



providing optimized global transportation
of drybulk commodities



Capital Link
12th Annual Shipping & Marine Services Forum (London)
September 10, 2019

Disclaimer

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbor provided for under these sections. 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. Forward-looking statements reflect management’s current expectations and observations with respect to future events and financial performance. Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements.

The forward-looking statements in this presentation 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.

The principal factors that affect our financial position, results of operations and cash flows include, charter market rates, which have declined significantly from historic highs, periods of charter hire, vessel operating expenses and voyage costs, which are incurred primarily in U.S. dollars, depreciation expenses, which are a function of the cost of our vessels, significant vessel improvement costs and our vessels’ estimated useful lives, and financing costs related to our indebtedness. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors which could include the following: (i) changes in demand in the dry bulk market, including, without limitation, changes in production of, or demand for, commodities and bulk cargoes, generally or in particular regions; (ii) greater than anticipated levels of dry bulk vessel new building orders or lower than anticipated rates of dry bulk vessel scrapping; (iii) changes in rules and regulations applicable to the dry bulk industry, including, without limitation, legislation adopted by international bodies or organizations such as the International Maritime Organization and the European Union or by individual countries; (iv) actions taken by regulatory authorities; (v) changes in trading patterns significantly impacting overall dry bulk tonnage requirements; (vi) changes in the typical seasonal variations in dry bulk charter rates; (vii) changes in the cost of other modes of bulk commodity transportation; (viii) changes in general domestic and international political conditions; (ix) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking costs); (x) the outcome of legal proceedings in which we are involved; and (xi) and other factors listed from time to time in our filings with the SEC.

We disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable security laws.

Agenda

1 Introduction

2 Company

3 Scrubber Initiative

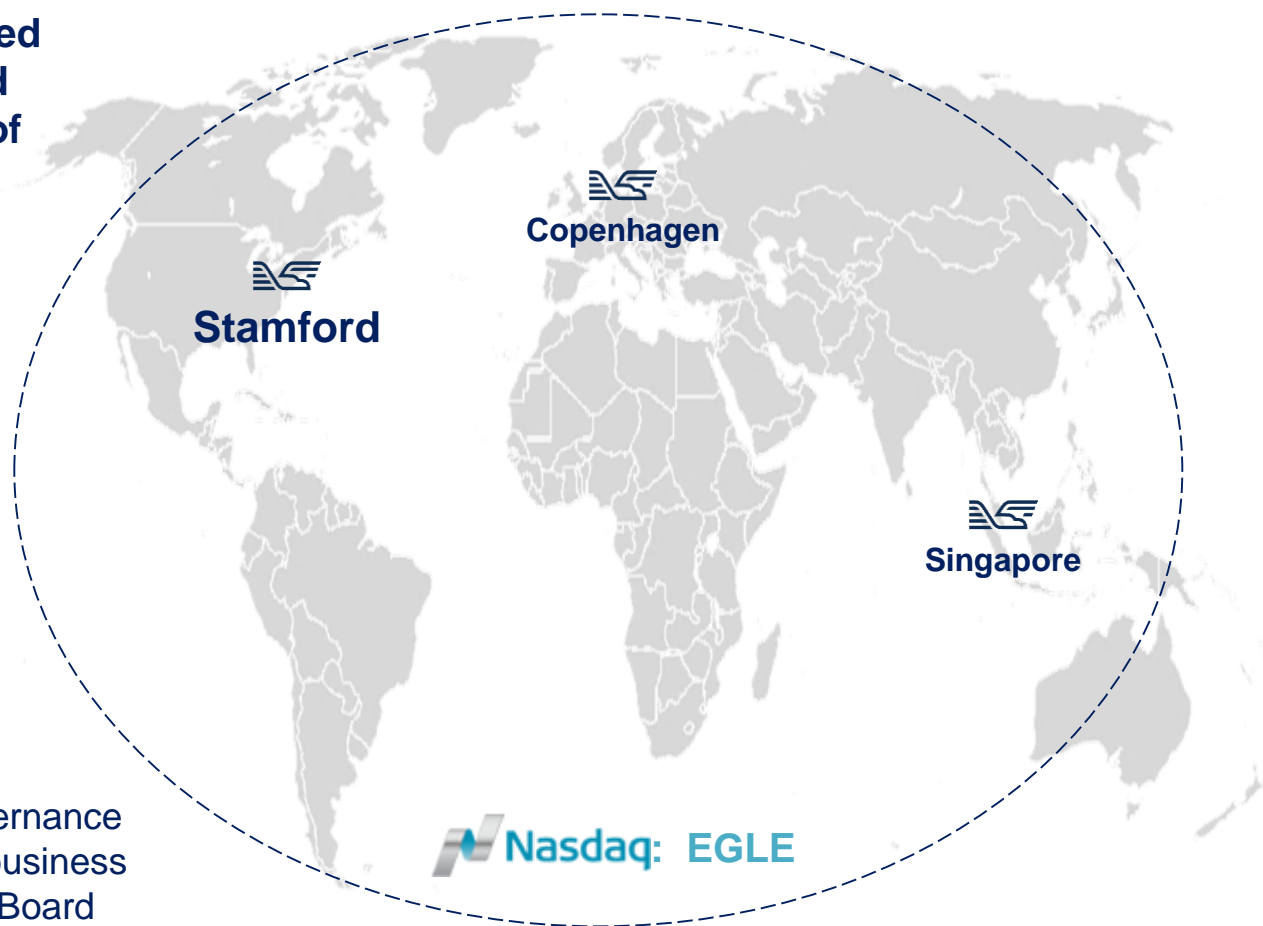
4 Summary

Introduction

Eagle: Company Profile

Eagle Bulk is a fully-integrated shipowner-operator engaged in the global transportation of drybulk commodities

- Exclusive focus on the midsize Supramax/Ultramax vessel segment: 50 owned vessels
- Perform all management services inhouse: strategic, commercial, operational, technical, & administrative
- Employ an Active Management approach to fleet trading
- Maintain strong Corporate Governance structure with no related party business dealings; majority independent Board



Our vision is to be the leading shipowner-operator through consistent outperformance and sustainable growth

Drybulk Cargoes: Trade totals ~5.3b Tons per Year

Major Bulk commodities represent ~60% of total drybulk trade



IRON ORE (27%)



COAL (24%)



GRAIN (9%)

Minor Bulk commodities represent ~40% of total drybulk trade



STEEL (8%)



FOREST PRODUCTS (7%)



FERTILIZER (3%)



BAUXITE (2%)



CEMENT (2%)



SCRAP (2%)



PETCOKE (1%)

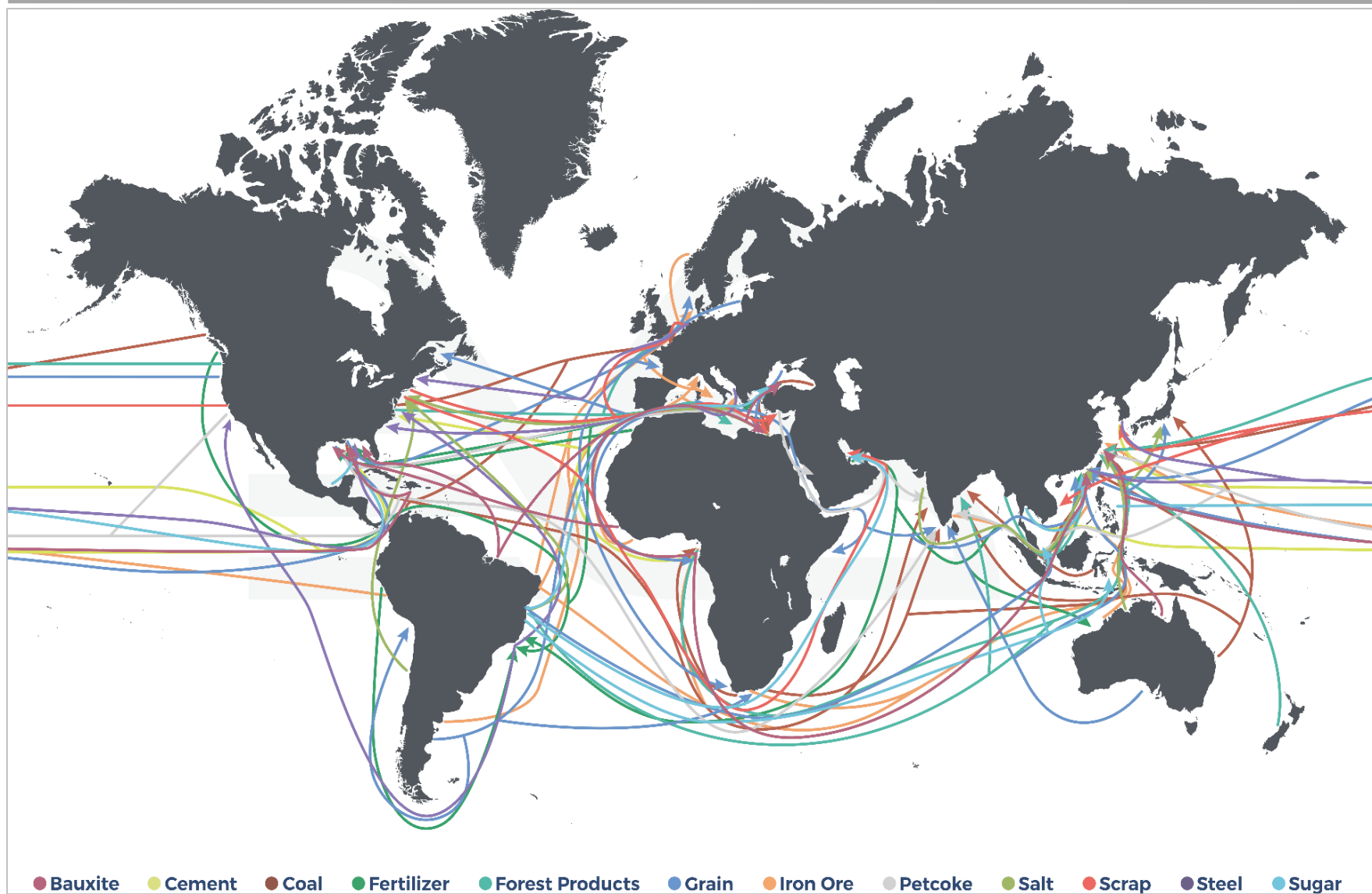


SUGAR (1%)



SALT (1%)

