 2019 compared to \$42.4 million for the prior year period. The Company's Ultramax fleet consisted of a day-weighted average of 35 vessels owned or finance leased and one time chartered-in during the fourth quarter of 2019 and 37 vessels owned or finance leased and one vessel time chartered-in during the fourth quarter of 2018. TCE revenue per day was \$11,244 and \$12,213 for the fourth quarters of 2019 and 2018, respectively.

| | Three Months Ended December 31, | | | |
|-----------------------------------|---------------------------------|-----------|------------|----------|
| <u>Ultramax Operations:</u> | 2019 | 2018 | Change | % Change |
| TCE Revenue <i>(in thousands)</i> | \$ 34,080 | \$ 42,354 | \$ (8,274) | (20) |
| TCE Revenue / Day | \$ 11,244 | \$ 12,213 | \$ (969) | (8) |
| Revenue Days | 3,031 | 3,468 | (437) | (13) |

The Company's Ultramax Operations vessel operating costs were \$16.3 million for the fourth quarter of 2019, including approximately \$0.6 million of takeover costs and contingency expenses, compared with vessel operating costs of \$17.8 million in the prior year period, relating to the 35 and 37 vessels owned or finance leased on average, respectively, during the periods. Daily operating costs excluding takeover costs and contingency expenses for the fourth quarters of 2019 and 2018 were \$4,871 and \$4,901, respectively. Daily operating costs for the fourth quarter of 2019 decreased from the fourth quarter of 2018 due primarily to the timing of repairs and the purchase of spares and stores.

Charterhire expense for the Company's Ultramax Operations was approximately \$1.0 million for both the fourth quarters of 2019 and 2018 and relates to the vessel the Company time chartered-in at \$10,125 per day until September 2019, when the Company exercised its option to extend the time charter for one year at \$10,885 per day.

Ultramax Operations depreciation decreased from \$9.4 million to \$8.8 million due primarily to the reduction in the size of the fleet by two vessels and the classification of four vessels as held for sale during the fourth quarter of 2019.

General and administrative expense for the Company's Ultramax Operations, which consists primarily of administrative service fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions, was approximately \$1.0 million for the fourth quarter of 2019 and \$1.1 million in the prior year period.

During the fourth quarter of 2019, the Company recorded a write-down on assets held for sale related to the classification of four Ultramax vessels as held for sale.

Kamsarmax Operations

| | Three Months Ended December 31, | | | |
|------------------------------------|---------------------------------|------------------|-------------------|-------------|
| <i>Dollars in thousands</i> | 2019 | 2018 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 25,111 | \$ 22,752 | \$ 2,359 | 10 |
| Voyage expenses | 2,281 | 112 | 2,169 | 1,937 |
| TCE Revenue | \$ 22,830 | \$ 22,640 | \$ 190 | 1 |
| Operating expenses: | | | | |
| Vessel operating costs | 8,086 | 8,796 | (710) | (8) |
| Charterhire expense | 5,458 | 104 | 5,354 | 5,148 |
| Vessel depreciation | 4,597 | 5,013 | (416) | (8) |
| General and administrative expense | 478 | 554 | (76) | (14) |
| Total operating expenses | \$ 18,619 | \$ 14,467 | \$ 4,152 | 29 |
| Operating income | \$ 4,211 | \$ 8,173 | \$ (3,962) | (48) |

Vessel revenue for the Company's Kamsarmax Operations increased to \$25.1 million in the fourth quarter of 2019 from \$22.8 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures) for the Company's Kamsarmax Operations was \$22.8 million for the fourth quarter of 2019 associated with a day-weighted average of 17 vessels owned or finance leased and five vessels time chartered-in, compared to \$22.6 million for the prior year period associated with a day-weighted average of 19 vessels owned or finance leased. TCE revenue per day was \$11,934 and \$13,148 for the fourth quarters of 2019 and 2018, respectively.

| | Three Months Ended December 31, | | | |
|-----------------------------------|---------------------------------|-----------|------------|----------|
| <u>Kamsarmax Operations:</u> | 2019 | 2018 | Change | % Change |
| TCE Revenue <i>(in thousands)</i> | \$ 22,830 | \$ 22,640 | \$ 190 | 1 |
| TCE Revenue / Day | \$ 11,934 | \$ 13,148 | \$ (1,214) | (9) |
| Revenue Days | 1,913 | 1,722 | 191 | 11 |

Kamsarmax Operations vessel operating costs were \$8.1 million for the fourth quarter of 2019, including approximately \$0.3 million of takeover costs and contingency expenses, compared with vessel operating costs of \$8.8 million in the prior year period, relating to 17 and 19 vessels owned or finance leased on average, respectively, during the periods. The year over year decrease is due to the reduction in fleet size. Daily operating costs excluding takeover costs and contingency expenses for the fourth quarter of 2019 increased to \$4,967 from \$4,857 in the prior year period due primarily to the timing of repairs and maintenance.

