

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 6, 2020

Eagle Bulk Shipping Inc.

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands
(State or other jurisdiction of incorporation or organization)

001-33831
(Commission File Number)

98-0453513
(IRS employer identification no.)

300 First Stamford Place, 5th Floor
Stamford, CT 06902

(Address of principal executive offices, including zip code)

*(Registrant's telephone number, including area code):***(203) 276-8100**

(Former Name or Former Address, if Changed Since Last Report): None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	EGLE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. ☐

Item 2.02. Results of Operations and Financial Condition.

On August 6, 2020, Eagle Bulk Shipping Inc. (the "**Company**") issued a press release regarding its financial results for the quarter ended June 30, 2020. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information in this Item 2.02 of this Current Report on Form 8-K, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. By filing this Current Report on Form 8-K and furnishing this information, the Company makes no statement or admission as to the materiality of any information in this Item 2.02 or the exhibit attached hereto.

This Current Report on Form 8-K, including the exhibit, contains forward-looking statements within the meaning of the federal securities laws. These forward looking statements are based on current expectations and are not guarantees of future performance. Further, the forward-looking statements are subject to the limitations listed in Exhibit 99.1 and in the other SEC reports of the Company, including that actual events or results may differ materially from those in the forward-looking statements.

Additionally, Exhibit 99.1 contains various non-GAAP financial measures as defined by Regulation G. Reconciliations of each non-GAAP financial measure to its comparable GAAP financial measure can be found in the press release.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
99.1	Press release, issued by Eagle Bulk Shipping Inc., dated August 6, 2020

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 hereunto duly authorized.

EAGLE BULK SHIPPING INC.

(registrant)

Dated: August 6, 2020

By:	/s/ Frank De Costanzo
Name:	Frank De Costanzo
Title:	Chief Financial Officer

Eagle Bulk Shipping Inc. Reports Second Quarter 2020 Results

STAMFORD, CT, August 6, 2020 -- Eagle Bulk Shipping Inc. (NASDAQ: EGLE) ("Eagle Bulk", "Eagle" or the "Company"), one of the world's largest owner-operators within the Supramax / Ultramax drybulk segment, today reported financial results for the three and six months ended June 30, 2020.

Highlights for the Quarter:

- Revenues, net of \$57.4 million
 - TCE Revenue ⁽¹⁾ for the quarter equated to \$36.0 million
 - Achieved TCE ⁽¹⁾ of \$8,038/day for the quarter versus the Adjusted net BSI ⁽²⁾ at \$5,158/day
- Realized a net loss of \$20.5 million, or \$0.28 per basic and diluted share
- Adjusted EBITDA⁽¹⁾ of \$1.8 million
- Issued our first ever Environmental, Social, and Governance (ESG) Sustainability Report
- Fixed 66% of Q3 available days at an average TCE of \$9,220 as of August 6, 2020

Subsequent Events

- Reached an agreement to sell M/V Goldeneye (an 18yr-old Supramax) ahead of her statutory drydock for gross proceeds of \$5.0 million. The vessel is expected to be delivered to buyers in third quarter

Gary Vogel, Eagle Bulk's CEO, commented, "The outbreak of COVID-19 created a global shock to drybulk cargo demand, pushing the Baltic Supramax Index down to its second lowest level ever recorded. While our operations and results were negatively impacted by the distress in the markets, we achieved a TCE of \$8,038 per day, representing a significant outperformance of almost \$3,000, or roughly 56%, compared to the index.

Going forward, we are optimistic that the market will continue on its recent recovery path and trade flows will continue to normalize as regional restrictions are lifted and the impact of various countries' stimulus plans help to restart demand growth."

Fleet Operating Data

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Ownership Days	4,550	4,169	9,100	8,329
Chartered in Days	525	970	1,129	2,006
Available Days	5,007	4,971	9,878	10,076
Operating Days	4,962	4,934	9,793	10,004
Fleet Utilization (%)	99.1 %	99.3 %	99.1 %	99.3 %

These are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures has been provided in the financial tables included in this press release. An explanation of these measures and how they are calculated are also included below under the heading "Supplemental Information - Non-GAAP Financial Measures".

² Baltic Supramax Index ("BSI") is a benchmark index published by Baltic Exchange which tracks the gross time charter spot value for a 58,000 dwt, non-scrubber fitted Supramax and average of 10 trade routes across the world. The average BSI was \$5,440/day for the three months ended June 30, 2020. We track our TCE performance using the Adjusted net BSI which is BSI adjusted for commissions and our owned fleet makeup ("Adjusted net BSI").

