



SCORPIO TANKERS INC. ANNOUNCES FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2022 AND DECLARATION OF A QUARTERLY DIVIDEND

Nov 1, 2022

MONACO, Nov. 01, 2022 (GLOBE NEWSWIRE) – Scorpio Tankers Inc. (NYSE: STNG) (“Scorpio Tankers” or the “Company”) today reported its results for the three and nine months ended September 30, 2022. The Company also announced that its Board of Directors has declared a quarterly cash dividend of \$0.10 per share on the Company’s common stock.

Results for the three months ended September 30, 2022 and 2021

For the three months ended September 30, 2022, the Company had net income of \$266.2 million, or \$4.84 basic and \$4.31 diluted earnings per share.

For the three months ended September 30, 2022, the Company had adjusted net income (see Non-IFRS Measures section below) of \$264.8 million, or \$4.81 basic and \$4.29 diluted earnings per share, which excludes from net income (i) a \$2.7 million, or \$0.05 per basic and \$0.04 per diluted share, gain on the sale of a vessel, (ii) \$1.4 million, or \$0.03 per basic and \$0.02 per diluted share, write-off or acceleration of the amortization of deferred financing fees on certain debt or lease financing obligations and related debt extinguishment costs, and (iii) \$0.1 million, or \$0.00 per basic and \$0.00 per diluted share, gain recorded on the repurchase of the Company’s Convertible Notes due 2025.

For the three months ended September 30, 2021, the Company had a net loss of \$73.3 million, or \$1.34 basic and diluted loss per share.

For the three months ended September 30, 2021, the Company had an adjusted net loss (see Non-IFRS Measures section below) of \$76.1 million, or \$1.39 basic and diluted loss per share, which excludes from the net loss a \$2.9 million, or \$0.05 per basic and diluted share, gain recorded as part of the refinancing of the lease financing for five vessels.

Results for the nine months ended September 30, 2022 and 2021

For the nine months ended September 30, 2022, the Company had net income of \$372.8 million, or \$6.74 basic and \$6.07 diluted earnings per share.

For the nine months ended September 30, 2022, the Company had adjusted net income (see Non-IFRS Measures section below) of \$446.0 million, or \$8.06 basic and \$7.21 diluted earnings per share, which excludes from net income (i) a \$66.5 million, or \$1.20 per basic and \$1.04 per diluted share, aggregate net loss on the sale of vessels, (ii) \$7.1 million, or \$0.13 per basic and \$0.11 per diluted share, write-off or acceleration of the amortization of deferred financing fees on debt or lease financing obligations and related debt extinguishment costs and (iii) \$0.5 million, or \$0.01 per basic and \$0.01 per diluted share, gain recorded on the repurchases of the Company’s Convertible Notes due 2025.

For the nine months ended September 30, 2021, the Company had a net loss of \$188.4 million, or \$3.46 basic and diluted loss per share.

For the nine months ended September 30, 2021, the Company had an adjusted net loss (see Non-IFRS Measures section below) of \$184.5 million, or \$3.38 basic and diluted loss per share, which excludes from the net loss (i) a \$2.9 million, or \$0.05 per basic and diluted share, gain recorded as part of the refinancing of the lease financing for five vessels, (ii) \$5.5 million, or \$0.10 per basic and diluted share, of aggregate losses recorded on the March 2021 and June 2021 transactions to exchange the Company’s existing Convertible Notes Due 2022 for new Convertible Notes Due 2025, and (iii) a \$1.3 million, or \$0.02 per basic and diluted share, write-off of deferred financing fees related to the refinancing of certain credit facilities.

Declaration of Dividend

On October 31, 2022, the Company’s Board of Directors declared a quarterly cash dividend of \$0.10 per common share, payable on or about December 15, 2022 to all shareholders of record as of November 17, 2022 (the record date). As of November 1, 2022, there were 56,294,672 common shares of the Company outstanding.

Summary of Third Quarter 2022 and Other Recent Significant Events

- Below is a summary of the average daily Time Charter Equivalent (“TCE”) revenue (see Non-IFRS Measures section below) and duration of contracted voyages and time charters for the Company’s vessels (both in the pools and outside of the pools) thus far in the fourth quarter of 2022 as of the date hereof (See footnotes to “Other operating data” table below for the definition of

daily TCE revenue):

	Pool and Spot Market			Time Charters Out of the Pool		
	Avg. Daily TCE Revenue	Expected Revenue Days ⁽¹⁾	% of Days	Avg. Daily TCE Revenue	Expected Revenue Days ⁽¹⁾	% of Days
LR2	\$58,000	2,900	55%	\$28,800	625	100%
MR	\$43,000	4,650	42%	\$21,700	435	100%
Handymax	\$44,000	1,250	36%	N/A	N/A	N/A

⁽¹⁾ Expected Revenue Days are the total number of calendar days in the quarter for each vessel, less the total number of expected off-hire days during the period associated with major repairs or drydockings. Consequently, Expected Revenue Days represent the total number of days the vessel is expected to be available to earn revenue. Idle days, which are days when a vessel is available to earn revenue, yet is not employed, are included in revenue days. We use revenue days to show changes in net vessel revenues between periods.