Drybulk Trade Flows



Supramax/Ultramax: Most Versatile Asset Class

Drybulk Vessel Segment Classification

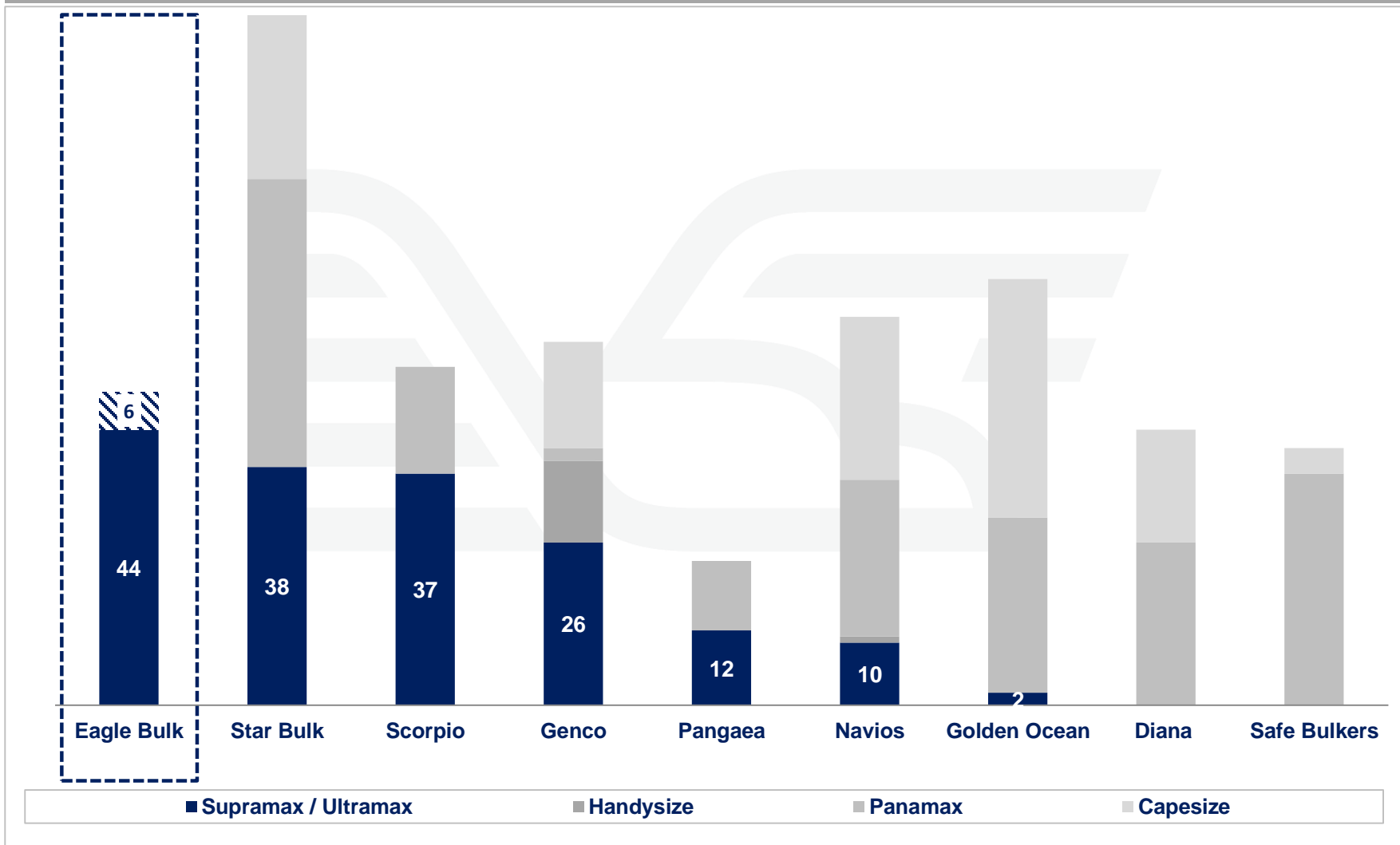
VESSEL	Asset Class	Handysize / Handymax	Supramax / Ultramax	Panamax / Kamsarmax	Capesize
	Size (DWT)	10-50k	50-65k	65-100k	>100k
MAJOR BULK	Iron Ore		✓	✓	✓
	Coal		✓	✓	✓
	Grain	✓	✓	✓	
MINOR BULK	Bauxite	✓	✓	✓	✓
	Steel	✓	✓		
	Scrap	✓	✓		
	Cement	✓	✓		
	Salt	✓	✓		
	Forest Products	✓	✓		
	Potash / Fertilizer	✓	✓		
	Coke	✓	✓		
	Nickel Ore	✓	✓		
	Sugar	✓	✓		
	Other	✓	✓		

Supramax/Ultramax vessels are able to carry all drybulk commodities due to their optimal size and ability to load/discharge cargo using onboard gear

Eagle's Focus

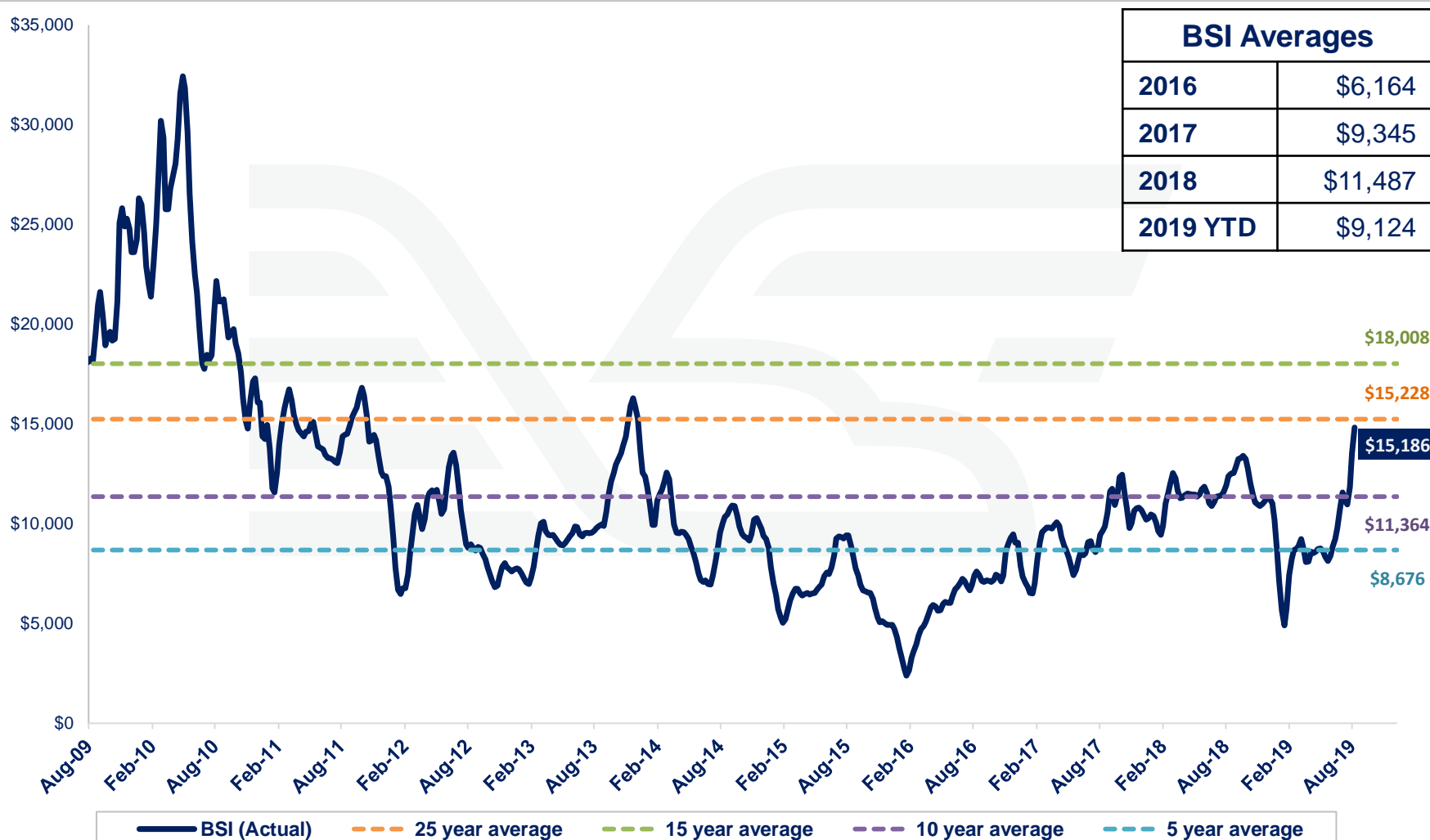
Eagle: Leader in the Supramax/Ultramax Segment

U.S.-Listed Peer Group Fleet Profiles

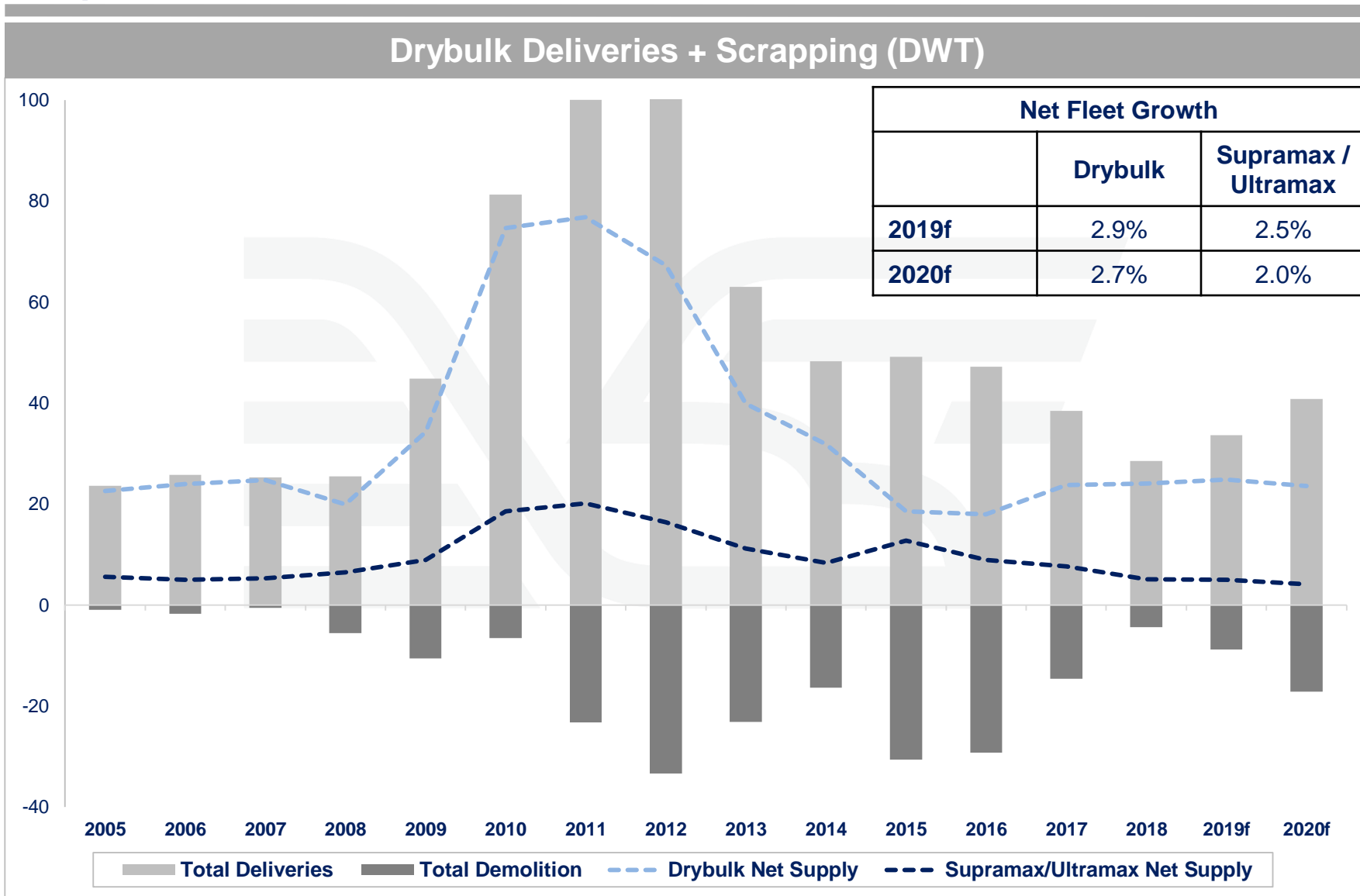


Historical Rates

Baltic Supramax Index (BSI)