Results of Operations for the three and six months ended June 30, 2020 and 2019

For the three months ended June 30, 2020, the Company reported a net loss of \$20.5 million, or basic and diluted loss of \$0.28 per share. In the comparable quarter of 2019, the Company reported a net loss of \$6.0 million, or basic and diluted loss of \$0.08 per share.

For the six months ended June 30, 2020, the Company reported a net loss of \$24.0 million, or basic and diluted loss of \$0.33 per share. In the comparable period of 2019, the Company reported a net loss of \$6.0 million, or basic and diluted loss of \$0.08 per share.

Revenues, net

Net time and voyage charter revenues for the three months ended June 30, 2020 were \$57.4 million compared with \$69.4 million recorded in the comparable quarter in 2019. The decrease in revenues was primarily attributable to lower charter rates and lower chartered-in activity offset by an increase in owned days due to the acquisition of six Ultramax vessels in the second half of 2019.

Net time and voyage charter revenues for the six months ended June 30, 2020 and 2019 were \$131.8 million and \$146.8 million, respectively. The decrease in revenues was primarily due to lower charter rates and a decrease in available days due to lower chartered-in days, which was offset in part by an increase in owned days.

Voyage expenses

Voyage expenses for the three months ended June 30, 2020 were \$23.8 million compared to \$20.9 million in the comparable quarter in 2019. The increase was mainly attributable to an increase in the number of freight voyages performed offset by a decrease in bunker consumption expense and an increase in loss on sale of bunkers on time charter voyages due to a decline in bunker prices.

Voyage expenses for the six months ended June 30, 2020 were \$50.3 million compared to \$46.8 million in the comparable period in 2019. The increase was primarily due to an increase in the number of freight voyages performed offset by a decrease in bunker consumption expense and an increase in loss on sale of bunkers on time charter voyages due to a decline in bunker prices.

Vessel expenses

Vessel expenses for the three months ended June 30, 2020 were \$20.2 million compared to \$20.0 million in the comparable quarter in 2019. Although the total vessel expenses remained flat, the vessel expenses per day decreased mainly because of savings on crew travel and crew management due to travel restrictions imposed by COVID-19 as well as vessel running costs such as stores and spares. The decrease in vessel expenses per day was offset by increase in ownership days. The ownership days for the three months ended June 30, 2020 and 2019 were 4,550 and 4,169, respectively.

Average daily vessel operating expenses for our fleet for the three months ended June 30, 2020 and 2019 were \$4,447 and \$4,787, respectively.

Vessel expenses for the six months ended June 30, 2020 were \$43.9 million compared to \$40.1 million in the comparable period in 2019. The increase in vessel expenses was primarily attributable to an increase in ownership days after the purchase of six Ultramax vessels offset by the sale of the vessels Thrasher and Kestrel in the second half of 2019. Additionally, the Company incurred \$0.2 million in additional costs relating to COVID-19 for procurement of personal protective equipment, test kits and crew changes. The ownership days for the six months ended June 30, 2020 and 2019 were 9,100 and 8,329, respectively.

Average daily vessel operating expenses for our fleet for the six months ended June 30, 2020 and 2019 were \$4,828 and \$4,809 respectively.

Charter hire expenses

Charter hire expenses for the three months ended June 30, 2020 were \$4.7 million compared to \$11.2 million in the comparable quarter in 2019. The decrease in charter hire expenses was principally due to a decrease in the number of chartered-in days as well as a decrease in charter hire rates. The total chartered-in days for the three months ended June 30, 2020 were 525 compared to 970 for the comparable quarter in the prior year. The Company currently charters in three Ultramax vessels on a long term basis with remaining lease terms of approximately one year.

Charter hire expenses for the six months ended June 30, 2020 were \$10.8 million compared to \$22.7 million in the comparable period in 2019. The decrease in charter hire expenses was primarily due to a decrease in the number of chartered-in days as well as a decrease in charter hire rates. The total chartered-in days for the six months ended June 30, 2020 were 1,129 compared to 2,006 for the comparable period in the prior year.

Depreciation and amortization

Depreciation and amortization expense for the three months ended June 30, 2020 and 2019 was \$12.5 million and \$9.8 million, respectively. Total depreciation and amortization expense for the three months ended June 30, 2020 includes \$10.7 million of vessel and other fixed asset depreciation and \$1.8 million relating to the amortization of deferred drydocking costs. Comparable amounts for the three months ended June 30, 2019 were \$8.3 million of vessel and other fixed asset depreciation and \$1.5 million of amortization of deferred drydocking costs. The increase in depreciation expense is due to an increase in the cost base of our owned fleet due to the capitalization of scrubbers and BWTS on our vessels, and the purchase of six Ultramax vessels in the second half of 2019, marginally offset by the sale of two vessels. The increase in drydock amortization was due to the completion of eleven additional drydocks since the second quarter of 2019.