Kamsarmax Operations charterhire expense was \$5.5 million in the fourth quarter of 2019, relating to five vessels the Company time chartered-in during the period. While the Company did not time charter-in any Kamsarmax vessels in the fourth quarter of 2018, it had a profit and loss sharing agreement with a third party related to one Kamsarmax vessel for which it recorded its residual share of the loss in the fourth quarter of 2018.

Kamsarmax Operations depreciation was \$4.6 million and \$5.0 million in the fourth quarters of 2019 and 2018, respectively, as the number of vessels owned or finance leased on average decreased to 17 in the fourth quarter of 2019 from 19 in the fourth quarter of 2018 due to the sale of the SBI Electra and SBI Flamenco.

General and administrative expense for the Company's Kamsarmax Operations was \$0.5 million for the fourth quarter of 2019 and \$0.6 million in the fourth quarter of 2018. The expense consists primarily of administrative services fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions.

Corporate

Certain general and administrative expenses the Company incurs, as well as all of its financial expenses and investment income or losses, are not attributable to a specific segment. Accordingly, these costs are not allocated to the Company's segments. These general and administrative expenses, including compensation, audit, legal and other professional fees, as well as the costs of being a public company, such as director fees, were \$6.5 million and \$7.4 million in the fourth quarters of 2019 and 2018, respectively. The decrease from the prior year is due primarily to the costs incurred in relation to the investment in Scorpio Tankers Inc. during the fourth quarter of 2018.

The Company recorded a non-cash gain of approximately \$46.1 million for the fourth quarter of 2019 and cash dividend income of \$0.5 million primarily from its equity investment in Scorpio Tankers Inc. During the fourth quarter of 2018, the Company recorded a non-cash loss of approximately \$7.7 million as well as cash dividend income of \$0.5 million also related to its equity investment in Scorpio Tankers Inc.

Financial expenses, net of interest income decreased to \$10.9 million in the fourth quarter of 2019 from \$14.0 million in the prior year period due to lower LIBOR rates, the redemption of our Senior Notes during the third quarter of 2019, and a write-off of \$1.7 million of deferred financing costs related to then existing debt in the fourth quarter of 2018. In the fourth quarter of 2019, the Company wrote-off approximately \$0.2 million upon the repayment of the existing debt on the SBI Cougar and SBI Puma which were sold.

Financial Results for the Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

For the year ended December 31, 2019, the Company's GAAP net income was \$44.7 million, or \$0.64 per diluted share, compared to a GAAP net loss of \$12.7 million, or \$0.18 per diluted share, for the same period in 2018. Results for 2019 include: a non-cash gain of approximately \$114.7 million and cash dividend income of \$2.2 million, or \$1.68 per diluted share, primarily from the Company's equity investment in Scorpio Tankers Inc., charges of approximately \$38.0 million, or \$0.55 per diluted share, related to the sales of the SBI Electra, SBI Flamenco, SBI Cougar and SBI Puma and the related write-off of deferred financing costs on the credit facilities related to those vessels, as well as the classification of four Ultramax vessels as held for sale, and the write-off of deferred financing costs of approximately \$3.1 million, or \$0.04 per diluted share, related to the refinancing of existing debt. EBITDA for 2019 and 2018 were \$158.3 million and \$100.6 million, respectively (see Non-GAAP Financial Measures below).

For 2019, the Company's adjusted net income was \$82.6 million, or \$1.19 adjusted per diluted share, which excludes the impact of the write-down of assets either sold or held for sale and the write-off of related deferred financing costs totaling \$38.0 million. Adjusted EBITDA for 2019 was \$195.6 million. There were no such non-GAAP adjustments to net loss in 2018 (see Non-GAAP Financial Measures below).

Total vessel revenues for 2019 were \$224.6 million compared to \$242.5 million in the prior year period. The Company's TCE revenue (see Non-GAAP Financial Measures below) for 2019 was \$220.4 million, a decrease of \$21.6 million from the prior year period.

Total operating expenses for 2019 were \$246.0 million, including the write-down of assets either sold or held for sale of \$37.3 million, compared to \$199.2 million in 2018. This increase is due primarily to the aforementioned write-downs and an increase in charterhire expense due to the increase in the number of vessels time chartered-in.