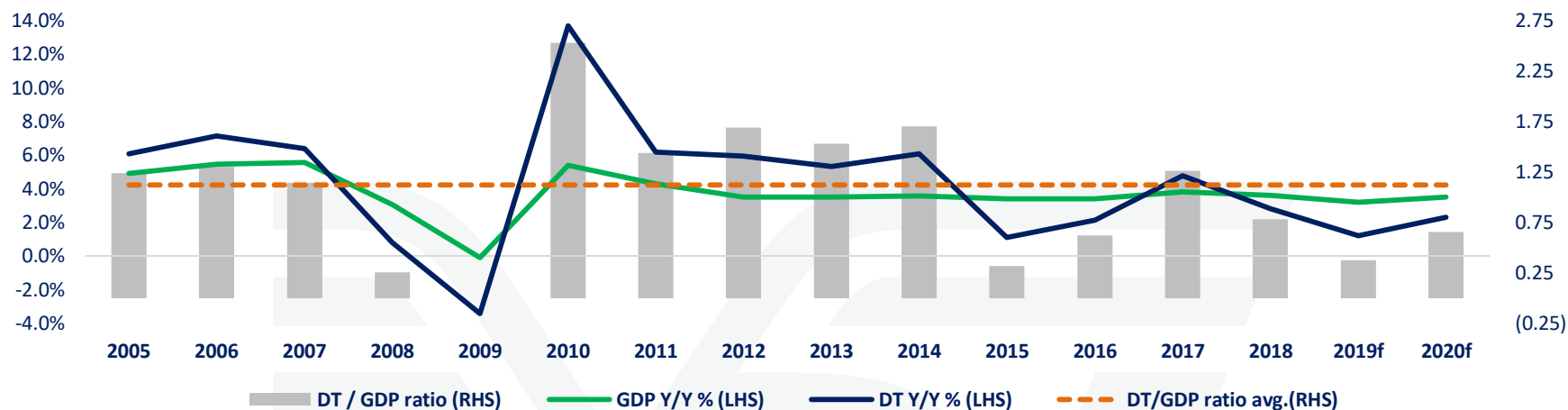


Supramax/Ultramax 2019f Net Fleet Growth ~2.5%



Minor Bulk Demand Leading Drybulk Growth

Drybulk Trade (DT) vs. Global GDP



Annualized Growth Rates

	Historical 2015-17	Last 2018	Current 2019f	Next 2020f
Global GDP	3.5%	3.6%	3.2%	3.5%
China	6.8%	6.6%	6.2%	6.0%
India	7.8%	6.8%	7.0%	7.2%
Dry Bulk Trade	1.9%	2.6%	1.3%	2.6%
Iron Ore	3.2%	0.2%	-1.5%	2.2%
Coal	-0.3%	5.1%	1.0%	1.4%
Grains	5.4%	-0.6%	0.6%	2.3%
Minor Bulk	1.6%	3.8%	3.7%	3.5%



Company

“New” Eagle Milestones

Appointed Gary Vogel as CEO

Executed comprehensive balance sheet recapitalization providing USD 105m of incremental liquidity

Relocated headquarters to Stamford, Connecticut

Raised USD 88m in new growth equity

Opened new European Commercial office based in Hamburg, Germany

Raised USD 100m in additional growth equity

Recruited Frank De Costanzo as new CFO

Recruited new General Counsel

Closed on new USD 61.2m 5-yr credit facility financing 40% of the purchase price on Greenship Bulk 9-Ultramax fleet acquisition

Refinanced USD 270m in debt extending all debt maturities to 2022: issued 5-yr USD 200m Bond, executed a new 5-yr USD 65m Credit Facility, and arranged for a new USD 15m RCF

Arranged for 40% financing on the 2015 CROWN-63 Ultramax acquired

Closed new 5yr senior secured credit facility totalling USD 208m, incl. USD 55m RCF.

Signed agreements for 37 exhaust gas cleaning systems (“scrubbers”) to be fitted to fleet

Issued 5-yr USD 114m Convertible Bond

Relocated European office to Copenhagen, Denmark

2H15

2016

2017

2018

2019

Recruited new Head of Operations

Sold four vessels during 2016 (averaging 15-yrs in age and 50k DWT)

Recruited new Chief Commercial Officer and new Head of Technical Management

Purchased 2016 NACKS-61 Ultramax for USD 18.9m

Purchased 2017 SDARI-64 (resale) Ultramax for USD 17.9m

Sold four vessels during 2017 (averaging 12-yrs in age and 52k DWT)

Acquired nine CROWN-63 Ultramax vessels (built 2012-2015) from Greenship Bulk for USD 153m enbloc, or USD 17m per vessel

Purchased 2015 CROWN-63 Ultramax for USD 21.3m

Purchased 2014 SDARI-64 Ultramax for USD 21.2m

Purchased 2015 SDARI-64 Ultramax for USD 20.4m

Sold two 8-yr old 53k DWT vessel

Purchased six SDARI-64 Ultramaxs (2x 2016-built + 4x 2015-built) for USD 122m

Sold three >15yr-old 50k DWT vessels and one 9-yr old 53k DWT vessel

Business Updates Since 2q19 Earnings Call

▪ Fleet

- Delivery of the six Acquisition Vessels estimated as follows:

Dublin Eagle (built 2015) ~10-15/Sep

Sydney Eagle (built 2015) ~13-18/Sep

Copenhagen Eagle (built 2015) ~25/Sep-5/Oct

Santos Eagle (built 2015) ~5-15/Oct

Hong Kong Eagle (built 2016) ~TBD

Shanghai Eagle (built 2016) ~TBD

- Closed on the sale of the Kestrel (15yr-old Supramax) in early September
- Proforma for all S&P activity, the Company will own 50 vessels

▪ Corporate

- Relocated European Office to Copenhagen, Denmark
 - Office to be led by Mathias Groenvald

▪ Scrubber Program

- Target unchanged for 38 scrubbers installed by December 31, 2019 with remaining three scrubbers to be installed by March 31, 2020
- Shifting 15 scrubber installation jobs from 'partly at shipyard / partly at sea' to 'full shipyard installation'- decision undertaken to help ensure scrubber installation program gets completed within original timeline
 - Change will increase planned offhire across the project by ~16 days in Q3 and ~214 days in Q4
 - Basis above, off-hire for installations (in addition to statutory drydock) across the project estimated at ~16 days per ship

Best-in Class Corporate Governance

Eagle is ranked #1 out of 56 listed companies in Wells Fargo's Shipping Corporate Governance Scorecard and is the only drybulk company listed within the top 5

WF Corporate Governance Scorecard

Volume VI- 2019 (May 2019)

Top Five Ranked Companies:

1. Eagle Bulk

2. International Seaways

3. OSG

4. Triton

5. Ardmore

WF Scorecard Governance Criteria

(eight categories total)

1. Related Party Commercial Management

Eagle performs all commercial management in-house and has NO related party transactions

2. Related Party Technical Management

Eagle performs all technical management in-house and has NO related party transactions

3. Related Party Sale & Purchase Fees

Eagle utilizes third-party brokers in S&P transactions and pays NO related party fees

4. Related Party Other Transactions

Eagle has NO related party transactions

5. Board Independence

Eagle Board is comprised of 5 independent Directors (including Chairman) plus CEO

6. Board Composition

Eagle Board has separate committees for Audit, Governance, and Compensation

7. Board Policy

Eagle does not have any shareholder disenfranchisement tools; such as Poison Pill or Classified Board