Depreciation and amortization expense for the six months ended June 30, 2020 and 2019 was \$25.0 million and \$19.2 million, respectively. Total depreciation and amortization expense for the six months ended June 30, 2020 includes \$21.3 million of vessel and other fixed asset depreciation and \$3.7 million relating to the amortization of deferred drydocking costs. Comparable amounts for the six months ended June 30, 2019 were \$16.5 million of vessel and other fixed asset depreciation and \$2.7 million of amortization of deferred drydocking costs.

General and administrative expenses

General and administrative expenses for the three months ended June 30, 2020 and 2019 were \$6.8 million and \$8.0 million, respectively. General and administrative expenses included stock-based compensation of \$0.7 million and \$1.2 million for the three months ended June 30, 2020 and 2019, respectively. The decrease in general and administrative expenses was mainly attributable to decreases in stock-based compensation expense, employee compensation and corporate travel expenses due to the ongoing COVID-19 pandemic.

General and administrative expenses for the six months ended June 30, 2020 and 2019 were \$14.7 million and \$16.5 million, respectively. General and administrative expenses included stock-based compensation of \$1.6 million and \$2.7 million for 2020 and 2019, respectively. The decrease in general and administrative expenses was mainly attributable to decreases in stock-based compensation expense, employee compensation and corporate travel expenses due to the ongoing COVID-19 pandemic.

Operating lease impairment

As of June 30, 2020, the Company determined that there were impairment indicators present for one of our chartered-in vessel contracts and, as a result, we recorded an operating lease impairment of \$0.4 million. The operating lease impairment was included as a component of Operating (loss)/income in our Condensed Consolidated Statement of Operations for the three and six months ended June 30, 2020.

Interest expense

Interest expense for the three months ended June 30, 2020 and 2019 was \$8.7 million and \$6.7 million, respectively. The increase in interest expense is primarily due to an increase in our outstanding debt under the Convertible Bond Debt and the New Ultraco Debt Facility offset by a decrease in interest rates.

Interest expense for the six months ended June 30, 2020 and 2019 was \$17.9 million and \$13.5 million, respectively. The increase in interest expense is primarily due to an increase in our outstanding debt under the Convertible Bond Debt and the New Ultraco Debt Facility offset by a decrease in interest rates.

Liquidity and Capital Resources

	Six Months Ended	
	June 30, 2020	June 30, 2019
Net cash (used in)/provided by operating activities	\$ (15,173,185)	\$ 8,460,951
Net cash used in investing activities	(19,263,564)	(18,638,851)
Net cash provided by/(used in) financing activities	73,913,522	(2,522,855)
Net increase/(decrease) in cash, cash equivalents and restricted cash	39,476,773	(12,700,755)
Cash, cash equivalents and restricted cash at beginning of period	59,130,285	78,163,638
Cash, cash equivalents and restricted cash at end of period	\$ 98,607,058	\$ 65,462,883

Net cash used in operating activities for the six months ended June 30, 2020 was \$15.2 million, compared with net cash provided by operating activities of \$8.5 million in the comparable period in 2019. The cash flows from operating activities decreased as compared to the same period in the prior year primarily due to the decrease in charter hire rates, the negative impact of working capital changes and the increase in drydock expenditures.

Net cash used in investing activities for the six months ended June 30, 2020 was \$19.3 million, compared to \$18.6 million in the comparable period in the prior year. During the six months ended June 30, 2020, the Company paid \$22.4 million for the purchase and installation of scrubbers and ballast water treatment systems on our fleet. The Company also received insurance proceeds of \$3.7 million for hull and machinery claims. Additionally, the Company paid \$0.5 million towards vessel improvements. During the six months ended June 30, 2019, the Company purchased one Ultramax vessel for \$20.4 million, of which \$2.0 million was paid as an advance as of December 31, 2018. The proceeds from the sale of three vessels were \$22.6 million. The Company received \$1.3 million for hull and machinery claims. Additionally, the Company paid \$23.9 million for the purchase and installation of scrubbers and ballast water treatment systems on our fleet.