- Below is a summary of the average daily TCE revenue earned by the Company's vessels during the third quarter of 2022:

Vessel class	Average Daily TCE Revenue	
	Pool / Spot	Time Charters
LR2	\$ 50,765	\$ 26,710
MR	\$ 42,463	\$ 20,548
Handymax	\$ 46,231	N/A

- During the third and fourth quarters of 2022, the Company entered into time charter-out agreements on five vessels (four LR2s and one MR). The terms of the agreements are for three years averaging between \$30,000 and \$35,000 per day for the LR2s, and for three years for \$25,000 per day for the MR. During 2022 and through the date of this press release, the Company has entered into a total of 13 time-charter out agreements (eight LR2s and five MRs), the terms of which are described in the fleet list below.
- The Company has given notice to exercise its purchase options on an aggregate of 17 vessels that are currently financed under sale and leaseback arrangements, consisting of two Handymax product tankers (*STI Battersea* and *STI Wembley*), nine MR product tankers (*STI Ville*, *STI Texas City*, *STI Meraux*, *STI Brooklyn*, *STI Duchessa*, *STI San Antonio*, *STI St. Charles* and *STI Yorkville*), and six LR2 product tankers (*STI Alexis*, *STI Rose*, *STI Rambla*, *STI Sanctity*, *STI Steadfast* and *STI Supreme*). The leases bear interest at LIBOR plus a margin of 3.00% - 5.40% per annum. The purchases, which are expected to occur in the fourth quarter of 2022 and in 2023, are expected to result in an aggregate debt reduction of \$302.2 million.
- In October 2022, the Company repaid the outstanding debt of \$17.5 million, which had financed one LR2 product tanker (*STI Madison*).
- In August 2022, the Company exercised its purchase options on six 2014 built MR product tankers (*STI Opera*, *STI Virtus*, *STI Venere*, *STI Aqua*, *STI Dama*, and *STI Regina*), which resulted in an aggregate debt reduction of \$95.0 million.
- Since July 2022 and through the date of this press release, the Company has repurchased an aggregate of 3,120,341 of its common shares at an average price of \$38.66 per share.
- In July 2022, the Company repurchased \$1.5 million in aggregate principal amount of its Convertible Notes Due 2025 in the open market.
- On October 31, 2022, the Company's Board of Directors authorized a new Securities Repurchase Program to purchase up to an aggregate of \$250 million of the Company's securities.
- During the first and second quarters of 2022, the Company entered into agreements to sell 18 vessels, consisting of three LR2s, 12 LR1s, and three MRs. Seven of these sales closed within the first quarter of 2022 (six LR1s and one MR), raising \$91.7 million in aggregate new liquidity after the repayment of debt and selling costs, nine of these sales closed within the second quarter of 2022 (two LR2s, six LR1s, and one MR), raising \$139.9 million in aggregate new liquidity after the repayment of debt and selling costs, and the remaining two of these sales closed in the third quarter of 2022, raising \$33.7 million in aggregate new liquidity.

New \$250 Million Securities Repurchase Program

On October 31, 2022, the Company's Board of Directors authorized a new Securities Repurchase Program to purchase up to an aggregate of \$250 million of the Company's securities which, in addition to its common shares, currently consist of its Convertible Notes due 2025 and Senior Unsecured Notes due 2025 (NYSE: SBBA). As of today, there is \$250 Million available under the new \$250 Million Securities Repurchase Program.

In September 2020, the Company's Board of Directors authorized a Securities Repurchase Program to purchase up to an aggregate of \$250 million of the Company's securities. This program was terminated on October 31, 2022, and any future purchases of the Company's securities will be made under the new \$250 million Securities Repurchase Program. Below are purchases of the Company's securities made in 2022 under the September 2020 authorization.

- During the third quarter of 2022, the Company repurchased an aggregate of 2,241,881 of its common shares at an average price of \$37.87 per share. These repurchases include the repurchase of 1,293,661 common shares from Eneti Inc., a related party, for

\$38.65 per share and 948,220 common shares in the open market for an average price of \$36.80 per share.

- During the fourth quarter of 2022, the Company repurchased an aggregate of 878,460 of its common shares in the open market at an average price of \$40.67 per share.
- In May and July 2022, the Company repurchased \$10.8 million and \$1.5 million, respectively, in aggregate principal amount of its Convertible Notes Due 2025 in the open market for \$12.5 million and \$1.7 million, respectively. The consideration paid includes the accreted principal balance, which has accrued since the issuance date and equaled approximately 106% and 107% of par at the May and July repurchase dates, respectively.

Debt and Lease Repayments

In August 2022, the Company exercised its purchase options on six MR product tankers (*STI Opera*, *STI Virtus*, *STI Venere*, *STI Aqua*, *STI Dama* and *STI Regina*) that were previously financed under the China Huarong Lease Financing. These transactions resulted in an aggregate debt reduction of \$95.0 million.

In September 2022, the Company gave notice to exercise its purchase options on two Handymax product tankers (*STI Battersea* and *STI Wembley*) and two MR product tankers (*STI Texas City* and *STI Meraux*). These vessels are currently financed under the COSCO Lease Financing. The purchases, which are expected to occur in the fourth quarter of 2022, are expected to result in a debt reduction of \$55.3 million.

In September 2022, the Company gave notice to exercise its purchase options on two MR product tankers (*STI Brooklyn* and *STI Ville*) and two LR2 product tankers (*STI Rose* and *STI Rambla*). These vessels are currently financed under the AVIC Lease Financing. The purchases, which are expected to occur in the fourth quarter of 2022, are expected to result in a debt reduction of \$77.8 million.

In September 2022, the Company gave notice to exercise its purchase option on an LR2 product tanker (*STI Sanctity*). This vessel is currently financed under the Ocean Yield Lease Financing. The purchase, which is expected to occur in the first quarter of 2023, are expected to result in a debt reduction of \$27.8 million.

In October 2022, the Company gave notice to exercise its purchase option on an LR2 product tanker (*STI Alexis*) and five MR product tankers (*STI Duchessa*, *STI San Antonio*, *STI Mayfair*, *STI St. Charles*, and *STI Yorkville*), which are currently financed under the \$157.5 Million Lease Financing. The purchases, which are expected to occur in the fourth quarter of 2022, are expected to result in a debt reduction of \$85.8 million.

In October 2022, the Company gave notice to exercise its purchase options on two LR2 product tankers (*STI Steadfast* and *STI Supreme*). These vessels are currently financed under the Ocean Yield Lease Financing. The purchases, which are expected to occur in the second and third quarters of 2023, are expected to result in a debt reduction of \$55.6 million.