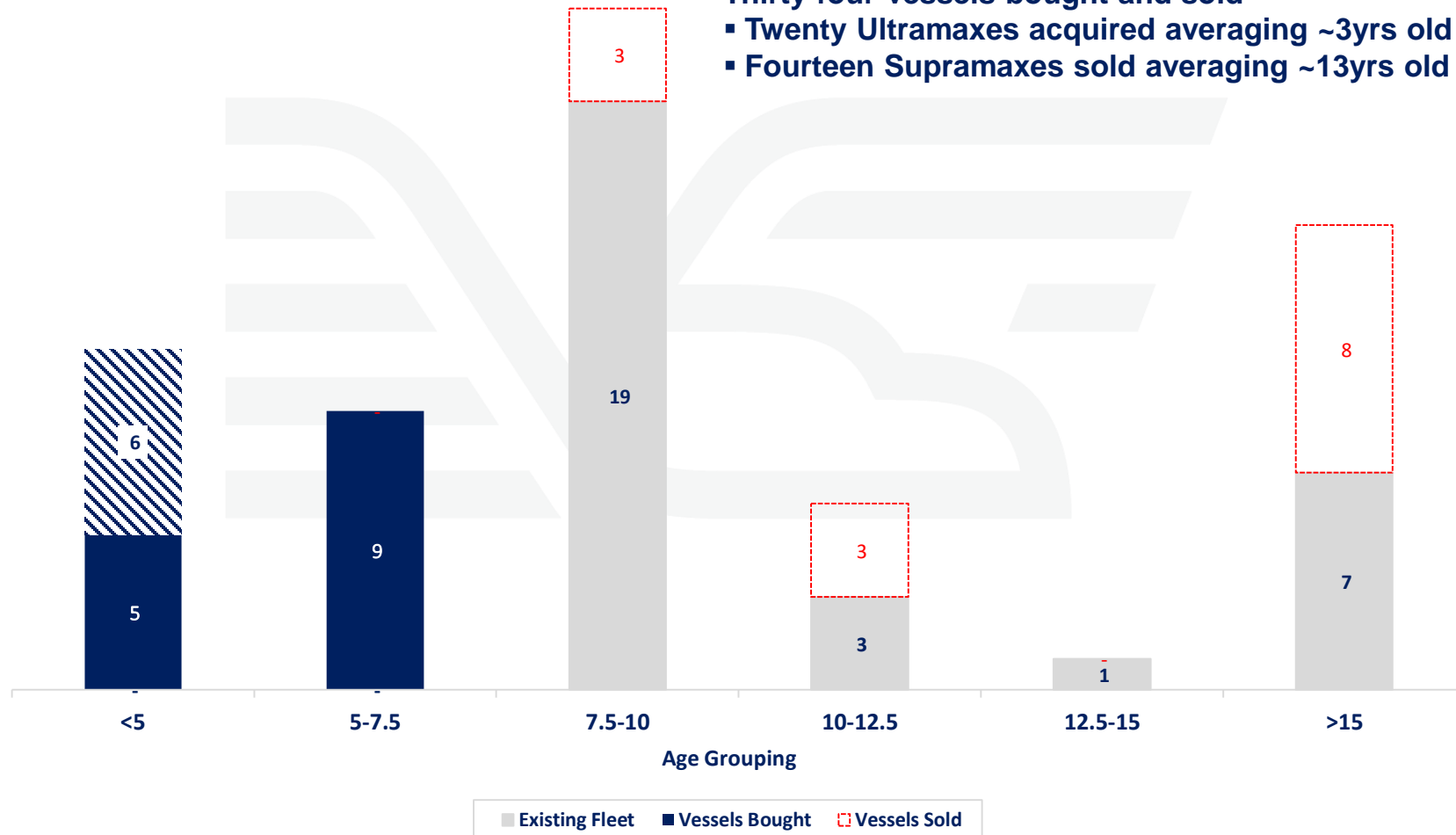
8. Subjective

S&P Activity Significantly Improving Fleet Makeup

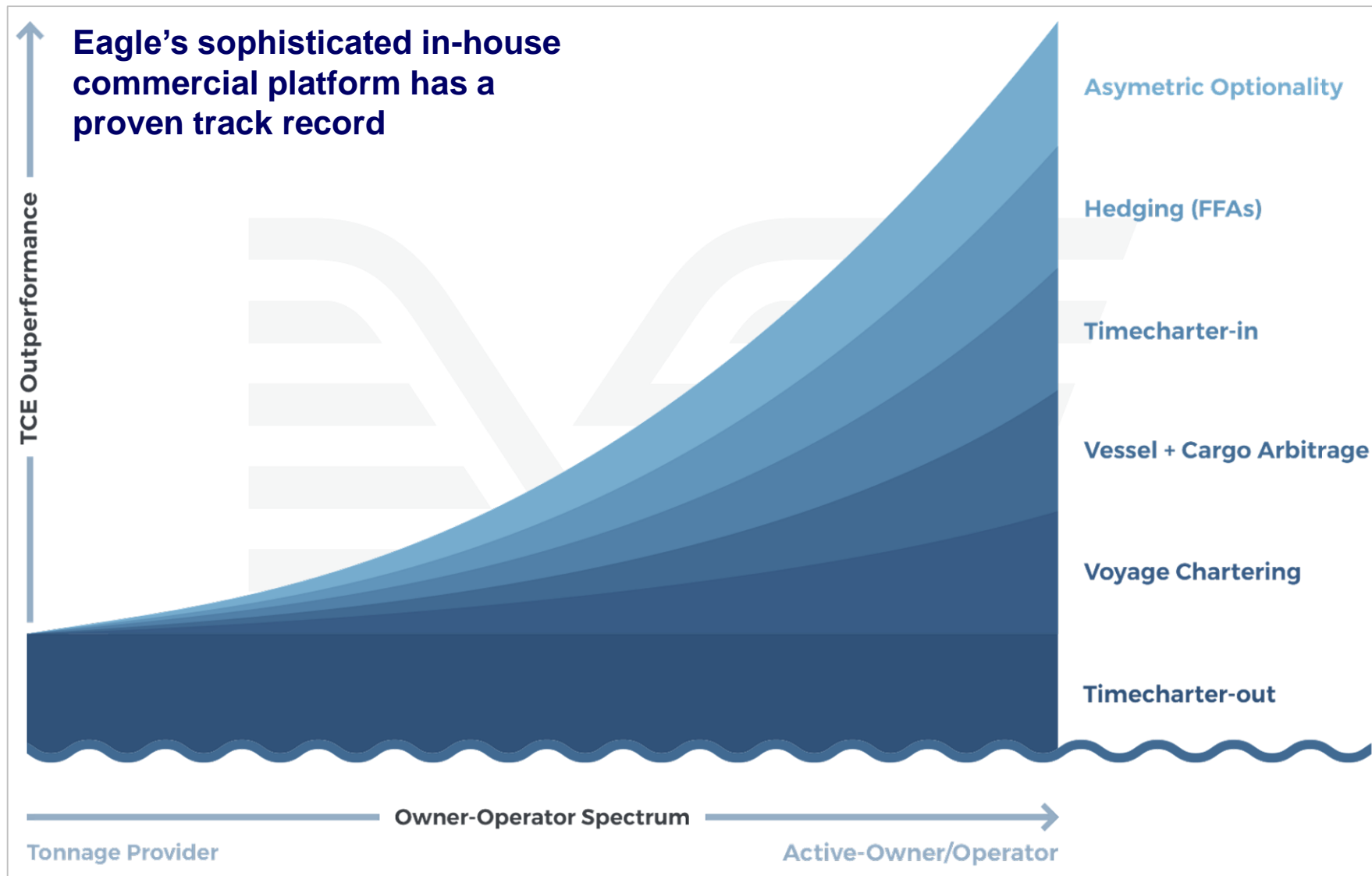
Eagle Proforma Fleet: 50 vessels | ~8.3yrs

Fleet Renewal and Growth Program

- Thirty-four vessels bought and sold
 - Twenty Ultramaxs acquired averaging ~3yrs old
 - Fourteen Supramaxes sold averaging ~13yrs old

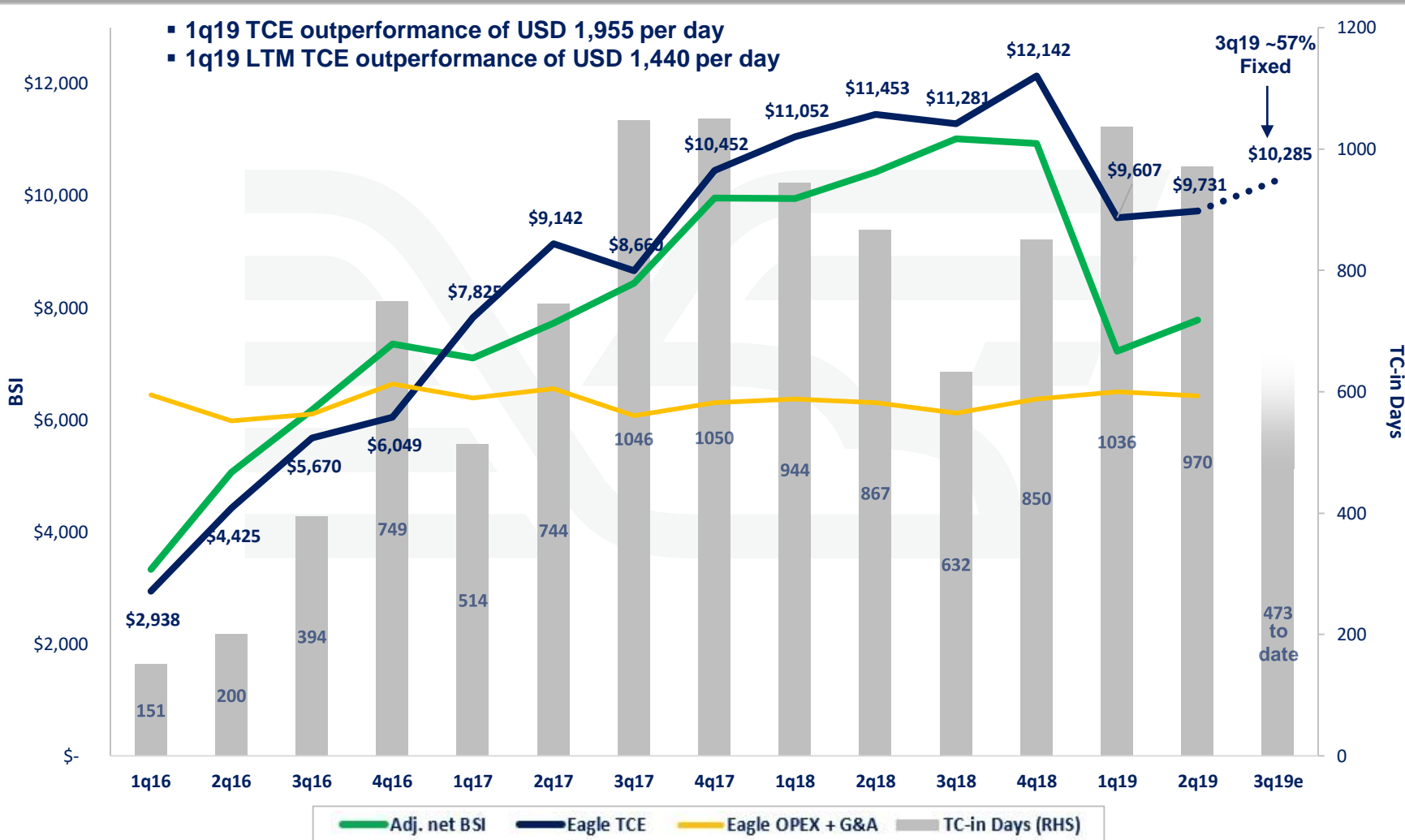


Creating Value Through Active Management



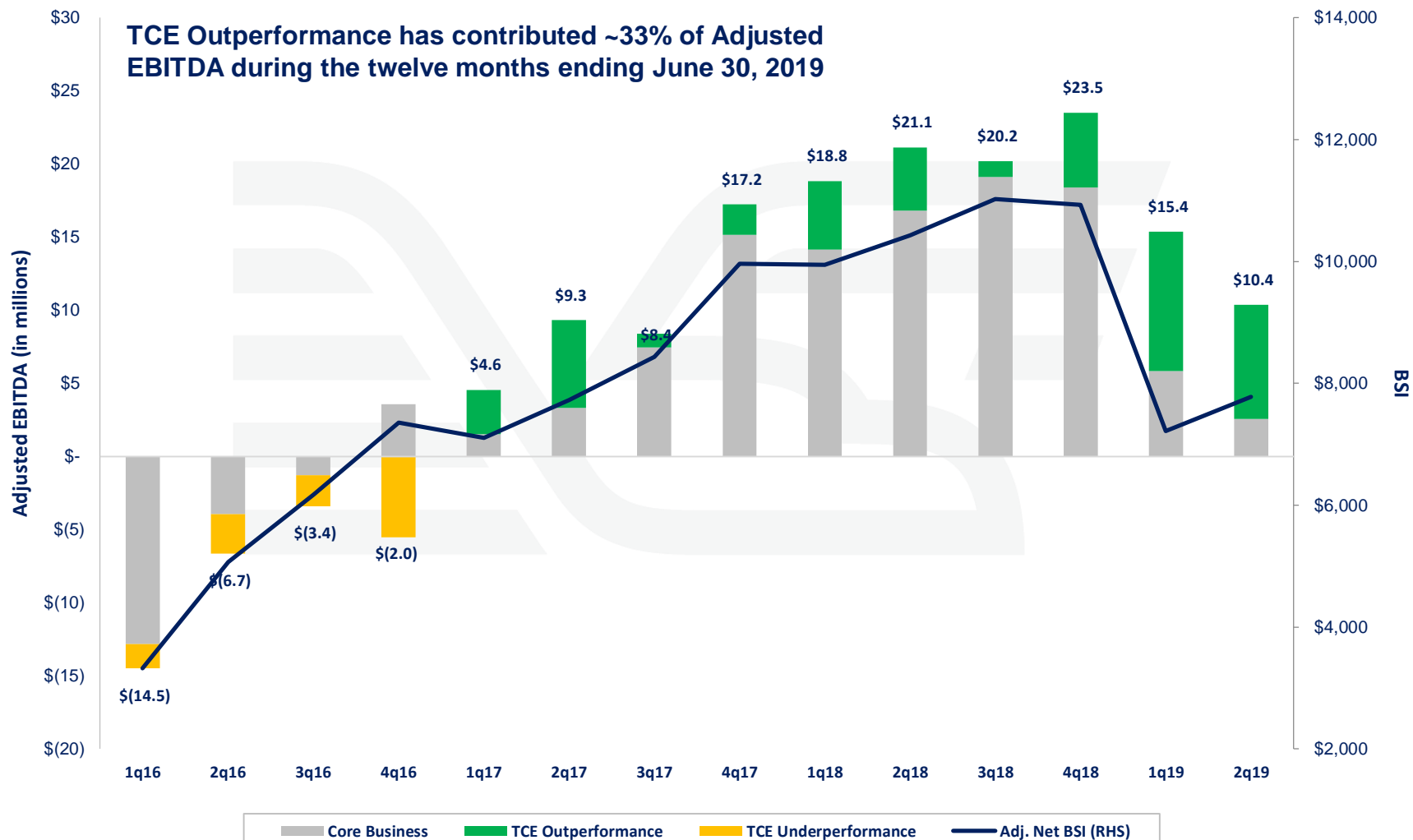
Ten Consecutive Quarters of TCE Outperformance