Ultramax Operations

| | Year Ended December 31, | | | |
|---|-------------------------|-------------------|--------------------|--------------|
| <i>Dollars in thousands</i> | 2019 | 2018 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 138,387 | \$ 155,197 | \$ (16,810) | (11) |
| Voyage expenses | 1,512 | 330 | 1,182 | 358 |
| TCE Revenue | \$ 136,875 | \$ 154,867 | \$ (17,992) | (12) |
| Operating expenses: | | | | |
| Vessel operating costs | 67,305 | 71,220 | (3,915) | (5) |
| Charterhire expense | 3,726 | 3,754 | (28) | (1) |
| Vessel depreciation | 35,932 | 37,287 | (1,355) | (4) |
| General and administrative expense | 4,152 | 4,344 | (192) | (4) |
| Loss / write-down on assets held for sale | 29,936 | — | 29,936 | NA |
| Total operating expenses | \$ 141,051 | \$ 116,605 | \$ 24,446 | 21 |
| Operating (loss) income | \$ (4,176) | \$ 38,262 | \$ (42,438) | (111) |

Vessel revenue for the Company's Ultramax Operations decreased to \$138.4 million for 2019 from \$155.2 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures below) for the Company's Ultramax Operations was \$136.9 million for 2019 compared to \$154.9 million for the prior year period. During both periods, the Company's Ultramax fleet consisted of a day-weighted average of 37 vessels owned or finance leased and one vessel time chartered-in. TCE revenue per day was \$10,291 and \$11,226 for 2019 and 2018, respectively.

| | Year Ended December 31, | | | |
|-----------------------------------|-------------------------|------------|-------------|----------|
| <u>Ultramax Operations:</u> | 2019 | 2018 | Change | % Change |
| TCE Revenue <i>(in thousands)</i> | \$ 136,875 | \$ 154,867 | \$ (17,992) | (12) |
| TCE Revenue / Day | \$ 10,291 | \$ 11,226 | \$ (935) | (8) |
| Revenue Days | 13,300 | 13,795 | (495) | (4) |

The Company's Ultramax Operations vessel operating costs were \$67.3 million for 2019, including approximately \$2.3 million of takeover costs and contingency expenses, compared with vessel operating costs of \$71.2 million in the prior year period, relating to the 37 vessels owned or finance leased on average during both periods. Daily operating costs excluding takeover costs and contingency expenses for 2019 of \$4,873 were down slightly from the prior year period of \$4,962 due to the timing of repairs and the purchase of spares and stores.

Charterhire expense for the Company's Ultramax Operations was approximately \$3.7 million for 2019 and \$3.8 million for the same period in 2018 and relates to the vessel the Company time chartered-in at \$10,125 per day until September 2019, when the Company exercised its option to extend the time charter for one year at \$10,885 per day.

Ultramax Operations depreciation decreased from \$37.3 million in 2018 to \$35.9 million in 2019 due to the sale or classification as held for sale of a total of six vessels during 2019.

General and administrative expense for the Company's Ultramax Operations, which consists primarily of administrative service fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions, was \$4.2 million for 2019 and \$4.3 million for 2018.

During 2019, the Company recorded a write-down on assets held for sale related to the classification of six vessels as held for sale. The sale of the SBI Cougar and SBI Puma was completed in October 2019 and four vessels remained classified as held for sale at December 31, 2019.

Kamsarmax Operations

| | Year Ended December 31, | | | |
|---|-------------------------|------------------|--------------------|-------------|
| <i>Dollars in thousands</i> | 2019 | 2018 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 86,192 | \$ 87,305 | \$ (1,113) | (1) |
| Voyage expenses | 2,688 | 219 | 2,469 | 1,127 |
| TCE Revenue | \$ 83,504 | \$ 87,086 | \$ (3,582) | (4) |
| Operating expenses: | | | | |
| Vessel operating costs | 33,816 | 34,255 | (439) | (1) |
| Charterhire expense | 13,498 | 422 | 13,076 | 3,099 |
| Vessel depreciation | 18,292 | 19,320 | (1,028) | (5) |
| General and administrative expense | 2,083 | 2,069 | 14 | 1 |
| Loss / write-down on assets held for sale | 7,353 | — | 7,353 | NA |
| Total operating expenses | \$ 75,042 | \$ 56,066 | \$ 18,976 | 34 |
| Operating income | \$ 8,462 | \$ 31,020 | \$ (22,558) | (73) |