In October 2022, the Company repaid the outstanding debt on an LR2 product tanker (*STI Madison*), which was previously financed under the 2021 \$21.0 Million Credit Facility. This transaction resulted in a debt reduction of \$17.5 million.

Diluted Weighted Number of Shares

The computation of earnings or loss per share is determined by taking into consideration the potentially dilutive shares arising from (i) the Company's equity incentive plan, and (ii) the Company's Convertible Notes due 2025. These potentially dilutive shares are excluded from the computation of earnings or loss per share to the extent they are anti-dilutive.

The impact of the Convertible Notes Due 2025 on earnings or loss per share is computed using the if-converted method. Under this method, the Company first includes the potentially dilutive impact of restricted shares issued under the Company's equity incentive plan, and then assumes that its Convertible Notes Due 2025, which were issued in March and June 2021 were converted into common shares at the beginning of each period. The impact of the Company's Convertible Notes Due 2022, which were repaid in cash upon their maturity in May 2022, are included as part of the weighted average number of shares under the if-converted method for the portion of the period that they were outstanding. The if-converted method also assumes that the interest and non-cash amortization expense associated with these notes of \$4.7 million and \$16.8 million during the three and nine months ended September 30, 2022, respectively, were not incurred. Conversion is not assumed if the results of this calculation are anti-dilutive.

For the three and nine months ended September 30, 2022, the Company's basic weighted average number of shares outstanding were 55,003,149 and 55,334,147, respectively. For the three and nine months ended September 30, 2022, there were 57,666,495 and 57,917,873 weighted average shares outstanding, respectively, including the potentially dilutive impact of restricted shares issued under the Company's equity incentive plan.

For the three and nine months ended September 30, 2022, there were 62,820,207 and 64,172,301 weighted average shares outstanding, respectively, under the if-converted method.

Diluted earnings per share for both the three and nine months ended September 30, 2022 was calculated under the if-converted method.

Conference Call

The Company has scheduled a conference call on November 1, 2022 at 8:30 AM Eastern Daylight Time and 1:30 PM Central European Time. The dial-in information is as follows:

US Dial-In Number: 1 (833) 636-1321

International Dial-In Number: +1 (412) 902-4260
 Conference ID: 10172092

Participants should dial into the call 10 minutes before the scheduled time. The information provided on the teleconference is only accurate at the time of the conference call, and the Company will take no responsibility for providing updated information.

There will also be a simultaneous live webcast over the internet, through the Scorpio Tankers Inc. website www.scorpiotankers.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/84fjfw9f>

Current Liquidity

As of October 28, 2022, the Company had \$490.9 million in unrestricted cash and cash equivalents. Within the next two weeks, the Company is expected to receive approximately \$105 million from the Scorpio pools with respect to the monthly cash distribution for October.

Drydock, Scrubber and Ballast Water Treatment Update

Set forth below is a table summarizing the drydock, scrubber, and ballast water treatment system activity that occurred during the third quarter of 2022 and the estimated expected payments to be made, and offhire days that are expected to be incurred, for the Company's drydocks, ballast water treatment system installations, and scrubber installations through 2023:

	Aggregate costs		Number of ⁽³⁾		
	in millions of USD ⁽¹⁾	Aggregate offhire days ⁽²⁾	LR2s	MRs	Handymax
Q3 2022 - actual (a)	3.6	71	—	4	—
Q4 2022 - estimated (b)	12.5	139	—	5	—
Q1 2023 - estimated (c)	12.8	150	—	4	—
Q2 2023 - estimated (d)	9.3	190	—	5	—
Q3 2023 - estimated	3.2	—	—	—	—
Q4 2023 - estimated (e)	2.0	40	—	1	—

⁽¹⁾ These costs include estimated cash payments for drydocks, ballast water treatment system installations and scrubber installations. These amounts include installment payments 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 drydocks and installations finalize.

⁽²⁾ Represents the total estimated off-hire days during the period, including vessels that commenced work in a previous period.

⁽³⁾ Represents the number of vessels scheduled to commence drydock, ballast water treatment system, and/or scrubber installations during the period. It does not include vessels that commenced work in prior periods but will be completed in the subsequent period. The number of vessels in these tables may reflect a certain amount of overlap where certain vessels are expected to be drydocked and have ballast water treatment systems and/or scrubbers installed simultaneously. Additionally, the timing set forth in these tables may vary as drydock, ballast water treatment system installation and scrubber installation times are finalized.

(a) Includes two BWTS installations

(b) Includes three BWTS installations

(c) Includes four scrubber installations

(d) Includes five scrubber installations

(e) Includes one scrubber installation

Debt

Set forth below is a summary of the principal balances of the Company's outstanding indebtedness as of the dates presented.

<i>In thousands of U.S. Dollars</i>	Outstanding Principal as of June 30, 2022	Outstanding Principal as of September 30, 2022	Outstanding Principal as of October 28, 2022
1 Hamburg Commercial Credit Facility	35,378	34,555	34,555
2 Prudential Credit Facility	42,059	40,672	40,210
3 2019 DNB / GIEK Credit Facility	41,894	40,116	40,116
4 BNPP Sinasure Credit Facility	86,030	86,030	80,576
5 2020 \$225 Million Credit Facility ⁽¹⁾	60,306	39,049	39,049
6 2021 \$21.0 Million Credit Facility ⁽²⁾	18,075	17,490	—
7 Ocean Yield Lease Financing	121,604	118,687	117,689