Net cash provided by financing activities for the six months ended June 30, 2020 was \$73.9 million compared with net cash used in financing activities of \$2.5 million in the comparable period in 2019. During the six months ended June 30, 2020, the Company received \$55.0 million in proceeds from the revolver loan under the New Ultraco Debt Facility, \$22.6 million in proceeds from the New Ultraco Debt Facility, and \$15.0 million from the Super Senior Facility. The Company repaid \$13.1 million of the New Ultraco Debt Facility and \$4.0 million of the Norwegian Bond Debt. Additionally, the Company paid \$1.2 million to settle net share equity awards. Additionally, the Company paid \$0.4 million to the lenders of the New Ultraco Debt Facility. During the six months ended June 30, 2019, the Company completed a debt refinancing transaction and received net proceeds of \$153.4 million, by entering into new term and revolver loan facilities under the New Ultraco Debt Facility and repaid all outstanding debt under the Original Ultraco Debt Facility and New First Lien Facility of \$82.6 million and \$65.0 million, respectively. The Company paid \$3.2 million as debt issuance costs to the lenders under the New Ultraco Debt Facility. Additionally, the Company paid \$0.9 million to settle net share equity awards.

As of June 30, 2020, our cash and cash equivalents including restricted cash was \$98.6 million compared to \$59.1 million as of December 31, 2019.

As of June 30, 2020, the Company's outstanding debt consisted of the \$184.0 million Norwegian Bond, the \$237.1 million under the New Ultraco Debt Facility including \$55.0 million of an outstanding revolver loan, \$15.0 million under the Super Senior Facility and the \$114.1 million Convertible Bond Debt.

Capital Expenditures and Drydocking

Our capital expenditures relate to the purchase of vessels and capital improvements to our vessels, which are expected to enhance the revenue earning capabilities and safety of the vessels.

In addition to acquisitions that we may undertake in future periods, the Company's other major capital expenditures include funding the Company's program of regularly scheduled drydocking necessary to comply with international shipping standards and environmental laws and regulations. Although the Company has some flexibility regarding the timing of its drydocking, the costs are relatively predictable. Management anticipates that vessels are to be drydocked every two and a half years for vessels older than 15 years and five years for vessels younger than 15 years. Funding of these requirements is anticipated to be met with cash from operations. We anticipate that this process of recertification will require us to reposition these vessels from a discharge port to shipyard facilities, which will reduce our available days and operating days during that period.

Drydocking costs incurred are deferred and amortized to expense on a straight-line basis over the period through the date of the next scheduled drydocking for those vessels. In the six months ended June 30, 2020, four of our vessels completed drydocking and two of our vessels were still in drydock as of June 30, 2020, and we incurred drydocking expenditures of \$6.6 million. In the six months ended June 30, 2019, four of our vessels completed drydock, and we incurred drydocking expenditures of \$4.5 million.

The following table represents certain information about the estimated costs for anticipated vessel drydockings, BWTS, and scrubber installations in the next four quarters, along with the anticipated off-hire days:

Quarter Ending	Projected Costs ⁽²⁾ (in millions)			
	Off-hire Days ⁽¹⁾	BWTS	Scrubbers ⁽³⁾	Drydocks
September 30, 2020	276	\$ 1.3	\$ 3.3	\$ 5.1
December 31, 2020	112	0.3	2.6	1.6
March 31, 2021	127	0.8	—	2.2
June 30, 2021	132	1.6	—	1.9

⁽¹⁾ Actual duration of off-hire days will vary based on the condition of the vessel, yard schedules and other factors.

⁽²⁾ Actual costs will vary based on various factors, including where the drydockings are actually performed.

⁽³⁾ The projected scrubber payments relate to the remaining amounts owed to vendors which were accrued as of June 30, 2020 as part of Vessels and vessel improvements.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table summarizes the Company's selected condensed consolidated financial and other data for the periods indicated below.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues, net	\$ 57,391,784	\$ 69,391,315	\$ 131,770,103	\$ 146,780,912
Voyage expenses	23,767,747	20,907,155	50,332,105	46,813,295
Vessel expenses	20,232,274	19,958,408	43,932,383	40,052,114
Charter hire expenses	4,719,367	11,179,480	10,760,306	22,671,386
Depreciation and amortization	12,503,191	9,761,322	24,969,674	19,168,430
General and administrative expenses	6,767,403	8,040,811	14,728,475	16,450,730
Operating lease impairment	352,368	—	352,368	—
Gain on sale of vessels	—	(966,802)	—	(5,073,349)
Total operating expenses	68,342,350	68,880,374	145,075,311	140,082,606
Operating (loss)/income	(10,950,566)	510,941	(13,305,208)	6,698,306
Interest expense	8,737,079	6,733,156	17,928,894	13,495,159
Interest income	(56,132)	(393,164)	(212,989)	(827,482)
Loss on debt extinguishment	—	—	—	2,268,452
Realized and unrealized loss/(gain) on derivative instruments, net	859,814	163,105	(7,002,027)	(2,275,150)
Total other expense, net	9,540,761	6,503,097	10,713,878	12,660,979
Net loss	\$ (20,491,327)	\$ (5,992,156)	\$ (24,019,086)	\$ (5,962,673)
Weighted average shares outstanding:				
Basic	71,945,621	71,348,524	71,907,387	71,316,093
Diluted	71,945,621	71,348,524	71,907,387	71,316,093
Per share amounts:				
Basic net loss	\$ (0.28)	\$ (0.08)	\$ (0.33)	\$ (0.08)
Diluted net loss	\$ (0.28)	\$ (0.08)	\$ (0.33)	\$ (0.08)

