



January 1, 2023

Characterization of distributions in 2022

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, reducing such basis on a dollar-for-dollar basis. Generally, a distribution that exceeds current or accumulated earnings and profits and a shareholder's basis will be treated as capital gains.

In 2022, Eneti Inc. ("Eneti") distributed a total of approximately \$1.7 million to holders of its common stock. Eneti has determined that as of December 31, 2022, Eneti has current earnings or accumulated earnings and profits exceeding the total distribution.

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