8	BCFL Lease Financing (LR2s)	73,783	71,030	70,122
9	CSSC Lease Financing	128,562	124,920	123,706
10	BCFL Lease Financing (MRs)	61,183	57,195	55,888
11	2018 CMBFL Lease Financing	105,482	102,230	102,230
12	AVIC Lease Financing	83,467	80,618	80,618
13	China Huarong Lease Financing ⁽³⁾	95,000	—	—
14	\$157.5 Million Lease Financing	88,822	85,772	85,772
15	COSCO Lease Financing	57,200	55,275	55,275
16	2020 CMBFL Lease Financing	39,711	38,900	38,900
17	2020 TSFL Lease Financing	42,267	41,437	41,437
18	2020 SPDBFL Lease Financing	86,758	85,135	85,135
19	2021 AVIC Lease Financing	88,260	86,448	86,448
20	2021 CMBFL Lease Financing	71,305	69,675	69,270
21	2021 TSFL Lease Financing	52,187	51,092	51,092
22	2021 CSSC Lease Financing	51,262	49,946	49,508
23	2021 \$146.3 Million Lease Financing	140,288	136,994	133,699
24	2021 Ocean Yield Lease Financing	66,882	65,407	64,910
25	2022 AVIC Lease Financing	118,388	116,096	116,096
26	IFRS 16 - Leases - 3 MR	25,277	23,209	22,531
27	\$670.0 Million Lease Financing	498,312	487,127	483,375
28	Unsecured Senior Notes Due 2025	70,571	70,571	70,571
29	Convertible Notes Due 2025 ⁽⁴⁾	202,111	203,209	204,057
	Gross debt outstanding	2,652,424	2,478,885	2,442,835
	Cash and cash equivalents	359,528	467,635	490,903
	Net debt	\$ 2,292,896 \$	2,011,250 \$	1,951,932

⁽¹⁾ In August 2022, the Company repaid \$20.0 million on the 2020 \$225.0 Million Credit Facility as a result of the sale of *STI Nautilus*.

⁽²⁾ In October 2022, the Company prepaid \$17.5 million on the 2021 \$21.0 Million Credit Facility that was originally scheduled to mature in December 2022.

⁽³⁾ In August 2022, the Company exercised the repurchase options on *STI Opera*, *STI Virtus*, *STI Venere*, *STI Aqua*, *STI Dama* and *STI Regina* on the China Huarong Lease Financing and repaid the aggregate outstanding lease obligation of \$95.0 million as part of these transactions.

⁽⁴⁾ The outstanding principal balance reflects the par value of the Convertible Notes Due 2025 of \$187.7 million plus the accreted principal balance as of each date presented. The balances presented also reflect the May and July 2022 open market repurchases of \$10.8 million and \$1.5 million in aggregate principal amount, respectively. The Convertible Notes Due 2025 are scheduled to accrete at an annualized rate of approximately 5.52% per annum, with the total balance due at maturity equal to 125.3% of par. The Convertible Notes Due 2025 also bear interest at a cash coupon rate of 3.0% per annum, which is calculated based upon the par value of the instrument.

Set forth below are the estimated expected future principal repayments on the Company's outstanding indebtedness as of September 30, 2022, which includes principal amounts due under the Company's secured credit facilities, Convertible Notes Due 2025, lease financing arrangements, Senior Notes Due 2025, and lease liabilities under IFRS 16 (which also include actual scheduled payments made during the third quarter of 2022 through October 28, 2022):

In millions of U.S. dollars	As of September 30, 2022 ⁽¹⁾			
	Total	Repayments/maturities of unsecured debt	Vessel financings - 2022 and 2023 maturities, including announced vessel repurchases	Vessel financings - scheduled repayments, in addition to maturities in 2024 and thereafter
Q4 2022 - principal payments made through October 28, 2022 ⁽²⁾	\$ 36.9 \$	— \$	17.5 \$	19.4
Q4 2022 ⁽³⁾	259.2	—	218.8	40.4
Q1 2023 ⁽³⁾	78.9	—	27.8	51.1
Q2 2023 ⁽³⁾	84.1	—	27.8	56.3
Q3 2023 ⁽³⁾	77.4	—	27.8	49.6
Q4 2023	54.8	—	—	54.8
2024 and thereafter	1,887.6	273.8	—	1,613.8
	\$ 2,478.9 \$	273.8 \$	319.7 \$	1,885.4

⁽¹⁾ Amounts represent the principal payments due on the Company's outstanding indebtedness as of September 30, 2022.

⁽²⁾ Repayments include the prepayment of the outstanding debt related to one vessel under the 2021 \$21.0 Million Credit Facility for \$17.5 million that was originally scheduled to mature in December 2022.

⁽³⁾ Repayments include the Company's exercise of its purchase options on two Handymax product tankers (*STI Battersea* and *STI Wembley*), nine MR product tankers (*STI Ville*, *STI Texas City*, *STI Meraux*, *STI Brooklyn*, *STI San Antonio*, *STI St. Charles*, *STI Yorkville*, *STI Mayfair* and *STI Duchessa*), and six LR2 product tankers (*STI Rose*, *STI Rambla*, *STI Sanctity*, *STI Steadfast*, *STI Supreme* and *STI Alexis*). These vessels are currently financed under the AVIC Lease Financing, the COSCO Lease Financing, the Ocean Yield Lease Financing and the \$157.5 Million Lease Financing. The purchases are expected to occur in the fourth quarter of 2022 and the first, second and third quarters of 2023.