Vessel revenue for the Company's Kamsarmax Operations decreased slightly to \$86.2 million in 2019 from \$87.3 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures) for the Company's Kamsarmax Operations was \$83.5 million for 2019 associated with a day-weighted average of 18 vessels owned or finance leased and three vessels time chartered-in, compared to \$87.1 million for the prior year period associated with a day-weighted average of 19 vessels owned or finance leased. TCE revenue per day was \$11,671 and \$13,127 for 2019 and 2018, respectively.

| | Year Ended December 31, | | | |
|-------------------------------------|-------------------------|-----------|------------|----------|
| <u>Kamsarmax Operations:</u> | 2019 | 2018 | Change | % Change |
| TCE Revenue (<i>in thousands</i>) | \$ 83,504 | \$ 87,086 | \$ (3,582) | (4) |
| TCE Revenue / Day | \$ 11,671 | \$ 13,127 | \$ (1,456) | (11) |
| Revenue Days | 7,155 | 6,634 | 521 | 8 |

Kamsarmax Operations vessel operating costs were \$33.8 million for 2019, including approximately \$1.2 million of takeover costs and contingency expenses, compared with vessel operating costs of \$34.3 million in the prior year period, relating to 18 and 19 vessels owned or finance leased on average, respectively, during the periods. Daily operating costs excluding takeover costs and contingency expenses increased for 2019 from 2018 at \$4,986 and \$4,940, respectively, due to the timing of spares and stores purchases as well as the timing of repairs and maintenance.

Kamsarmax Operations charterhire expense was \$13.5 million in 2019, relating to five vessels the Company began time chartering-in during 2019. Prior to that, the Company had a profit and loss sharing agreement with a third party related to one Kamsarmax vessel for which the Company recorded its residual share of the profit or loss.

Kamsarmax Operations depreciation was \$18.3 million and \$19.3 million in 2019 and 2018, respectively reflecting the decrease in vessels owned or finance leased following the sale of the SBI Electra and SBI Flamenco.

General and administrative expense for the Company's Kamsarmax Operations was \$2.1 million for both 2019 and 2018. The expense consists primarily of administrative services fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions.

During 2019, the Company recorded write-downs of assets held for sale related to the sale of the SBI Electra and SBI Flamenco totaling approximately \$7.4 million.

Corporate

Certain general and administrative expenses the Company incurs, as well as all of its financial expenses and investment income or losses, are not attributable to a specific segment. Accordingly, these costs are not allocated to the Company's segments. These general and administrative expenses, including compensation, audit, legal and other professional fees, as well as the costs of being a public company, such as director fees, were \$25.7 million and \$25.9 million in 2019 and 2018, respectively. The year over year decrease is due primarily to fees incurred in relation to the investment in Scorpio Tankers Inc., offset in part by an increase in non-cash restricted stock amortization.

The Company recorded a non-cash gain of approximately \$114.7 million and cash dividend income of \$2.2 million during 2019 and a non-cash loss of approximately \$7.7 million and cash dividend income of \$0.5 million during 2018 primarily from its equity investment in Scorpio Tankers Inc.

Financial expenses, net of interest income increased to \$50.7 million in 2019 from \$48.8 million in the prior year period due to higher levels of debt. In 2019, approximately \$3.7 million of deferred financing costs were written off related to vessel sales and debt refinancings under the Company's new sale and leaseback transactions.

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Statements of Operations
(Amounts in thousands, except per share data)

| | Unaudited | | | |
|--|---------------------------------|-------------------|-------------------------|--------------------|
| | Three Months Ended December 31, | | Year Ended December 31, | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenue: | | | | |
| Vessel revenue | \$ 60,264 | \$ 65,171 | \$ 224,579 | \$ 242,502 |
| Operating expenses: | | | | |
| Voyage expenses | 3,354 | 177 | 4,200 | 549 |
| Vessel operating costs | 24,429 | 26,587 | 101,121 | 105,475 |
| Charterhire expense | 6,454 | 1,085 | 17,224 | 4,176 |
| Vessel depreciation | 13,421 | 14,414 | 54,224 | 56,607 |
| General and administrative expenses | 7,973 | 9,102 | 31,973 | 32,385 |
| Loss / write-down on assets sold or held for sale | 25,248 | — | 37,289 | — |
| Total operating expenses | 80,879 | 51,365 | 246,031 | 199,192 |
| Operating (loss) income | (20,615) | 13,806 | (21,452) | 43,310 |
| Other income (expense): | | | | |
| Interest income | 224 | 351 | 1,450 | 1,107 |
| Income from equity investments | 46,697 | (7,178) | 116,925 | (7,178) |
| Foreign exchange (loss) gain | (81) | 5 | (115) | (68) |
| Financial expense, net | (11,141) | (14,357) | (52,154) | (49,869) |
| Total other income (expense) | 35,699 | (21,179) | 66,106 | (56,008) |
| Net income (loss) | \$ 15,084 | \$ (7,373) | \$ 44,654 | \$ (12,698) |
| Earnings (loss) per share: | | | | |
| Basic | \$ 0.22 | \$ (0.11) | \$ 0.66 | \$ (0.18) |
| Diluted | \$ 0.21 | \$ (0.11) | \$ 0.64 | \$ (0.18) |
| Basic weighted average number of common shares outstanding | 68,675 | 69,387 | 68,087 | 71,827 |
| Diluted weighted average number of common shares outstanding | 70,301 | 69,387 | 69,532 | 71,827 |