Eagle Revenue + Cost Performance



EBITDA Benefiting from TCE Outperformance

Adjusted EBITDA



Balance Sheet + Liquidity

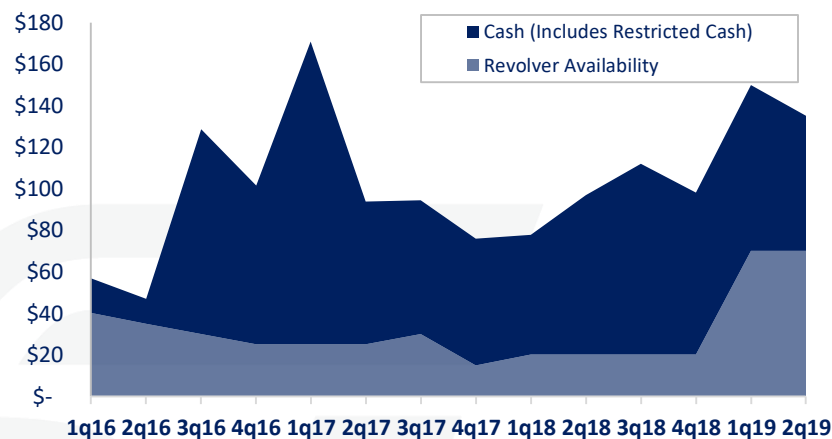
Liquidity Position (June 30, 2019)¹

Cash ²	65,463
Undrawn availability	70,000
Total Liquidity	135,463

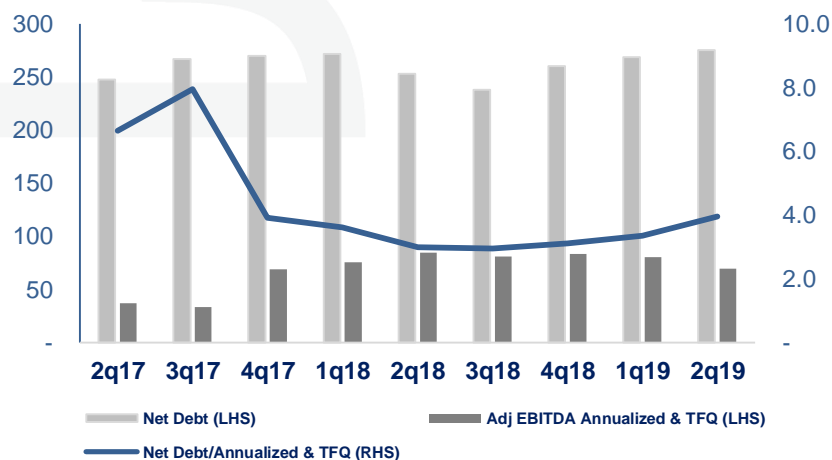
Balance Sheet (June 30, 2019)¹

Cash ²	65,463
Accounts receivable	17,736
Inventory	12,994
Other current assets	6,414
Vessels, net	678,421
Right of use assets - lease	22,462
Other assets	60,267
Total assets	863,758
Accounts payable	6,196
Current liabilities	25,758
Debt (including \$29.7M current) ³	332,421
Lease liability (\$14.0M current)	23,944
Total Liabilities	388,320
Stockholder's Equity	475,438
Total Liabilities and Stockholder's Equity	863,758

Liquidity Trend (USD millions)



Net Debt/Adjusted EBITDA⁴ (USD millions)



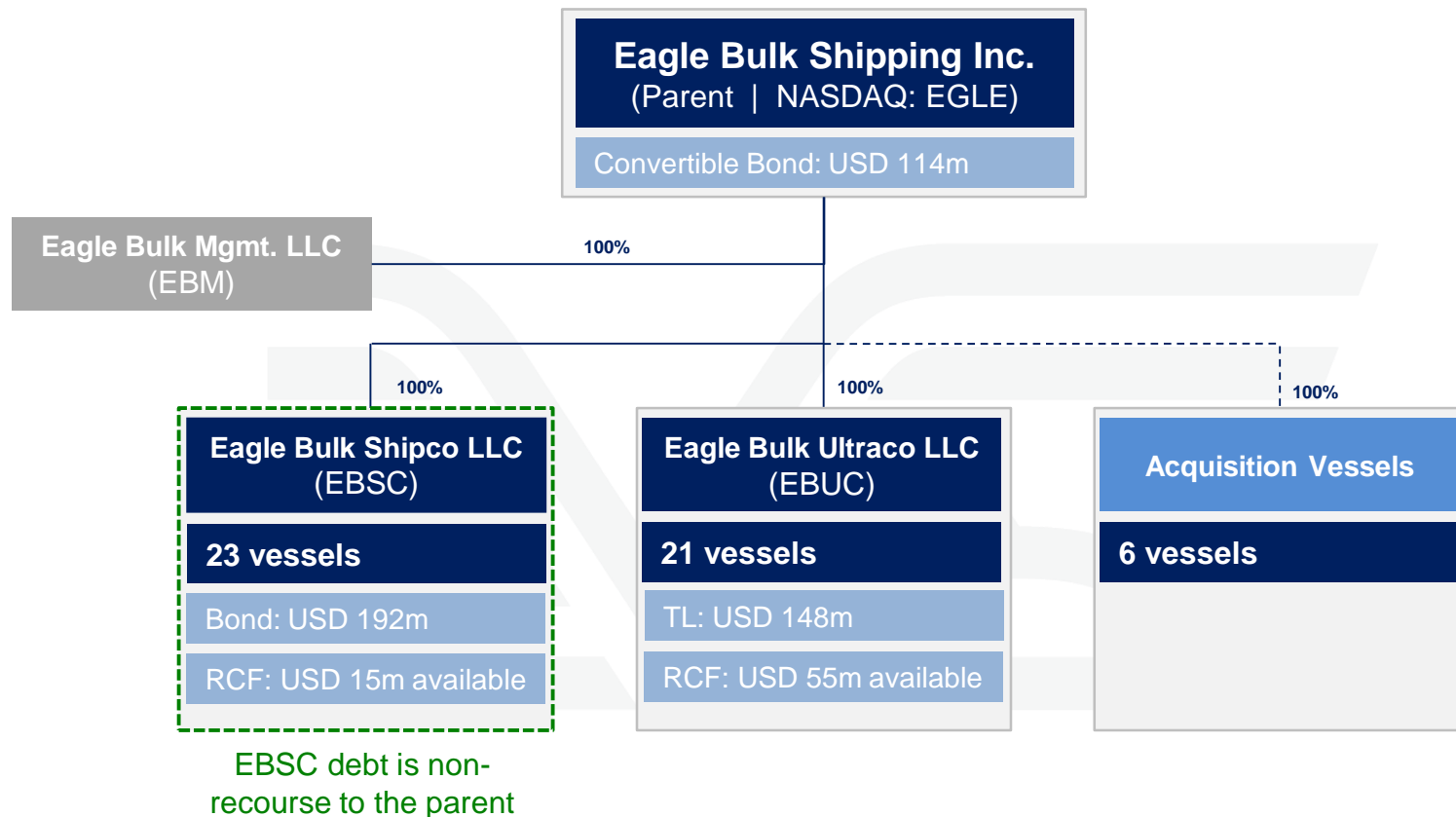
1 – Liquidity and Balance sheet figures are in thousands USD

2 – Cash balance includes cash, cash equivalents and restricted cash

3 – Debt is net of \$8.0m of debt discount and deferred financing costs

4 – Adj EBITDA Annualized is basis quarterly figure * 4 for 2q17-3q18, and basis trailing four quarters (TFQ) starting 4q18. Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA and further information relating to the use of TFQ for Adj. EBITDA versus annualized Adj. EBITDA

Corporate Structure



All management services (strategic / commercial / operational / technical / administrative) are performed inhouse by EBM, a wholly-owned subsidiary of the Parent

Eagle Debt Terms

DATE CLOSED	November 2017		January 2019		July 2019
PARENT	Eagle Bulk Shipping Inc.				
ISSUER/ BORROWER	Eagle Bulk Shipco LLC		Eagle Bulk Ultraco LLC		Eagle Bulk Shipping Inc.
LOAN TYPE	Bond	RCF	Term Loan	RCF	Convertible Note
AMOUNT	USD 200m	USD 15m	USD 153m	USD 55m	USD 114m
OUTSTANDING	USD 192m	-	USD 148m	-	USD 114m
SECURITY	Senior Secured	Super Senior Secured	Senior Secured		Senior Unsecured
RECOURSE	Ringfenced and non-recourse to the Parent		Parent Guarantee		Parent Guarantee
COLLATERAL	23 vessels + USD 33.9m restricted cash		21 vessels		N/A
INTEREST RATE	8.25% fixed	L+200bps	L+250bps		5.0% fixed
TENOR	5 years		5 years		5 years
MATURITY	2022		2024		2024
AMORTIZATION	USD 8m/year	N/A	USD 20.2m - 1st yr (starting Apr 2019) USD 26.1m/year thereafter		N/A
CONVERSION	N/A		N/A		178.1737 shares common stock per USD 1,000 principal (approx. share price of USD 5.61)

Scrubber Initiative

Scrubber Program Overview

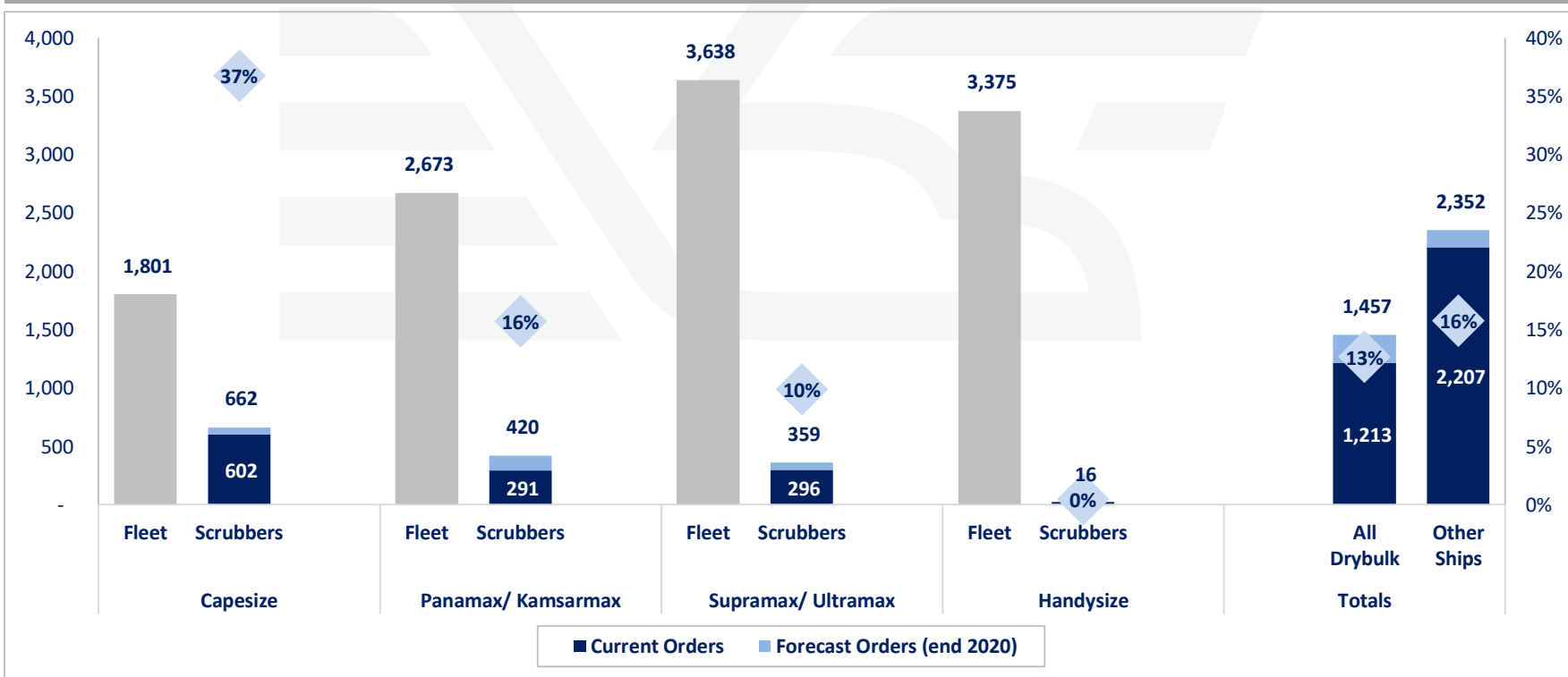
Progress To Date	
Scrubbers towers manufactured	38
Scrubbers towers installed, riding crews onboard	19
Operational scrubbers	5
Outlook	
Operational scrubbers projected by Dec. 31th, 2019	38
Operational scrubbers projected by Mar. 31st, 2020	41