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2020	December 31, 2019
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 98,532,141	\$ 53,583,898
Restricted cash - current	—	5,471,470
Accounts receivable, net of a reserve of \$2,699,600 and \$2,472,345, respectively	18,967,935	19,982,871
Prepaid expenses	3,416,652	4,631,416
Inventories	10,104,762	15,824,278
Derivative asset and other current assets	9,378,476	1,039,430
Total current assets	140,399,966	100,533,363
Noncurrent assets:		
Vessels and vessel improvements, at cost, net of accumulated depreciation of \$174,169,557 and \$153,029,544, respectively	853,916,919	835,959,084
Operating lease right-of-use assets	13,784,567	20,410,037
Other fixed assets, net of accumulated depreciation of \$996,418 and \$832,541, respectively	617,631	740,654
Restricted cash - noncurrent	74,917	74,917
Deferred drydock costs, net	20,406,118	17,495,270
Deferred financing costs - Super Senior Facility	—	166,111
Advance for scrubbers, ballast water systems and other assets	2,896,962	26,707,700
Total noncurrent assets	891,697,114	901,553,773
Total assets	\$ 1,032,097,080	\$ 1,002,087,136
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 15,310,881	\$ 13,483,397
Accrued interest	5,014,786	5,321,089
Other accrued liabilities	7,693,031	28,996,836
Fair value of derivative instruments - current	3,179,011	756,229
Current portion of operating lease liabilities	12,511,790	13,255,978
Unearned charter hire revenue	4,880,019	4,692,259
Current portion of long-term debt	39,244,297	35,709,394
Total current liabilities	87,833,815	102,215,182
Noncurrent liabilities:		
Norwegian Bond Debt, net of debt discount and debt issuance costs	172,574,882	175,867,310
Super Senior Facility, net of debt issuance costs	14,868,997	—
New Ultraco Debt Facility, net of debt issuance costs	147,157,424	141,396,770
Revolver loan under the New Ultraco Debt Facility	55,000,000	—
Convertible Bond Debt, net of debt discount and debt issuance costs	94,685,801	92,803,144
Fair value of derivative instruments - non current	573,361	—
Operating lease liabilities	2,441,982	8,301,793
Total noncurrent liabilities	487,302,447	418,369,017
Total liabilities	575,136,262	520,584,199
Commitments and contingencies		

Stockholders' equity:

Preferred stock, \$.01 par value, 25,000,000 shares authorized, none issued as of June 30, 2020 and December 31, 2019

—

—

Common stock, \$.01 par value, 700,000,000 shares authorized, 71,957,885 and 71,502,206 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively

719,579

715,022

Additional paid-in capital

918,255,834

917,862,269

Accumulated deficit

(461,093,440)

(437,074,354)

Accumulated other comprehensive loss

(921,155)