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands)

| | Unaudited December 31, 2019 | December 31, 2018 |
|---|--------------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 42,530 | \$ 67,495 |
| Accounts receivable | 10,487 | 10,290 |
| Prepaid expenses and other current assets | 9,547 | 6,314 |
| Total current assets | 62,564 | 84,099 |
| Non-current assets | | |
| Vessels, net | 1,271,993 | 1,507,918 |
| Assets held for sale | 77,536 | — |
| Equity investments | 173,298 | 92,281 |
| Deferred financing costs, net | 2,982 | 3,706 |
| Other assets | 74,464 | 15,822 |
| Total non-current assets | 1,600,273 | 1,619,727 |
| Total assets | \$ 1,662,837 | \$ 1,703,826 |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Bank loans, net | \$ 44,956 | \$ 60,310 |
| Capital lease obligations | 29,159 | 4,594 |
| Senior Notes, net | — | 73,253 |
| Accounts payable and accrued expenses | 46,996 | 14,457 |
| Total current liabilities | 121,111 | 152,614 |
| Non-current liabilities | | |
| Bank loans, net | 332,613 | 621,179 |
| Capital lease obligations | 321,646 | 69,229 |
| Other liabilities | 12,500 | — |
| Total non-current liabilities | 666,759 | 690,408 |
| Total liabilities | 787,870 | 843,022 |
| Shareholders' equity | | |
| Preferred shares, \$0.01 par value per share; 50,000,000 shares authorized; no shares issued or outstanding | — | — |
| Common shares, \$0.01 par value per share; authorized 212,500,000 shares as of December 31, 2019 and 2018; outstanding 72,482,958 shares and 71,217,258 shares as of December 31, 2019 and 2018, respectively | 809 | 796 |
| Paid-in capital | 1,717,144 | 1,747,648 |
| Common shares held in treasury, at cost; 8,567,846 shares at December 31, 2019 and 2018 | (56,720) | (56,720) |
| Accumulated deficit | (786,266) | (830,920) |
| Total shareholders' equity | 874,967 | 860,804 |
| Total liabilities and shareholders' equity | \$ 1,662,837 | \$ 1,703,826 |

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
(Amounts in thousands)

| | Year Ended December 31, | |
|--|-------------------------|------------------|
| | 2019 | 2018 |
| Operating activities | | |
| Net income (loss) | \$ 44,654 | \$ (12,698) |
| Adjustment to reconcile net income (loss) to net cash provided by operating activities: | | |
| Restricted share amortization | 8,956 | 7,881 |
| Vessel depreciation | 54,224 | 56,607 |
| Amortization of deferred financing costs | 6,915 | 9,582 |
| Write-off of deferred financing costs | 681 | — |
| Loss / write-down on assets held for sale | 33,389 | — |
| Net unrealized (gains) losses on investments | (114,762) | 7,719 |
| Dividend income on equity investment | (2,163) | (541) |
| Drydocking expenditure | (5,352) | — |
| Changes in operating assets and liabilities: | | |
| Increase in accounts receivable | (197) | (2,356) |
| Decrease in prepaid expenses and other assets | 10,564 | 4,002 |
| (Decrease) increase in accounts payable and accrued expenses | (3,029) | 250 |
| Net cash provided by operating activities | 33,880 | 70,446 |
| Investing activities | | |
| Equity investment | (1,500) | (100,000) |
| Sale of equity investment | 1,547 | — |
| Dividend income on equity investment | 2,163 | 541 |
| Proceeds from sale of assets held for sale | 84,241 | — |
| Scrubber payments | (32,610) | (1,235) |
| Payments for vessels and vessels under construction | — | (21,799) |
| Net cash provided by (used in) investing activities | 53,841 | (122,493) |
| Financing activities | | |
| Proceeds from issuance of long-term debt | 306,710 | 469,225 |
| Repayments of long-term debt | (409,002) | (358,858) |
| Common shares repurchased | — | (45,716) |
| Dividends paid | (5,748) | (6,042) |
| Debt issue costs paid | (4,646) | (7,602) |
| Net cash (used in) provided by financing activities | (112,686) | 51,007 |
| Decrease in cash and cash equivalents | (24,965) | (1,040) |
| Cash and cash equivalents, beginning of period | 67,495 | 68,535 |
| Cash and cash equivalents, end of period | \$ 42,530 | \$ 67,495 |