- **Budget ~USD 2.25 million per unit for scrubbers ordered by Eagle**
 - Total program cost estimated at ~USD 83 million for the 37 units ordered
 - Cost of scrubbers on four Acquisition Vessels is embedded in purchase price (i.e. no incremental CAPEX to be incurred)
 - Basis above, off-hire for installations (in addition to statutory drydock) across the project estimated at ~16 days per ship

Update on Scrubber Orderbook

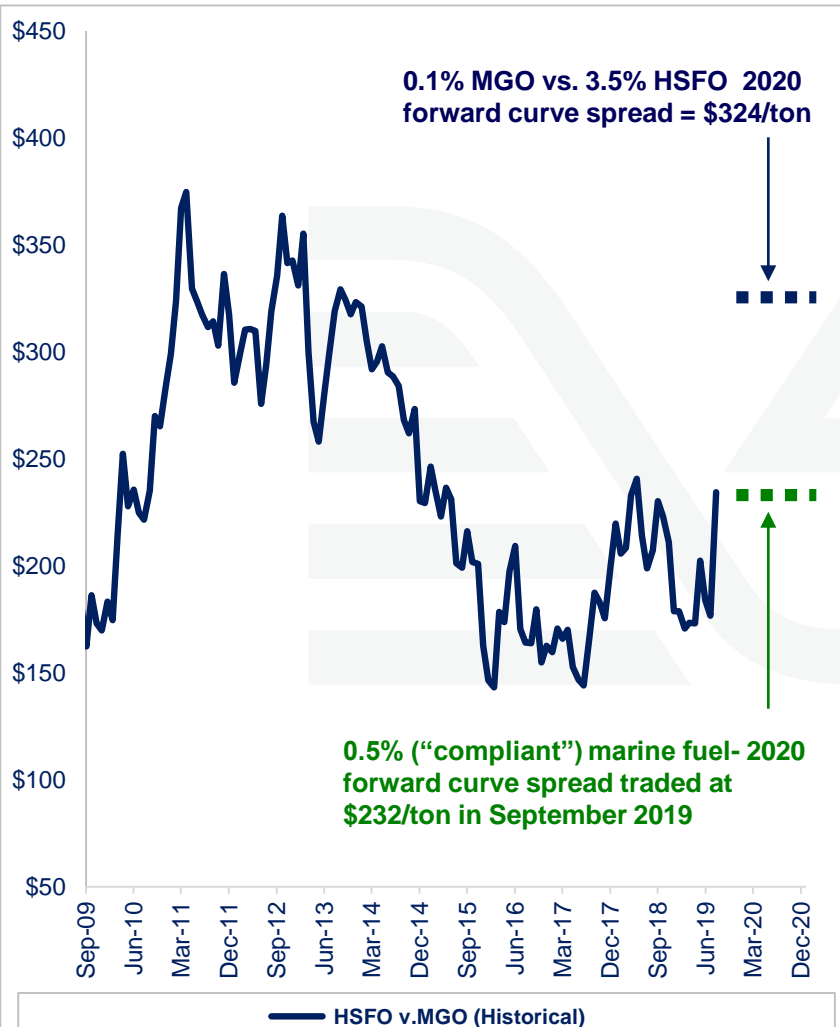
- DNB's June update reflects additional 54 scrubbers ordered for drybulk for installation by end-2019 (vs. March update)
- Additional ~ 120 installs by end-2020 and end-2021
- Of these just 18 for Supramax / Ultramax