—

Total stockholders' equity

456,960,818

481,502,937

Total liabilities and stockholders' equity

\$ 1,032,097,080

\$ 1,002,087,136

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	June 30, 2020	June 30, 2019
Cash flows from operating activities:		
Net loss	\$ (24,019,086)	\$ (5,962,673)
<i>Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:</i>		
Depreciation	21,303,889	16,434,359
Amortization of operating lease right-of-use assets	6,273,102	6,242,947
Amortization of deferred drydocking costs	3,665,785	2,734,071
Amortization of debt discount and debt issuance costs	3,046,071	1,128,929
Loss on debt extinguishment	—	2,268,452
Gain on sale of vessels	—	(5,073,349)
Operating lease impairment	352,368	—
Net unrealized loss/(gain) on fair value of derivatives	814,014	(1,951,420)
Stock-based compensation expense	1,559,423	2,672,679
Drydocking expenditures	(6,576,633)	(4,506,257)
Changes in operating assets and liabilities:		
Accounts payable	(4,523,437)	(4,411,836)
Accounts receivable	(2,921,947)	747,545
Accrued interest	(306,303)	1,023,820
Inventories	5,719,516	3,143,326
Operating lease liabilities short and long-term	(6,603,999)	(6,616,844)
Derivative asset, other current and non-current assets	(7,078,072)	885,451
Other accrued liabilities	(7,280,400)	3,540,176
Prepaid expenses	1,214,764	657,760
Unearned revenue	187,760	(4,496,185)
Net cash (used in)/provided by operating activities	(15,173,185)	8,460,951
Cash flows from investing activities:		
Purchase of vessel and vessel improvements	(510,029)	(18,477,740)
Purchase of scrubbers and ballast water systems	(22,371,606)	(23,893,065)
Proceeds from hull and machinery insurance claims	3,658,924	1,301,546
Proceeds from sale of vessels	—	22,631,367
Purchase of other fixed assets	(40,853)	(200,959)
Net cash used in investing activities	(19,263,564)	(18,638,851)
Cash flows from financing activities:		
Repayment of revolver loan under New First Lien Facility	—	(5,000,000)
Proceeds from the revolver loan under New First Lien Facility	—	5,000,000
Repayment of Original Ultraco Debt Facility	—	(82,600,000)
Proceeds from New Ultraco Debt Facility	22,550,000	153,440,000
Repayment of Norwegian Bond Debt	(4,000,000)	(4,000,000)
Repayment of term loan under New Ultraco Debt Facility	(13,112,245)	(5,048,671)
Proceeds from revolver facility under New Ultraco Debt Facility	55,000,000	—
Proceeds from Super Senior Facility	15,000,000	—
Repayment of New First Lien Facility - term loan	—	(60,000,000)
Debt issuance costs paid to lenders on New Ultraco Debt Facility	(381,471)	(3,156,250)

Cash used to settle net share equity awards	(1,161,301)	(877,697)
Other financing costs	18,539	(280,237)
Net cash provided by/(used in) financing activities	73,913,522	(2,522,855)
Net increase/(decrease) in Cash, cash equivalents and Restricted cash	39,476,773	(12,700,755)
Cash, cash equivalents and Restricted cash at beginning of period	59,130,285	78,163,638
Cash, cash equivalents and Restricted cash at end of period	\$ 98,607,058	\$ 65,462,883
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for interest	\$ 15,202,876	\$ 11,028,514
Accruals for scrubbers and ballast water treatment systems included in Accounts payable and Other accrued liabilities	\$ 8,507,683	\$ 8,976,160
Accruals for debt issuance costs included in Other accrued liabilities	\$ 200,000	\$ —

Supplemental Information - Non-GAAP Financial Measures

This release includes various financial measures that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission (SEC). We believe these measures provide important supplemental information to investors to use in evaluating ongoing operating results. We use these measures, together with GAAP measures, for internal managerial purposes and as a means to evaluate period-to-period comparisons. However, we do not, and you should not, rely on non-GAAP financial measures alone as measures of our performance. We believe that non-GAAP financial measures reflect an additional way of viewing aspects of our operations that when taken together with GAAP results and the reconciliations to corresponding GAAP financial measures that we also provide in our press releases provide a more complete understanding of factors and trends affecting our business. We strongly encourage you to review all of our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure.

Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures, even if they have similar names.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

We define EBITDA as net income under GAAP adjusted for interest, income taxes, depreciation and amortization.

Adjusted EBITDA is a non-GAAP financial measure that is used as a supplemental financial measure by our management and by external users of our financial statements, such as investors, commercial banks and others, to assess our operating performance as compared to that of other companies in our industry, without regard to financing methods, capital structure or historical costs basis. Our Adjusted EBITDA should not be considered an alternative to net loss, operating (loss)/income, cash flows (used in)/provided by operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. Adjusted EBITDA represents EBITDA adjusted to exclude the items which represent certain non-cash, one-time and other items such as vessel impairment, operating lease impairment, gain on sale of vessels, loss on debt extinguishment and stock-based compensation expense that the Company believes are not indicative of the ongoing performance of its core operations. The following table presents a reconciliation of our net loss to EBITDA and Adjusted EBITDA.

Reconciliation of GAAP Net loss to EBITDA and Adjusted EBITDA

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net loss	\$ (20,491,327)	\$ (5,992,156)	\$ (24,019,086)	\$ (5,962,673)
Adjustments to reconcile net loss to EBITDA:				
Interest expense	8,737,079	6,733,156	17,928,894	13,495,159
Interest income	(56,132)	(393,164)	(212,989)	(827,482)
Income taxes	—	—	—	—
EBIT	(11,810,380)	347,836	(6,303,181)	6,705,004
Depreciation and amortization	12,503,191	9,761,322	24,969,674	19,168,430
EBITDA	692,811	10,109,158	18,666,493	25,873,434
Non-cash, one-time and other adjustments to EBITDA ⁽¹⁾	1,075,591	260,408	1,911,791	(132,218)
Adjusted EBITDA	\$ 1,768,402	\$ 10,369,566	\$ 20,578,284	\$ 25,741,216

(1) One-time and other adjustments to EBITDA for the three and six months ended June 30, 2020 includes stock-based compensation and an operating lease impairment. One-time and other adjustments to EBITDA for the three and six months ended June 30, 2019 includes stock-based compensation, gain on sale of vessels and loss on debt extinguishment.

