



January 1, 2021

Characterization of distribution 2020

A distribution by a corporation to its shareholders is treated as a dividend for US federal income tax purposes to the extent it comes from current or accumulated earnings and profits of the corporation and thereafter as a return of capital to the extent of a shareholder's basis in his or her shares. Generally, a distribution that exceeds current or accumulated earnings and profits and the shareholder's basis will be treated as capital gains.

In 2020, Scorpio Bulkers Inc. ("SALT") distributed a total of \$3.2 million to holders of its common stock. SALT has determined that as of December 31, 2020, SALT has no current or accumulated earnings and profits.

You should consult your tax advisor regarding the federal, state, local and other tax consequence of the distribution.