Explanation of Variances on the Third Quarter of 2022 Financial Results Compared to the Third Quarter of 2021

For the three months ended September 30, 2022, the Company recorded net income of \$266.2 million compared to a net loss of \$73.3 million for the three months ended September 30, 2021. The following were the significant changes between the two periods:

- *TCE revenue*, a Non-IFRS measure, is vessel revenues less voyage expenses (including bunkers and port charges). TCE revenue is included herein because 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 voyages, time charters, and pool charters), and it provides useful information to investors and management. The following table sets forth TCE revenue for the three months ended September 30, 2022 and 2021:

In thousands of U.S. dollars	For the three months ended September 30,	
	2022	2021
Vessel revenue	\$ 489,996	\$ 119,271
Voyage expenses	(33,721)	(661)
TCE revenue	\$ 456,275	\$ 118,610

- *TCE revenue* for the three months ended September 30, 2022 increased by \$337.7 million to \$456.3 million, from \$118.6 million for the three months ended September 30, 2021. Overall average TCE revenue per day increased to \$44,222 per day during the three months ended September 30, 2022, from \$10,139 per day during the three months ended September 30, 2021. The average number of vessels was 113.5 during the three months ended September 30, 2022 as compared to 131.0 during the three months ended September 30, 2021. The decrease in the average number of vessels was due to the sales of vessels during 2022 as described above.
 - TCE revenue for the three months ended September 30, 2022 reflected the continued momentum in the product tanker market that began in the first quarter of 2022 and has continued through the date of this press release. Initially, the easing of COVID-19 restrictions around the globe resulted in increased personal mobility which served as a catalyst for underlying demand for refined petroleum products. This buoyant demand, combined with low global refined petroleum product inventories and strong refining margins, have incentivized refiners to increase and maintain high utilization levels thus driving substantial increases in refined petroleum product export volumes throughout the world. Lastly, the volatility brought on by the ongoing conflict in Ukraine has continued to disrupt supply chains for crude oil and refined petroleum products, changing volumes and trade routes, and thus increasing ton-mile demand for the seaborne transportation of refined petroleum products.
 - TCE revenue for the three months ended September 30, 2021 reflected the continued adverse market conditions brought on by the COVID-19 pandemic. While underlying demand for crude and refined petroleum products improved throughout 2021, it still remained below pre-pandemic levels thus keeping pressure on daily spot TCE rates. These conditions were exacerbated by longer than expected refinery maintenance along with drawdowns of existing inventories during the third quarter of 2021, which negatively affected the demand for the seaborne transportation of refined petroleum products.

The Company also had an increased number of vessels operating outside of the Scorpio pools during the three months ended September 30, 2022 which led to an increase in voyage revenue and voyage expenses for this period.

- *Vessel operating costs* for the three months ended September 30, 2022 decreased by \$10.1 million to \$75.8 million, from \$85.9 million for the three months ended September 30, 2021. Vessel operating costs per vessel per day increased to \$7,256 for the three months ended September 30, 2022 from \$7,126 for the three months ended September 30, 2021. Vessel operating costs per day increased across all vessel classes, driven by generalized inflationary pressures, with the largest increases affecting repairs and maintenance, and spares and stores expenses. The overall decrease relates to the sale of 18 vessels during 2022, which resulted in a decrease in the average number of vessels in the Company's fleet to 113.5 during the three months ended September 30, 2022 from 131.0 during the three months ended September 30, 2021.
- *Depreciation expense - owned or sale leaseback vessels* for the three months ended September 30, 2022 decreased by \$8.3 million to \$41.4 million, from \$49.7 million for the three months ended September 30, 2021. This decrease was attributable to 18 of the Company's owned or sale leaseback vessels being designated as held for sale or sold during the nine months ended September 30, 2022. These vessels were written down to their net realizable value upon being designated as held for sale, and depreciation expense ceased being recorded upon that designation.
- *Depreciation expense - right of use assets* for the three months ended September 30, 2022 decreased by \$0.8 million to \$9.6 million from \$10.4 million for the three months ended September 30, 2021. Depreciation expense - right of use assets reflects the straight-line depreciation expense recorded under *IFRS 16 - Leases*. This decrease is attributable to the sale of one of the Company's right of use asset vessels. This vessel was written down to its net realizable value upon being designated as held for sale during the first quarter of 2022, and depreciation expense ceased being recorded upon that designation. The Company had

four LR2s and 17 MRs that were accounted for under *IFRS 16 - Leases* during the three months ended September 30, 2022.

- *General and administrative expenses* for the three months ended September 30, 2022, increased by \$13.4 million to \$26.5 million, from \$13.1 million for the three months ended September 30, 2021. This increase was primarily due to an increase in compensation related costs.
- *Financial expenses* for the three months ended September 30, 2022 increased by \$6.5 million to \$42.3 million, from \$35.8 million for the three months ended September 30, 2021. This increase was primarily attributable to significant increases in LIBOR rates during the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. The increases attributable to the increases in LIBOR rates were partially offset by the overall reductions in the Company's indebtedness arising from the aforementioned sales of 18 vessels (and repayments of the related debt or lease financing obligations) along with the exercise of purchase options on six 2014 built MR product tankers in August 2022 and the maturity of the Convertible Notes Due 2022 in May 2022.

Scorpio Tankers Inc. and Subsidiaries
Condensed Consolidated Statements of Income or Loss
(unaudited)

<i>In thousands of U.S. dollars except per share and share data</i>	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Revenue				
Vessel revenue	\$ 489,996	\$ 119,271	\$ 1,069,116	\$ 392,878
Operating expenses				
Vessel operating costs	(75,801)	(85,881)	(237,556)	(249,781)
Voyage expenses	(33,721)	(661)	(59,229)	(3,442)
Depreciation - owned or sale leaseback vessels	(41,422)	(49,707)	(126,581)	(147,713)
Depreciation - right of use assets	(9,567)	(10,408)	(29,055)	(32,449)
General and administrative expenses	(26,490)	(13,054)	(61,747)	(39,938)
Net gain / (loss) on sale of vessel sales	2,732	—	(66,486)	—
Total operating expenses	(184,269)	(159,711)	(580,654)	(473,323)
Operating income / (loss)	305,727	(40,440)	488,462	(80,445)
Other (expense) and income, net				
Financial expenses	(42,302)	(35,810)	(121,012)	(105,783)
Loss on Convertible Notes exchange	—	—	—	(5,504)
Financial income	2,183	3,041	3,207	3,453
Other income and (expense), net	557	(58)	2,191	(164)
Total other expense, net	(39,562)	(32,827)	(115,614)	(107,998)
Net income / (loss)	\$ 266,165	\$ (73,267)	\$ 372,848	\$ (188,443)
Earnings / (Loss) per share				
Basic	\$ 4.84	\$ (1.34)	\$ 6.74	\$ (3.46)
Diluted	\$ 4.31	\$ (1.34)	\$ 6.07	\$ (3.46)
Basic weighted average shares outstanding	55,003,149	54,757,241	55,334,147	54,512,767
Diluted weighted average shares outstanding ⁽¹⁾	62,820,207	54,757,241	64,172,301	54,512,767