Scorpio Bulkers Inc. and Subsidiaries
Other Operating Data (unaudited)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|------------------|-------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Time charter equivalent revenue (\$000's) ⁽¹⁾ : | | | | |
| Vessel revenue | \$ 60,264 | \$ 65,171 | \$ 224,579 | \$ 242,502 |
| Voyage expenses | (3,354) | (177) | (4,200) | (549) |
| Time charter equivalent revenue | <u>\$ 56,910</u> | <u>\$ 64,994</u> | <u>\$ 220,379</u> | <u>\$ 241,953</u> |
| Time charter equivalent revenue attributable to: | | | | |
| Kamsarmax | \$ 22,830 | \$ 22,640 | \$ 83,504 | \$ 87,086 |
| Ultramax | 34,080 | 42,354 | 136,875 | 154,867 |
| | <u>\$ 56,910</u> | <u>\$ 64,994</u> | <u>\$ 220,379</u> | <u>\$ 241,953</u> |
| Revenue days: | | | | |
| Kamsarmax | 1,913 | 1,722 | 7,155 | 6,634 |
| Ultramax | 3,031 | 3,468 | 13,300 | 13,795 |
| Combined | <u>4,944</u> | <u>5,190</u> | <u>20,455</u> | <u>20,429</u> |
| TCE per revenue day ⁽¹⁾ : | | | | |
| Kamsarmax | \$ 11,934 | \$ 13,148 | \$ 11,671 | \$ 13,127 |
| Ultramax | \$ 11,244 | \$ 12,213 | \$ 10,291 | \$ 11,226 |
| Combined | <u>\$ 11,511</u> | <u>\$ 12,523</u> | <u>\$ 10,774</u> | <u>\$ 11,844</u> |

- (1) The Company defines Time Charter Equivalent (TCE) revenue as vessel revenues less voyage expenses. Such TCE revenue, divided by the number of the Company's available days during the period, or revenue days, is TCE per revenue day, which is consistent with industry standards. TCE per revenue day is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per-day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts.

The Company reports TCE revenue, a non-GAAP financial measure, because (i) the Company believes it provides additional meaningful information in conjunction with vessel revenues and voyage expenses, the most directly comparable U.S.-GAAP measures, (ii) it assists the Company's management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance, (iii) it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance irrespective of changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods, and (iv) the Company believes that it presents useful information to investors. See Non-GAAP Financial Measures below.