TCE revenue and TCE

Time charter equivalent ("TCE") is a non-GAAP financial measure that is commonly used in the shipping industry 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 defines TCE as shipping revenues less voyage expenses and charter hire expenses, adjusted for the impact of one legacy time charter and realized gains/(losses) on FFAs and bunker swaps, divided by the number of owned available days. TCE provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists Company management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance. The Company's calculation of TCE may not be comparable to that reported by other companies. The Company calculates relative performance by comparing TCE against the Baltic Supramax Index ("BSI") adjusted for commissions and fleet makeup. Owned available days is the number of our ownership days less the aggregate number of days that our vessels are off-hire due to vessel familiarization upon acquisition, repairs, vessel upgrades or special surveys. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

The following table presents the reconciliation of revenues, net to TCE:

Reconciliation of Revenues, net to TCE				
	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenues, net	\$ 57,391,784	\$ 69,391,315	\$ 131,770,103	\$ 146,780,912
Less:				
Voyage expenses	\$ (23,767,747)	\$ (20,907,155)	\$ (50,332,105)	\$ (46,813,295)
Charter hire expenses	\$ (4,719,367)	\$ (11,179,480)	\$ (10,760,306)	\$ (22,671,386)
Reversal of one legacy time charter	\$ (41,880)	\$ 766,934	\$ 420,756	\$ 352,794
Realized gain on FFAs and bunker swaps	\$ 7,164,074	\$ 861,130	\$ 7,920,043	\$ 385,607
TCE revenue	\$ 36,026,864	\$ 38,932,744	\$ 79,018,491	\$ 78,034,632
Owned available days	\$ 4,482	\$ 4,001	\$ 8,749	\$ 8,071
TCE	\$ 8,038	\$ 9,731	\$ 9,032	\$ 9,669

Glossary of Terms:

Ownership days: We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we recorded during a period.

Chartered-in under operating lease days: We define chartered-in under operating lease days as the aggregate number of days in a period during which we chartered-in vessels. Periodically, the Company charters in vessels on a single trip basis.

Available days: We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to vessel familiarization upon acquisition, repairs, vessel upgrades or special surveys. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

Operating days: We define operating days as the number of available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

Fleet utilization: We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning. Our fleet continues to perform at high utilization rates.

Definitions of capitalized terms related to our Indebtedness

Norwegian Bond Debt: Norwegian Bond Debt refers to the Senior Secured Bonds issued by Eagle Bulk Shipco LLC, a wholly-owned subsidiary of the Company ("Shipco"), as borrower, certain wholly-owned vessel-owning subsidiaries of Shipco, as guarantors ("Shipco Vessels"), on November 28, 2017 for \$200.0 million, pursuant to those certain Bond Terms, dated as of November 22, 2017, by and between Shipco, as issuer, and Nordic Trustee AS, a company existing under the laws of Norway (the "Bond Trustee"). The bonds, currently at \$184.0 million, are secured by 24 vessels.

New Ultraco Debt Facility: New Ultraco Debt Facility refers to senior secured credit facility for \$208.4 million entered into by Ultraco Shipping LLC ("Ultraco"), a wholly-owned subsidiary of the Company, as the borrower (the "New Ultraco Debt Facility"), with the Company and certain of its indirectly vessel-owning subsidiaries, as guarantors (the "Guarantors"), the lenders party thereto, the swap banks party thereto, ABN AMRO Capital USA LLC ("ABN AMRO"), Credit Agricole Corporate and Investment Bank, Skandinaviska Enskilda Banken AB (PUBL) and DNB Markets Inc., as mandated lead arrangers and bookrunners, and ABNAMRO, as arranger, security trustee and facility agent. The New Ultraco Debt Facility provides for an aggregate principal amount of \$208.4 million, which consists of (i) a term loan facility of \$153.4 million and (ii) a revolving credit facility of \$55.0 million. As of June 30, 2020, the revolving credit facility was fully drawn. The New Ultraco Debt Facility is secured by 26 vessels.