⁽¹⁾ The computation of diluted earnings per share for the three and nine months ended September 30, 2022 includes the effect of potentially dilutive unvested shares of restricted stock and the effect of the Convertible Notes Due 2022 and Convertible Notes Due 2025 under the if-converted method. The computation of diluted loss per share for the three and nine months ended September 30, 2021 excludes the effect of potentially dilutive unvested shares of restricted stock and the Convertible Notes Due 2022 and Convertible Notes Due 2025 because their effect would have been anti-dilutive.

Scorpio Tankers Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(unaudited)

<i>In thousands of U.S. dollars</i>	As of	
	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 467,635	\$ 230,415
Accounts receivable	247,010	38,069
Prepaid expenses and other current assets	21,187	7,954
Inventories	15,280	8,781
Restricted cash	—	4,008
Total current assets	751,112	289,227
Non-current assets		

Vessels and drydock	3,107,291	3,842,071
Right of use assets for vessels	699,598	764,025
Other assets	84,808	108,963
Goodwill	8,197	8,900
Restricted cash	783	783
Total non-current assets	3,900,677	4,724,742
Total assets	\$ 4,651,789	\$ 5,013,969
Current liabilities		
Current portion of long-term debt	\$ 48,935	\$ 235,278
Lease liability - sale and leaseback vessels	297,998	178,062
Lease liability - IFRS 16	52,429	54,515
Accounts payable	18,813	35,080
Accrued expenses	70,408	24,906
Total current liabilities	488,583	527,841
Non-current liabilities		
Long-term debt	471,063	666,409
Lease liability - sale and leaseback vessels	1,113,844	1,461,929
Lease liability - IFRS 16	456,918	520,862
Total non-current liabilities	2,041,825	2,649,200
Total liabilities	2,530,408	3,177,041
Shareholders' equity		
Issued, authorized and fully paid-in share capital:		
Share capital	669	659
Additional paid-in capital	2,852,286	2,855,798
Treasury shares	(565,065)	(480,172)
Accumulated deficit	(166,509)	(539,357)
Total shareholders' equity	2,121,381	1,836,928
Total liabilities and shareholders' equity	\$ 4,651,789	\$ 5,013,969

Scorpio Tankers Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)

<i>In thousands of U.S. dollars</i>	For the nine months ended	
	2022	2021
	September 30,	
Operating activities		
Net income / (loss)	\$ 372,848	\$ (188,443)
Depreciation - owned or sale leaseback vessels	126,581	147,713
Depreciation - right of use assets	29,055	32,449
Amortization of restricted stock	16,148	18,231
Amortization of deferred financing fees	5,039	5,663
Write-off of deferred financing fees and unamortized discounts on debt	5,506	1,326
Gain on sale and leaseback amendment	—	(2,851)
Accretion of convertible notes	10,858	9,179
Net loss on sales of vessels	66,486	—
Accretion of fair value measurement on debt assumed in business combinations	1,756	2,582
(Gain) / loss on Convertible Notes transactions	(481)	5,504
Share of income from dual fuel tanker joint venture	(695)	—
	633,101	31,353
Changes in assets and liabilities:		
(Increase) / decrease in inventories	(7,183)	723
Increase in accounts receivable	(208,941)	(7,736)
(Increase) / decrease in prepaid expenses and other current assets	(13,232)	2,528
Decrease / (increase) in other assets	16,705	(448)
(Decrease) / increase in accounts payable	(12,975)	2,697
Increase / (decrease) in accrued expenses	45,513	(6,037)
	(180,113)	(8,273)
Net cash inflow from operating activities	452,988	23,080
Investing activities		
Net proceeds from sales of vessels	607,894	—
Distributions from dual fuel tanker joint venture	493	—
Investment in dual fuel tanker joint venture	—	(6,701)
Drydock, scrubber, ballast water treatment system and other vessel related payments (owned, leased financed and bareboat-in vessels)	(26,418)	(41,008)
Net cash inflow / (outflow) from investing activities	581,969	(47,709)
Financing activities		

Debt repayments	(670,108)	(404,123)
Issuance of debt	122,638	388,885
Debt issuance costs	(1,701)	(14,080)
Principal repayments on lease liability - IFRS 16	(66,030)	(43,080)
Repurchase / repayment of convertible notes	(83,968)	—
Issuance of convertible notes	—	119,419
Decrease in restricted cash	4,008	—
Dividends paid	(17,683)	(17,483)
Repurchase of common stock	(84,893)	—
Net cash (outflow) / inflow from financing activities	(797,737)	29,538
Increase in cash and cash equivalents	237,220	4,909
Cash and cash equivalents at January 1,	230,415	187,511
Cash and cash equivalents at September 30,	\$ 467,635	\$ 192,420