Fleet List as of January 24, 2020

| Vessel Name | Year Built | DWT | Vessel Type | Scrubber Installed ? |
|------------------------|-------------------|------------------|--------------------|-----------------------------|
| SBI Samba | 2015 | 84,000 | Kamsarmax | No |
| SBI Rumba | 2015 | 84,000 | Kamsarmax | No |
| SBI Capoeira | 2015 | 82,000 | Kamsarmax | No |
| SBI Carioca | 2015 | 82,000 | Kamsarmax | No |
| SBI Conga | 2015 | 82,000 | Kamsarmax | No |
| SBI Bolero | 2015 | 82,000 | Kamsarmax | No |
| SBI Sousta | 2016 | 82,000 | Kamsarmax | No |
| SBI Rock | 2016 | 82,000 | Kamsarmax | No |
| SBI Lambada | 2016 | 82,000 | Kamsarmax | No |
| SBI Reggae | 2016 | 82,000 | Kamsarmax | No |
| SBI Zumba | 2016 | 82,000 | Kamsarmax | No |
| SBI Macarena | 2016 | 82,000 | Kamsarmax | Yes |
| SBI Parapara | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Mazurka | 2017 | 82,000 | Kamsarmax | No |
| SBI Swing | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Jive | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Lynx | 2018 | 82,000 | Kamsarmax | No |
| Total Kamsarmax | | 1,398,000 | | |
| | | | | |
| SBI Antares | 2015 | 61,000 | Ultramax | Yes |
| SBI Athena | 2015 | 64,000 | Ultramax | Yes |
| SBI Bravo | 2015 | 61,000 | Ultramax | No |
| SBI Leo | 2015 | 61,000 | Ultramax | Yes |
| SBI Echo | 2015 | 61,000 | Ultramax | No |
| SBI Lyra | 2015 | 61,000 | Ultramax | No |
| SBI Tango | 2015 | 61,000 | Ultramax | No |
| SBI Maia | 2015 | 61,000 | Ultramax | No |
| SBI Hydra | 2015 | 61,000 | Ultramax | No |
| SBI Subaru | 2015 | 61,000 | Ultramax | No |
| SBI Pegasus | 2015 | 64,000 | Ultramax | No |
| SBI Ursa | 2015 | 61,000 | Ultramax | No |
| SBI Thalia | 2015 | 64,000 | Ultramax | No |
| SBI Cronos | 2015 | 61,000 | Ultramax | No |
| SBI Orion | 2015 | 64,000 | Ultramax | No |
| SBI Achilles | 2016 | 61,000 | Ultramax | No |
| SBI Hercules | 2016 | 64,000 | Ultramax | No |
| SBI Perseus | 2016 | 64,000 | Ultramax | No |
| SBI Hermes | 2016 | 61,000 | Ultramax | No |
| SBI Zeus | 2016 | 60,200 | Ultramax | No |
| SBI Hera | 2016 | 60,200 | Ultramax | No |
| SBI Hyperion | 2016 | 61,000 | Ultramax | No |
| SBI Tethys | 2016 | 61,000 | Ultramax | No |
| SBI Phoebe | 2016 | 64,000 | Ultramax | Yes |
| SBI Poseidon | 2016 | 60,200 | Ultramax | No |
| SBI Apollo | 2016 | 60,200 | Ultramax | No |
| SBI Samson | 2017 | 64,000 | Ultramax | No |
| SBI Phoenix | 2017 | 64,000 | Ultramax | No |
| SBI Gemini | 2015 | 64,000 | Ultramax | No |
| SBI Libra | 2017 | 64,000 | Ultramax | No |
| SBI Jaguar | 2014 | 64,000 | Ultramax | No |

| Vessel Name | Year Built | DWT | Vessel Type | Scrubber Installed ? |
|--|------------|------------------|-------------|----------------------|
| SBI Aries | 2015 | 64,000 | Ultramax | No |
| SBI Taurus | 2015 | 64,000 | Ultramax | No |
| SBI Pisces | 2016 | 64,000 | Ultramax | No |
| SBI Virgo | 2017 | 64,000 | Ultramax | No |
| Total Ultramax | | 2,179,800 | | |
| Total Owned or Finance Leased Vessels DWT | | 3,577,800 | | |

Time chartered-in vessels

The Company currently time charters-in one Ultramax vessel and five Kamsarmax vessels. The terms of the contracts are summarized as follows:

| Vessel Type | Year Built | DWT | Country of Build | Daily Base Rate | Earliest Expiry | |
|---------------------|------------|----------------|------------------|-----------------|-----------------|-----|
| Ultramax | 2017 | 62,100 | Japan | \$ 10,885 | 30-Sep-20 | (1) |
| Kamsarmax | 2019 | 81,100 | China | Variable | 10-Mar-21 | (2) |
| Kamsarmax | 2019 | 81,100 | China | Variable | 7-Apr-21 | (3) |
| Kamsarmax | 2018 | 82,000 | China | \$ 12,000 | 25-June-21 | (4) |
| Kamsarmax | 2018 | 81,100 | China | Variable | 13-Jul-21 | (5) |
| Kamsarmax | 2015 | 81,100 | China | Variable | 22-Jul-21 | (6) |
| Total TC DWT | | 468,500 | | | | |

- (1) This vessel was originally time chartered-in for 22 to 24 months at the Company's option at \$10,125 per day. In September 2019, the Company exercised its option to extend the time charter for one year at \$10,885 per day. The vessel was delivered to the Company in September 2017.
- (2) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the Baltic Exchange's 74,000 DWT Panamax Index, or the BPI. The vessel was delivered to the Company in March 2019.
- (3) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in May 2019.
- (4) This vessel has been time chartered-in for 24 months at \$12,000 per day for the first 12 months and at \$12,500 per day for the second 12 months. The Company has the option to extend this time charter for 12 months at \$13,000 per day and an additional 12 months at \$14,500 per day. The vessel was delivered to the Company in July 2019.
- (5) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in July 2019.
- (6) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in August 2019.

Conference Call on Results:

A conference call to discuss the Company's results will be held today, January 27, 2020, at 9:00 AM Eastern Standard Time / 3:00 PM Central European Standard Time. Those wishing to listen to the call should dial 1 (866) 219-5268 (U.S.) or 1 (703) 736-7424 (International) at least 10 minutes prior to the start of the call to ensure connection. The conference participant passcode is 6095912.