Scrubber Uptake by end-2020

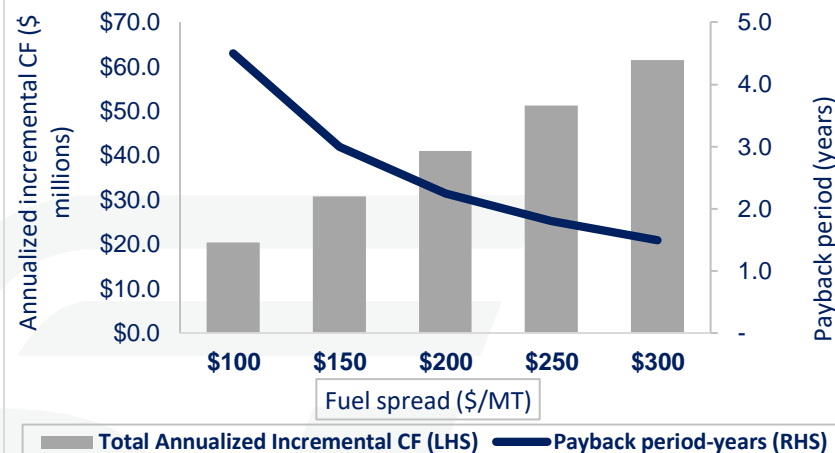


Scrubber Economics Basis Fuel Spreads

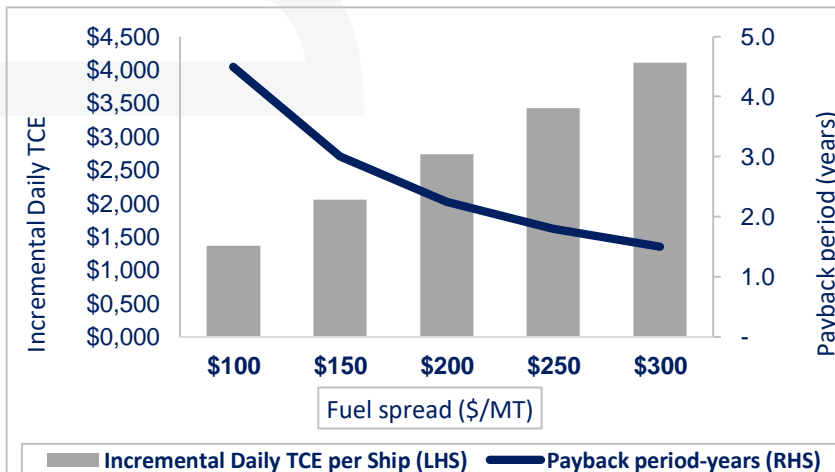
Fuel Spreads



Scrubber Cash Flow Effect



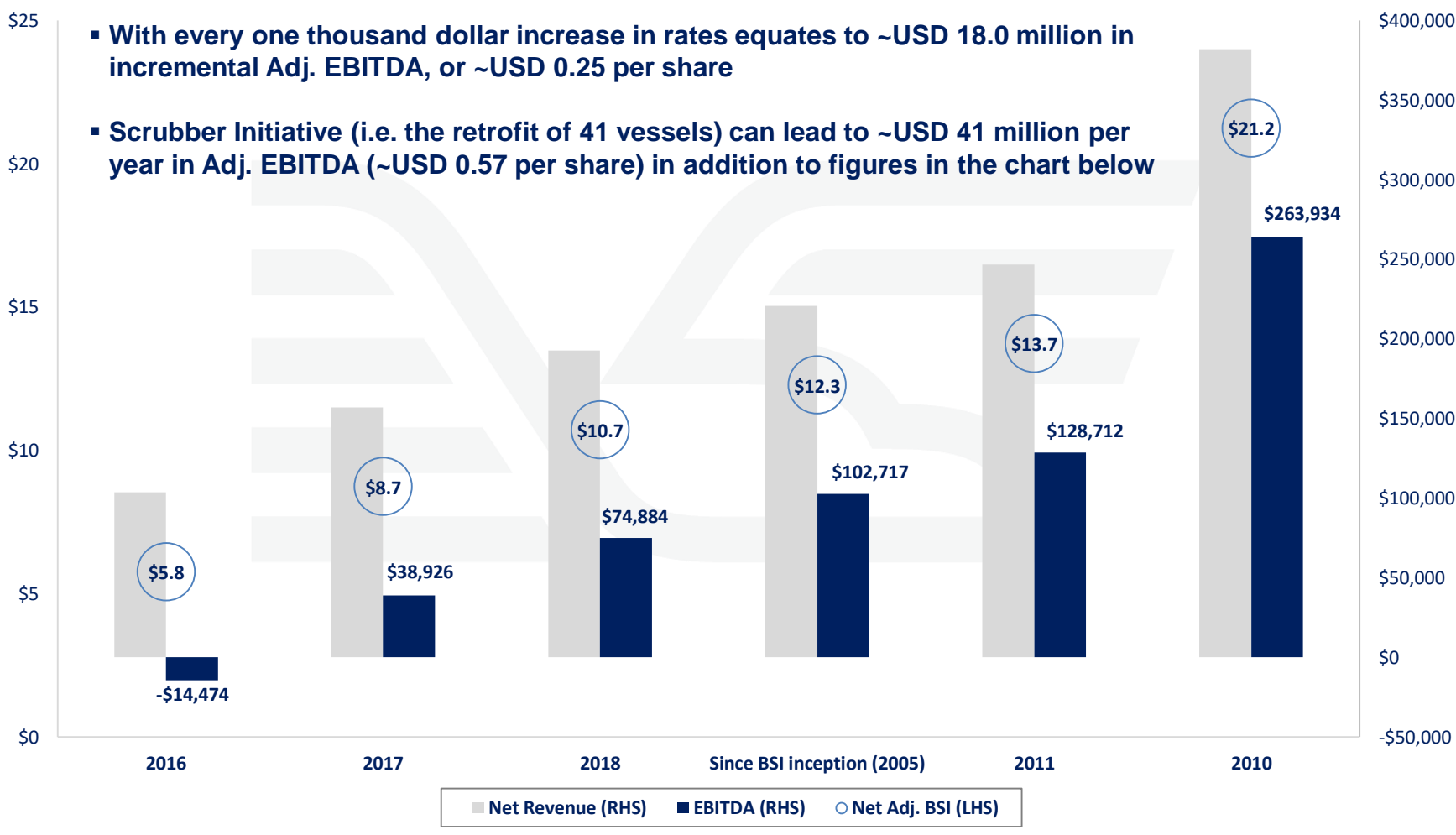
Scrubber TCE Benefit



Summary

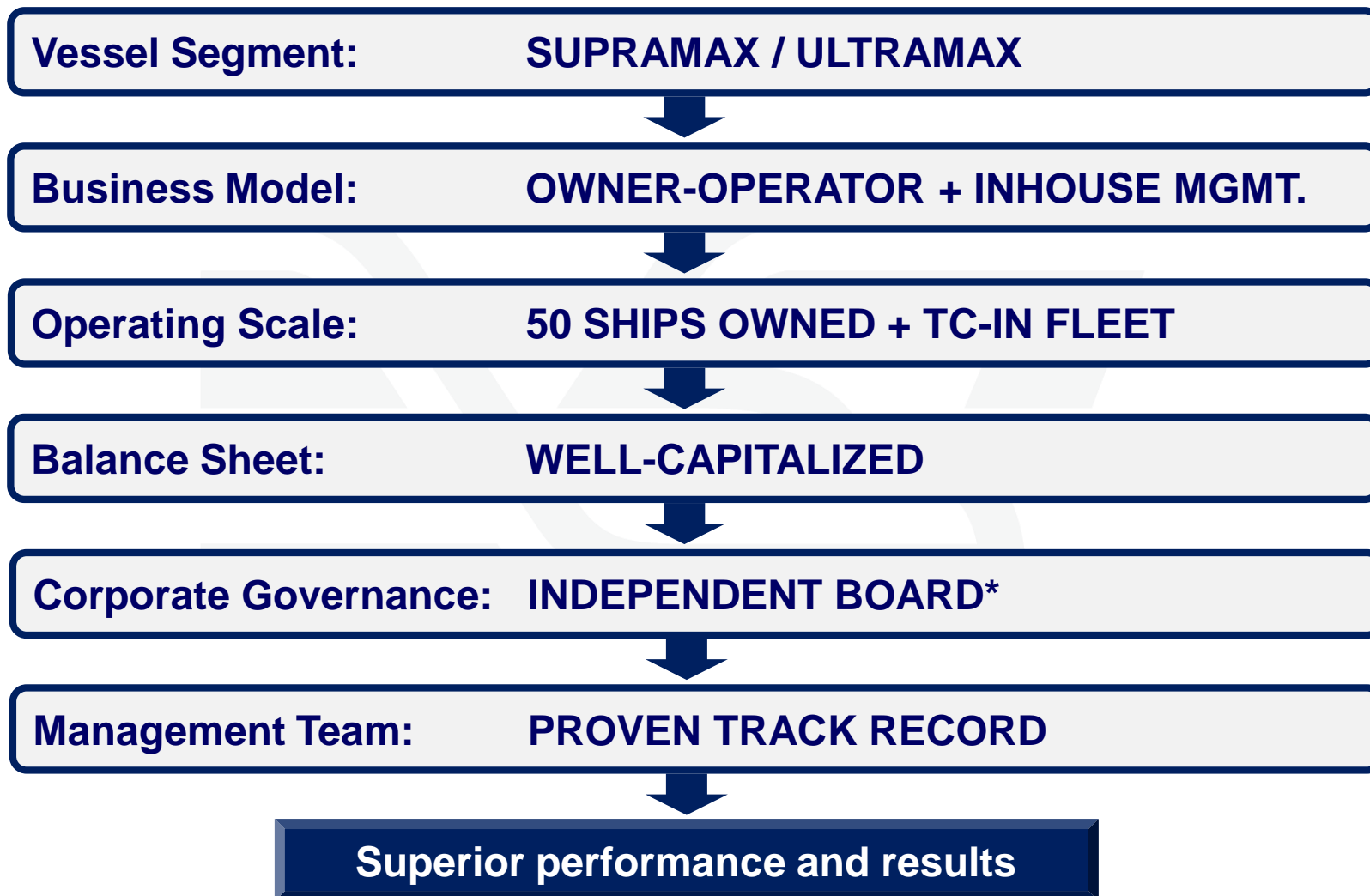
Significant Operational Leverage

Net Revenue + Adj. EBITDA Generation in Different Rate Environments



For Illustrative Purposes Only

Uniquely Positioned to Capitalize on Market





Owned Fleet

Total Fleet: 50 Vessels		2946 DWT (MT, thousands)		8.3 Yrs Old	
EBSC		EBUC		Acquisition Vessels	
Vessel	DWT	Vessel	DWT	Vessel	DWT
1 Singapore Eagle	63.4	1 New London Eagle	63.1	1 Hong Kong Eagle	63.5
2 Stamford Eagle	61.5	2 Cape Town Eagle	63.7	2 Shanghai Eagle	63.4
3 Sandpiper Bulker	57.8	3 Westport Eagle	63.3	3 Copenhagen Eagle	63.5
4 Roadrunner Bulker	57.8	4 Hamburg Eagle	63.3	4 Sydney Eagle	63.5
5 Puffin Bulker	57.8	5 Madison Eagle	63.3	5 Santos Eagle	63.5
6 Petrel Bulker	57.8	6 Greenwich Eagle	63.3	6 Dublin Eagle	63.5
7 Owl	57.8	7 Groton Eagle	63.3		
8 Oriole	57.8	8 Fairfield Eagle	63.3		
9 Egret Bulker	57.8	9 Southport Eagle	63.3		
10 Crane	57.8	10 Rowayton Eagle	63.3		
11 Canary	57.8	11 Mystic Eagle	63.3		
12 Bittern	57.8	12 Stonington Eagle	63.3		
13 Stellar Eagle	56.0	13 Nighthawk	57.8		
14 Crested Eagle	56.0	14 Martin	57.8		
15 Crowned Eagle	55.9	15 Kingfisher	57.8		
16 Jaeger	52.5	16 Jay	57.8		
17 Cardinal	55.4	17 Ibis Bulker	57.8		
18 Skua	53.4	18 Grebe Bulker	57.8		
19 Shrike	53.3	19 Gannet Bulker	57.8		
20 Tern	50.2	20 Imperial Eagle	56.0		
21 Osprey I	50.2	21 Golden Eagle	56.0		
22 Goldeneye	52.4				
23 Hawk I	50.3				
23 Vessels	1,288.6	21 Vessels	1,276.6	6 Vessels	381.0

TCE Reconciliation

\$ Thousands except TCE and days	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
Revenues, net	\$ 21,278	\$ 25,590	\$ 35,788	\$ 41,836	\$ 45,855	\$ 53,631	\$ 62,711	\$ 74,587
Less:								
Voyage expenses	(9,244)	(7,450)	(11,208)	(14,192)	(13,353)	(13,380)	(17,463)	(18,155)
Charter hire expenses	(1,489)	(1,668)	(3,822)	(5,866)	(3,873)	(6,446)	(9,652)	(11,312)
Reversal of one legacy time charter	1,045	793	670	432	(302)	584	329	426
Realized gain/(loss) - Derivatives	-	-	(449)	(113)	-	83	248	(349)
TCE revenue	\$ 11,590	\$ 17,265	\$ 20,979	\$ 22,097	\$ 28,326	\$ 34,473	\$ 36,173	\$ 45,197
Owned available days *	3,945	3,902	3,700	3,653	3,620	3,771	4,177	4,324
TCE	\$ 2,938	\$ 4,425	\$ 5,670	\$ 6,049	\$ 7,825	\$ 9,142	\$ 8,660	\$ 10,452

\$ Thousands except TCE and days	1q18	2q18	3q18	4q18	1q19	2q19
Revenues, net	\$ 79,371	\$ 74,939	\$ 69,093	\$ 86,692	\$ 77,390	\$ 69,391
Less:						
Voyage expenses	(22,515)	(17,205)	(15,126)	(24,721)	(25,906)	(20,907)
Charter hire expenses	(10,268)	(10,108)	(7,460)	(10,209)	(11,492)	(11,179)
Reversal of one legacy time charter	(86)	(404)	497	(226)	(414)	767
Realized gain/(loss) - Derivatives	117	345	284	(211)	(475)	861
TCE revenue	\$ 46,619	\$ 47,567	\$ 47,288	\$ 51,326	\$ 39,102	\$ 38,933
Owned available days *	4,218	4,153	4,192	4,227	4,070	4,001
TCE	\$ 11,052	\$ 11,453	\$ 11,281	\$ 12,142	\$ 9,607	\$ 9,731

Earnings

USD in Thousands except EPS	2q19	1q19	2q18	2019 YTD	2018 YTD
REVENUES, net of commissions	\$ 69,391	\$ 77,390	\$ 74,939	\$ 146,781	\$ 154,309
EXPENSES					
Voyage expenses	20,907	25,906	17,205	46,813	39,720
Charter hire expenses	11,179	11,492	10,108	22,671	20,376
Vessel expenses	19,958	20,094	20,577	40,052	41,656
Depreciation and amortization	9,761	9,407	9,272	19,168	18,549
General and administrative expenses	8,041	8,410	8,896	16,451	18,809
Gain on sale of vessels	(967)	(4,107)	(105)	(5,073)	(105)
Total operating expenses	68,879	71,202	65,953	140,082	139,005
OPERATING INCOME / (LOSS)	512	6,187	8,986	6,699	15,304
OTHER EXPENSES					
Interest expense, net	6,340	6,328	6,275	12,668	12,441
Loss/(Gain) on derivatives	163	(2,438)	(740)	(2,275)	(640)
Loss on debt extinguishment	-	2,268	-	2,268	-
Total other expense, net	6,503	6,158	5,535	12,661	11,801
Net Income / (Loss)	\$ (5,991)	\$ 29	\$ 3,451	\$ (5,962)	\$ 3,503
Weighted average shares outstanding (Basic)	71,349	71,283	70,515	71,316	70,484
EPS (Basic)	\$ (0.08)	\$ 0.00	\$ 0.05	\$ (0.08)	\$ 0.05
Adjusted EBITDA*	\$ 10,370	\$ 15,372	\$ 21,132	\$ 25,741	\$ 39,968