Scorpio Tankers Inc. and Subsidiaries
Other operating data for the three and nine months ended September 30, 2022 and 2021
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Adjusted EBITDA⁽¹⁾(in thousands of U.S. dollars except Fleet Data)	\$ 360,013	\$ 25,365	\$ 728,923	\$ 117,784
Average Daily Results				
<i>Fleet</i>				
TCE per revenue day ⁽²⁾	\$ 44,222	\$ 10,139	\$ 31,485	\$ 11,083
Vessel operating costs per day ⁽³⁾	\$ 7,256	\$ 7,126	\$ 7,199	\$ 6,926
Average number of vessels	113.5	131.0	120.9	132.1
<i>LR2</i>				
TCE per revenue day ⁽²⁾	\$ 48,152	\$ 10,871	\$ 32,812	\$ 11,586
Vessel operating costs per day ⁽³⁾	\$ 7,349	\$ 7,168	\$ 7,288	\$ 6,849
Average number of vessels	39.4	42.0	41.1	42.0
<i>LR1</i>				
TCE per revenue day ⁽²⁾	N/A	\$ 10,015	\$ 13,724	\$ 10,953
Vessel operating costs per day ⁽³⁾	N/A	\$ 7,322	\$ 7,429	\$ 6,761
Average number of vessels	N/A	12.0	4.4	12.0
<i>MR</i>				
TCE per revenue day ⁽²⁾	\$ 41,143	\$ 10,262	\$ 30,694	\$ 11,330
Vessel operating costs per day ⁽³⁾	\$ 7,258	\$ 7,150	\$ 7,197	\$ 7,013
Average number of vessels	60.1	63.0	61.3	63.0
<i>Handymax</i>				
TCE per revenue day ⁽²⁾	\$ 46,231	\$ 7,458	\$ 34,934	\$ 8,716
Vessel operating costs per day ⁽³⁾	\$ 6,835	\$ 6,726	\$ 6,873	\$ 6,912
Average number of vessels	14.0	14.0	14.0	15.1
Capital Expenditures				
Drydock, scrubber, ballast water treatment system and other vessel related payments (in thousands of U.S. dollars)	\$ 3,639	\$ 13,700	\$ 26,418	\$ 41,008

⁽¹⁾ See Non-IFRS Measures section below.

⁽²⁾ Freight rates are commonly measured in the shipping industry in terms of time charter equivalent per day (or TCE per day), which is calculated by subtracting voyage expenses, including bunkers and port charges, from vessel revenue and dividing the net amount (time charter equivalent revenues) by the number of revenue days in the period. Revenue days are the number of days the vessel is owned, sale leasebacked, or chartered-in less the number of days the vessel is off-hire for drydock and repairs.

⁽³⁾ Vessel operating costs per day represent vessel operating costs divided by the number of operating days during the period. Operating days are the total number of available days in a period with respect to the owned, sale leasebacked or bareboat chartered-in vessels, before deducting available days due to off-hire days and days in drydock. Operating days is a measurement that is only applicable to owned, sale leasebacked, or bareboat chartered-in vessels, not time chartered-in vessels.

Fleet list as of October 31, 2022

Vessel Name	Year Built	DWT	Ice class	Employment	Vessel type	Scrubber
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Owned, sale leaseback and bareboat chartered-in vessels

1	STI Brixton	2014	38,734	1A	SHTP (1)	Handymax	N/A
2	STI Comandante	2014	38,734	1A	SHTP (1)	Handymax	N/A
3	STI Pimlico	2014	38,734	1A	SHTP (1)	Handymax	N/A
4	STI Hackney	2014	38,734	1A	SHTP (1)	Handymax	N/A
5	STI Acton	2014	38,734	1A	SHTP (1)	Handymax	N/A
6	STI Fulham	2014	38,734	1A	SHTP (1)	Handymax	N/A
7	STI Camden	2014	38,734	1A	SHTP (1)	Handymax	N/A
8	STI Battersea	2014	38,734	1A	SHTP (1)	Handymax	N/A
9	STI Wembley	2014	38,734	1A	SHTP (1)	Handymax	N/A
10	STI Finchley	2014	38,734	1A	SHTP (1)	Handymax	N/A
11	STI Clapham	2014	38,734	1A	SHTP (1)	Handymax	N/A
12	STI Poplar	2014	38,734	1A	SHTP (1)	Handymax	N/A
13	STI Hammersmith	2015	38,734	1A	SHTP (1)	Handymax	N/A
14	STI Rotherhithe	2015	38,734	1A	SHTP (1)	Handymax	N/A
15	STI Amber	2012	49,990	—	SMRP (2)	MR	Yes
16	STI Topaz	2012	49,990	—	SMRP (2)	MR	Yes
17	STI Ruby	2012	49,990	—	SMRP (2)	MR	Not Yet Installed
18	STI Garnet	2012	49,990	—	SMRP (2)	MR	Yes
19	STI Onyx	2012	49,990	—	SMRP (2)	MR	Yes
20	STI Ville	2013	49,990	—	SMRP (2)	MR	Not Yet Installed
21	STI Duchessa	2014	49,990	—	Time Charter (4)	MR	Not Yet Installed
22	STI Opera	2014	49,990	—	SMRP (2)	MR	Not Yet Installed
23	STI Texas City	2014	49,990	—	SMRP (2)	MR	Yes
24	STI Meraux	2014	49,990	—	SMRP (2)	MR	Yes
25	STI San Antonio	2014	49,990	—	SMRP (2)	MR	Yes
26	STI Venere	2014	49,990	—	SMRP (2)	MR	Yes
27	STI Virtus	2014	49,990	—	SMRP (2)	MR	Yes
28	STI Aqua	2014	49,990	—	SMRP (2)	MR	Yes
29	STI Dama	2014	49,990	—	SMRP (2)	MR	Yes
30	STI Regina	2014	49,990	—	SMRP (2)	MR	Yes
31	STI St. Charles	2014	49,990	—	SMRP (2)	MR	Yes
32	STI Mayfair	2014	49,990	—	SMRP (2)	MR	Yes
33	STI Yorkville	2014	49,990	—	SMRP (2)	MR	Yes
34	STI Milwaukee	2014	49,990	—	SMRP (2)	MR	Yes
35	STI Battery	2014	49,990	—	SMRP (2)	MR	Yes
36	STI Soho	2014	49,990	—	SMRP (2)	MR	Yes
37	STI Memphis	2014	49,990	—	Time Charter (5)	MR	Yes
38	STI Tribeca	2015	49,990	—	SMRP (2)	MR	Yes
39	STI Gramercy	2015	49,990	—	SMRP (2)	MR	Yes
40	STI Bronx	2015	49,990	—	SMRP (2)	MR	Yes
41	STI Pontiac	2015	49,990	—	SMRP (2)	MR	Yes
42	STI Manhattan	2015	49,990	—	SMRP (2)	MR	Yes
43	STI Queens	2015	49,990	—	SMRP (2)	MR	Yes
44	STI Osceola	2015	49,990	—	SMRP (2)	MR	Yes
45	STI Notting Hill	2015	49,687	1B	SMRP (2)	MR	Yes
46	STI Seneca	2015	49,990	—	SMRP (2)	MR	Yes
47	STI Westminster	2015	49,687	1B	SMRP (2)	MR	Yes
48	STI Brooklyn	2015	49,990	—	SMRP (2)	MR	Yes
49	STI Black Hawk	2015	49,990	—	SMRP (2)	MR	Yes
50	STI Galata	2017	49,990	—	SMRP (2)	MR	Yes
51	STI Bosphorus	2017	49,990	—	SMRP (2)	MR	Not Yet Installed
52	STI Leblon	2017	49,990	—	SMRP (2)	MR	Yes
53	STI La Boca	2017	49,990	—	SMRP (2)	MR	Yes
54	STI San Telmo	2017	49,990	1B	SMRP (2)	MR	Not Yet Installed
55	STI Donald C Trauscht	2017	49,990	1B	SMRP (2)	MR	Not Yet Installed
56	STI Esles II	2018	49,990	1B	SMRP (2)	MR	Not Yet Installed
57	STI Jardins	2018	49,990	1B	SMRP (2)	MR	Not Yet Installed
58	STI Magic	2019	50,000	—	SMRP (2)	MR	Yes
59	STI Mystery	2019	50,000	—	SMRP (2)	MR	Yes
60	STI Marvel	2019	50,000	—	SMRP (2)	MR	Yes
61	STI Magnetic	2019	50,000	—	Time Charter (6)	MR	Yes
62	STI Millennia	2019	50,000	—	SMRP (2)	MR	Yes
63	STI Magister	2019	50,000	—	SMRP (2)	MR	Yes
64	STI Mythic	2019	50,000	—	SMRP (2)	MR	Yes
65	STI Marshall	2019	50,000	—	Time Charter (7)	MR	Yes
66	STI Modest	2019	50,000	—	SMRP (2)	MR	Yes
67	STI Maverick	2019	50,000	—	SMRP (2)	MR	Yes