There will also be a simultaneous live webcast over the internet, through the Scorpio Bulkera Inc. website www.scorpiobulkers.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

Webcast URL: <https://edge.media-server.com/mmc/p/6bup7q2a>

About Scorpio Bulkera Inc.

Scorpio Bulkera Inc. is a provider of marine transportation of dry bulk commodities. Scorpio Bulkera Inc. has an operating fleet of 58 vessels consisting of 52 wholly-owned or finance leased drybulk vessels (including 17 Kamsarmax vessels and 35 Ultramax vessels), and six time chartered-in vessels (including five Kamsarmax vessels and one Ultramax vessel). The Company's owned and finance leased fleet has a total carrying capacity of approximately 3.6 million dwt and all of the Company's owned vessels have carrying capacities of greater than 60,000 dwt. Additional information about the Company is available on the Company's website www.scorpiobulkers.com, which is not a part of this press release.

Non-GAAP Financial Measures

To supplement the Company's financial information presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") management uses certain "non-GAAP financial measures" as such term is defined in Regulation G promulgated by the U.S. Securities and Exchange Commission (the "SEC"). Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in, or excluded from, the most directly comparable measure calculated and presented in accordance with GAAP. Management believes the presentation of these measures provides investors with greater transparency and supplemental data relating to the Company's financial condition and results of operations, and therefore a more complete understanding of factors affecting its business than GAAP measures alone. In addition, management believes the presentation of these matters is useful to investors for period-to-period comparison of results as the items may reflect certain unique and/or non-operating items such as asset sales, write-offs, contract termination costs or items outside of management's control.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income and related per share amounts, as well as adjusted EBITDA and TCE Revenue are non-GAAP financial measures that the Company believes provide investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance. These non-GAAP financial measures should not be considered in isolation from, as substitutes for, nor superior to financial measures prepared in accordance with GAAP. Please see below for reconciliations of EBITDA, adjusted net income (loss) and related per share amounts, and adjusted EBITDA. Please see "Other Operating Data" for a reconciliation of TCE revenue.

EBITDA (unaudited)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|---------------------------------|---------------|-------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| In thousands | | | | |
| Net income (loss) | \$ 15,084 | (7,373) | \$ 44,654 | \$ (12,698) |
| Add Back: | | | | |
| Net interest expense | 9,488 | 10,907 | 42,887 | 39,180 |
| Depreciation and amortization ⁽¹⁾ | 16,911 | 19,769 | 70,775 | 74,070 |
| EBITDA | \$ 41,483 | 23,303 | \$ 158,316 | \$ 100,552 |

⁽¹⁾ Includes depreciation, amortization of deferred financing costs and restricted share amortization.

Adjusted net income (loss) (unaudited)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---------------------------------|----------------|-------------------------|----------------|
| | 2019 | | 2019 | |
| | Amount | Per share | Amount | Per share |
| In thousands, except per share data | | | | |
| Net income | \$ 15,084 | \$ 0.21 | \$ 44,654 | \$ 0.64 |
| Adjustments: | | | | |
| Loss / write-down on assets sold or held for sale | 25,248 | 0.36 | 37,289 | 0.54 |
| Write-off of deferred financing cost | 235 | — | 681 | 0.01 |
| Total adjustments | \$ 25,483 | \$ 0.36 | \$ 37,970 | \$ 0.55 |
| Adjusted net income | \$ 40,567 | \$ 0.57 | \$ 82,624 | \$ 1.19 |

Adjusted EBITDA (unaudited)

| | Three Months Ended December 31, | Year Ended December 31, |
|--|------------------------------------|-------------------------|
| | 2019 | 2019 |
| In thousands | | |
| Net income | \$ 15,084 | \$ 44,654 |
| Impact of adjustments | 25,483 | 37,970 |
| Adjusted net income | 40,567 | 82,624 |
| Add Back: | | |
| Net interest expense | 9,488 | 42,887 |
| Depreciation and amortization ⁽¹⁾ | 16,676 | 70,094 |
| Adjusted EBITDA | \$ 66,731 | \$ 195,605 |

⁽¹⁾ Includes depreciation, amortization of deferred financing costs and restricted share amortization.

Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, counterparty performance, ability to obtain financing (including for capital expenditures) and comply with covenants in such financing arrangements, fluctuations in the value of our investments, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the SEC for a more complete discussion of these and other risks and uncertainties.

Contact:

Scorpio Bulkers Inc.
+377-9798-5715 (Monaco)
+1-646-432-1675 (New York)