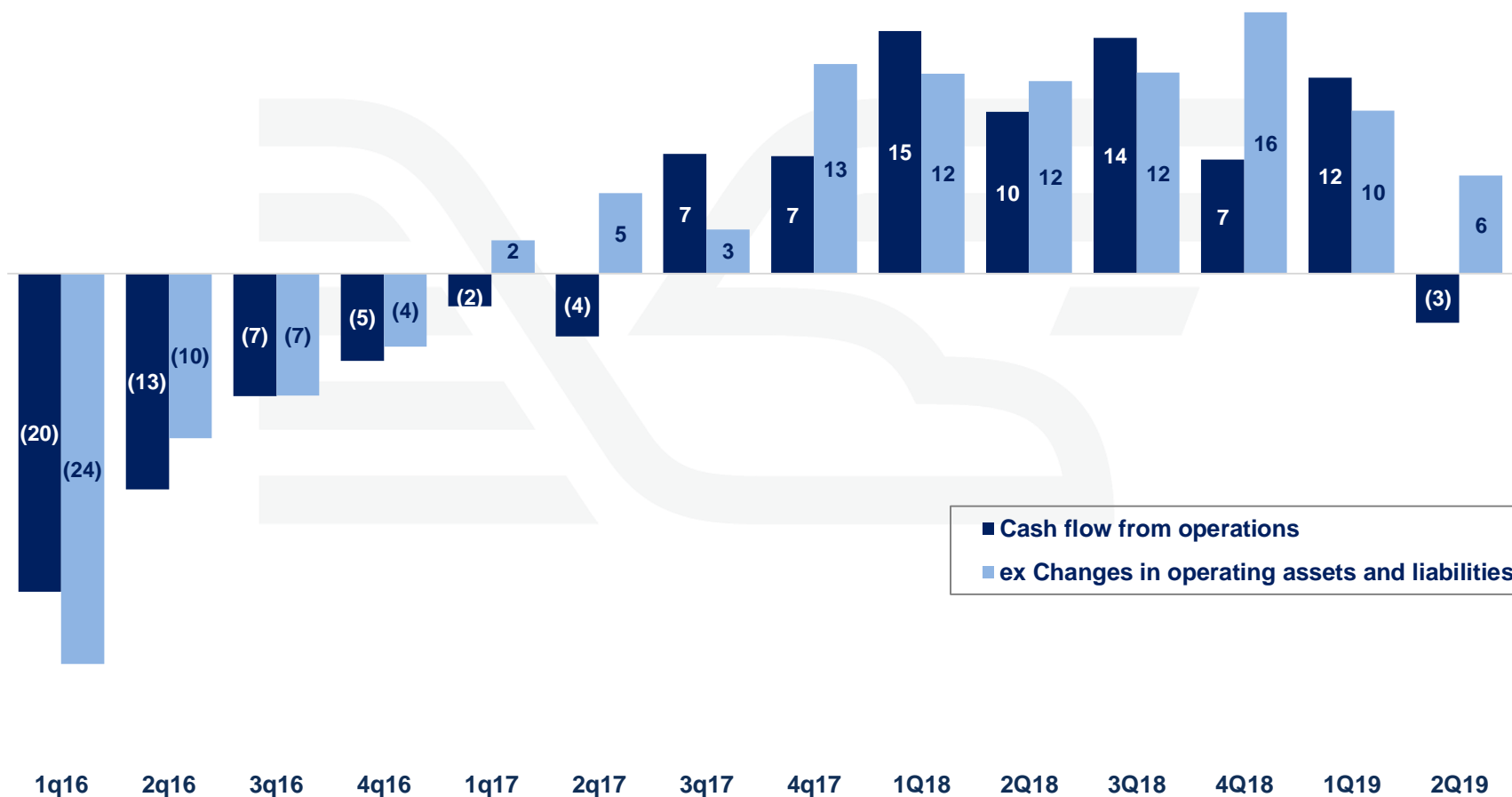
EBITDA Reconciliation

USD in Thousands	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
Net Income / (Loss)	\$(39,279)	\$(22,496)	\$(19,359)	\$(142,389)	\$(11,068)	\$ (5,888)	\$(10,255)	\$(16,584)
Less adjustments to reconcile:								
Interest expense	2,818	4,903	7,434	6,644	6,445	6,859	7,837	8,236
Interest income	(3)	-	(88)	(124)	(190)	(186)	(143)	(133)
EBIT	(36,464)	(17,593)	(12,013)	(135,868)	(4,813)	785	(2,561)	(8,481)
Depreciation and amortization	9,397	9,654	9,854	9,979	7,493	8,021	8,981	9,196
EBITDA	(27,068)	(7,939)	(2,159)	(125,889)	2,680	8,805	6,420	715
Less adjustments to reconcile:								
Stock-based compensation	827	842	(735)	1,273	2,171	2,478	2,350	1,740
One-time and non-cash adjustments	11,756	436	(509)	122,656	(297)	(1,977)	(373)	14,764
Adjusted EBITDA*	\$(14,486)	\$ (6,661)	\$ (3,403)	\$ (1,961)	\$ 4,553	\$ 9,307	\$ 8,397	\$ 17,219

USD in Thousands	1q18	2q18	3q18	4q18	1q19	2q19
Net Income / (Loss)	\$ 53	\$ 3,451	\$ 2,585	\$ 6,486	\$ 29	\$ (5,992)
Less adjustments to reconcile:						
Interest expense	6,261	6,387	6,574	6,521	6,762	6,733
Interest income	(95)	(112)	(129)	(248)	(434)	(393)
EBIT	6,219	9,726	9,030	12,759	6,357	348
Depreciation and amortization	9,276	9,272	9,460	9,708	9,407	9,761
EBITDA	15,495	18,998	18,490	22,467	15,764	10,109
Less adjustments to reconcile:						
Stock-based compensation	3,511	2,410	2,100	1,187	1,445	1,227
One-time and non-cash adjustments	(170)	(276)	(406)	(165)	(1,838)	(967)
Adjusted EBITDA*	\$ 18,835	\$ 21,132	\$ 20,184	\$ 23,489	\$ 15,372	\$10,370

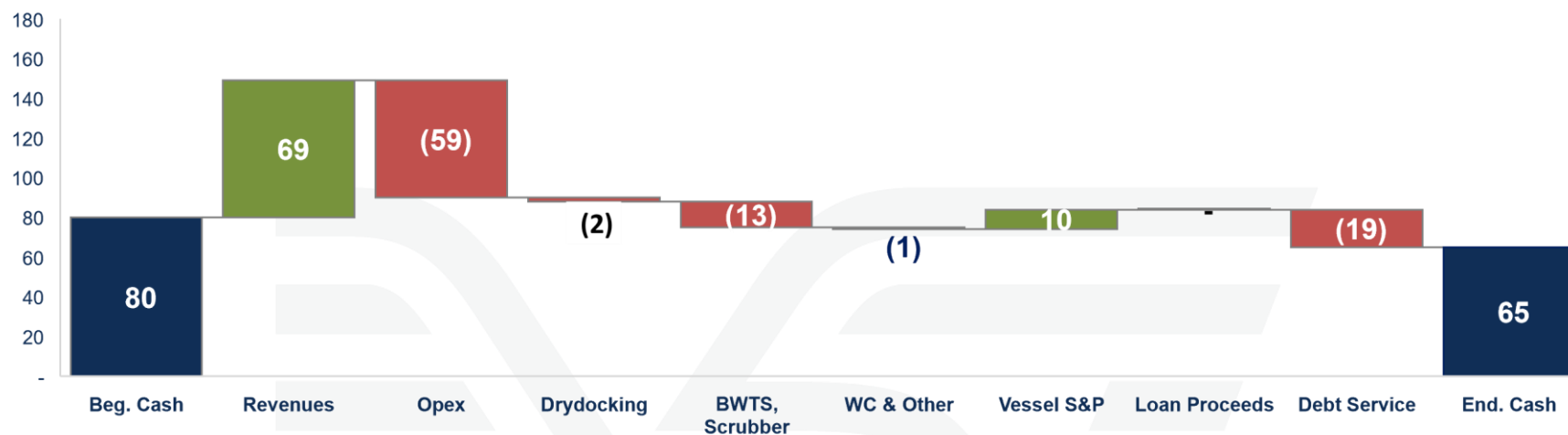
Cash Flow from Operations

Cash Flow from Operations – Quarterly (USD millions)

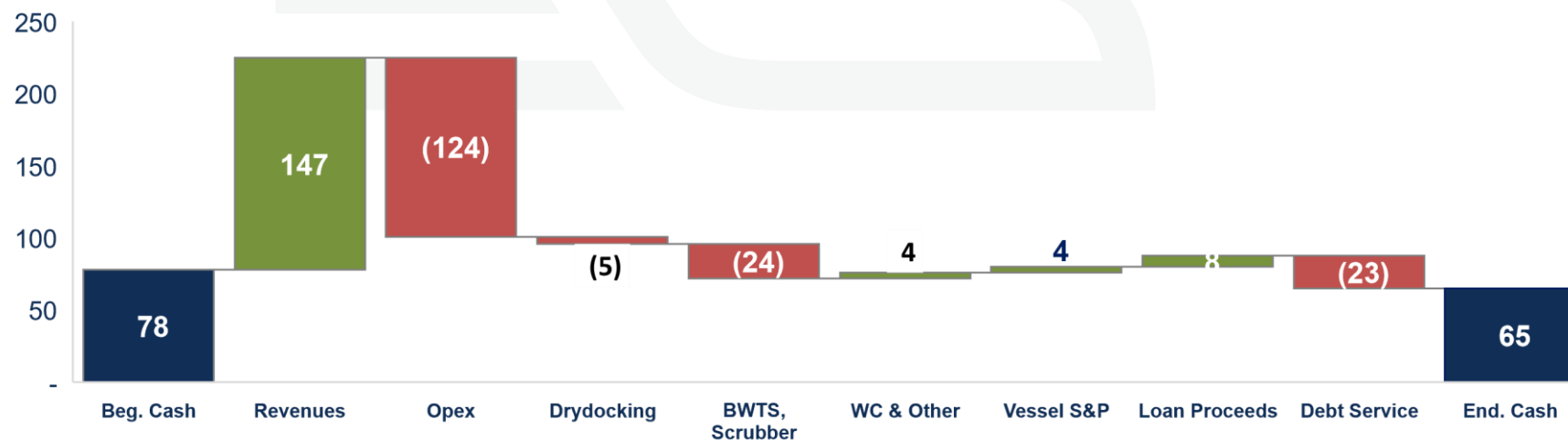


Cash Flow

2q19 Cash Flows (\$ Millions)



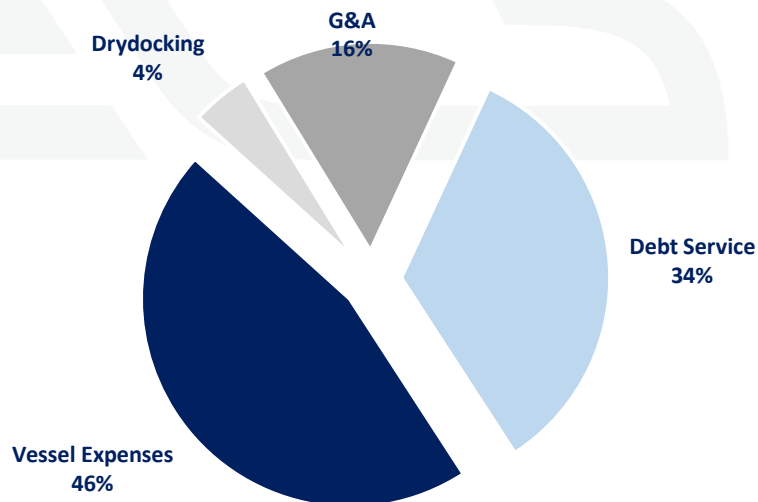
YTD 2019 Cash Flows (\$ Millions)



Cash Breakeven per Vessel per Day

USD In Thousands	YTD 2019	2q19	1q19	FY 2018
OPERATING				
Vessel Expenses	\$ 4,809	\$ 4,787	\$ 4,830	\$ 4,725
Drydocking	541	475	608	484
G&A	1,654	1,634	1,674	1,566
Total Operating	7,004	6,896	7,112	6,775
Interest Expense	1,385	1,371	1,400	1,351
Debt Principal Repayment	1,595	2,170	1,018	232
TOTAL CASH BREAKEVEN	\$ 9,984	\$ 10,437	\$ 9,530	\$ 8,358

2q 2019 Cash Breakeven by Category



Definitions

Adjusted EBITDA

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 income/(loss), operating income/(loss), cash flows provided by/(used in) 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, gain/(loss) on sale of vessels, stock-based compensation and restructuring expenses that the Company believes are not indicative of the ongoing performance of its core operations.

For purposes of the Net Debt/Adjusted EBITDA calculation included in this presentation, Adjusted EBITDA is annualized for the second quarter of 2017 through the fourth quarter of 2018. Starting with the first quarter of 2019, the Company uses trailing four quarters (TFQ) to calculate Net Debt/Adjusted EBITDA. The Company used the prior practice of annualizing the Adjusted EBITDA because it did not have positive Adjusted EBITDA until first quarter of 2017, which made it impossible to use TFQ during 2017. We believe using the TFQ for purposes of this calculation aligns us with market practice in our industry and provides more meaningful information to our investors. However, the change in calculation affects the comparability of this calculation between periods that annualize Adjusted EBITDA and periods that utilize TFQ Adjusted EBITDA.

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 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. The BSI was initiated in 2006 based on the Tess 52 design. The index for the Tess 58 design has been published commencing on April 3, 2017, and transition was completed as of December 2018, when the Baltic stopped publishing a dynamic Tess 52 daily rate. The Company has now switched to the Tess 58 index for valuation modeling as of January 1, 2019. The change in the BSI may affect comparability of our TCE against BSI in periods prior to Company switching to the Tess 58 index.

Owned available days is the aggregate number of days in a period during which each vessel in our fleet has been owned by us 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.