New First Lien Facility: New First Lien Facility refers to the credit facility for \$65.0 million (term loan and revolver) entered into by and among Eagle Shipping LLC, a wholly-owned subsidiary of the Company ("Eagle Shipping"), as borrower, certain wholly-owned vessel-owning subsidiaries of Eagle Shipping, as guarantors, the lenders thereunder, the swap banks party thereto, ABN AMRO Capital USA LLC, as facility agent and security trustee for the Lenders, ABN AMRO Capital USA LLC, Credit Agricole Corporate and Investment Bank and Skandinaviska Enskilda Banken AB (publ), as mandated lead arrangers, and ABN AMRO Capital USA LLC, as arranger and bookrunner on December 8, 2017. The outstanding debt under the New First Lien Facility was repaid in full in the first quarter of 2019 with proceeds from the New Ultraco Debt Facility.

Original Ultraco Debt Facility: Original Ultraco Debt Facility refers to the credit facility for \$82.6 million entered into by and among Eagle Bulk Ultraco LLC, a wholly-owned subsidiary of the Company ("Ultraco"), as borrower, certain wholly-owned vessel-owning subsidiaries of Ultraco, as guarantors, the lenders thereunder, the swap banks party thereto, ABN AMRO Capital USA LLC (" ABN AMRO"), as facility agent and security trustee for the Ultraco Lenders, ABN AMRO, DVB Bank SE and Skandinaviska Enskilda Banken AB (publ), as mandated lead arrangers, and ABN AMRO, as arranger and bookrunner on June 28, 2017. The proceeds were used to finance the acquisition of nine Ultramax vessels during 2017 and two Ultramax vessels during 2018. The Original Ultraco Debt Facility was repaid in full in the first quarter of 2019 with proceeds from the New Ultraco Debt Facility.

Convertible Bond Debt: Convertible Bond Debt refers to net proceeds of approximately \$112.5 million that the Company received on July 29, 2019 from its issuance of 5.0% Convertible Senior Notes due 2024.

Super Senior Facility: Super Senior Facility refers to the credit facility for \$15.0 million, by and among Shipco as borrower, and ABN AMRO Capital USA LLC, as original lender, mandated lead arranger and agent. As of June 30, 2020, \$15.0 million was fully drawn to be used for general corporate purposes.

Conference Call Information

As previously announced, members of Eagle Bulk's senior management team will host a teleconference and webcast at 8:00 a.m. ET on Friday, August 7, 2020, to discuss the second quarter results.

To participate in the teleconference, investors and analysts are invited to call 1 844-282-4411 in the U.S., or 1 512-900-2336 outside of the U.S., and reference participant code 8968944. A simultaneous webcast of the call, including a slide presentation for interested investors and others, may be accessed by visiting <http://www.eagleships.com>.

A replay will be available following the call from 11:00 AM ET on August 7, 2020 until 11:00 AM ET on August 17, 2020. To access the replay, call +1 855-859-2056 in the U.S., or +1 404-537-3406 outside of the U.S., and reference passcode 8968944.

About Eagle Bulk Shipping Inc.

Eagle Bulk Shipping Inc. ("Eagle" or the "Company") is a U.S. based fully integrated shipowner-operator providing global transportation solutions to a diverse group of customers including miners, producers, traders, and end users. Headquartered in Stamford, Connecticut, with offices in Singapore and Copenhagen, Denmark, Eagle focuses exclusively on the versatile mid-size drybulk vessel segment and owns one of the largest fleets of Supramax/Ultramax vessels in the world. The Company performs all management services in-house (including: strategic, commercial, operational, technical, and administrative) and employs an active management approach to fleet trading with the objective of optimizing revenue performance and maximizing earnings on a risk-managed basis. For further information, please visit our website: www.eagleships.com.

Website Information

We intend to use our website, www.eagleships.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website's Investor Relations section. Accordingly, investors should monitor the Investor Relations portion of our website, in addition to following our press releases, filings with the SEC, public conference calls, and webcasts. To subscribe to our e-mail alert service, please click the "Investor Alerts" link in the Investor Relations section of our website and submit your email address. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

Disclaimer: Forward-Looking Statements

Matters discussed in this release may constitute forward-looking statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements reflect current views with respect to future events and financial performance and may 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. These statements may include words such as "believe," "estimate," "project," "intend," "expect," "plan," "anticipate," and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination of historical operating trends, data contained in our records and other data available from third parties. Although Eagle Bulk Shipping Inc. believes 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, Eagle Bulk Shipping Inc. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled drydocking, changes in vessel operating expenses, including drydocking and insurance costs, or actions taken by regulatory authorities, ability of our counterparties to perform their obligations under sales agreements, charter contracts, and other agreements on a timely basis, potential liability from future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by Eagle Bulk Shipping Inc. with the SEC.

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