68 STI Miracle	2020	50,000	—	Time Charter (8)	MR	Yes
69 STI Maestro	2020	50,000	—	SMRP (2)	MR	Yes
70 STI Mighty	2020	50,000	—	SMRP (2)	MR	Yes
71 STI Maximus	2020	50,000	—	SMRP (2)	MR	Yes
72 STI Elysees	2014	109,999	—	SLR2P (3)	LR2	Yes
73 STI Madison	2014	109,999	—	SLR2P (3)	LR2	Yes
74 STI Park	2014	109,999	—	SLR2P (3)	LR2	Yes
75 STI Orchard	2014	109,999	—	SLR2P (3)	LR2	Yes
76 STI Sloane	2014	109,999	—	SLR2P (3)	LR2	Yes
77 STI Broadway	2014	109,999	—	SLR2P (3)	LR2	Yes
78 STI Condotti	2014	109,999	—	SLR2P (3)	LR2	Yes
79 STI Rose	2015	109,999	—	SLR2P (3)	LR2	Yes
80 STI Veneto	2015	109,999	—	SLR2P (3)	LR2	Yes
81 STI Alexis	2015	109,999	—	SLR2P (3)	LR2	Yes
82 STI Winnie	2015	109,999	—	SLR2P (3)	LR2	Yes
83 STI Oxford	2015	109,999	—	SLR2P (3)	LR2	Yes
84 STI Lauren	2015	109,999	—	SLR2P (3)	LR2	Yes
85 STI Connaught	2015	109,999	—	SLR2P (3)	LR2	Yes
86 STI Spiga	2015	109,999	—	SLR2P (3)	LR2	Yes
87 STI Kingsway	2015	109,999	—	SLR2P (3)	LR2	Yes
88 STI Solidarity	2015	109,999	—	SLR2P (3)	LR2	Yes
89 STI Lombard	2015	109,999	—	Time Charter (9)	LR2	Yes
90 STI Grace	2016	109,999	—	SLR2P (3)	LR2	Yes
91 STI Jermyn	2016	109,999	—	SLR2P (3)	LR2	Yes
92 STI Sanctity	2016	109,999	—	SLR2P (3)	LR2	Yes
93 STI Solace	2016	109,999	—	SLR2P (3)	LR2	Yes
94 STI Stability	2016	109,999	—	SLR2P (3)	LR2	Yes
95 STI Steadfast	2016	109,999	—	SLR2P (3)	LR2	Yes
96 STI Supreme	2016	109,999	—	SLR2P (3)	LR2	Yes
97 STI Symphony	2016	109,999	—	SLR2P (3)	LR2	Yes
98 STI Gallantry	2016	113,000	—	SLR2P (3)	LR2	Yes
99 STI Goal	2016	113,000	—	Time Charter (10)	LR2	Yes
100 STI Guard	2016	113,000	—	Time Charter (11)	LR2	Yes
101 STI Guide	2016	113,000	—	Time Charter (12)	LR2	Yes
102 STI Selatar	2017	109,999	—	SLR2P (3)	LR2	Yes
103 STI Rambla	2017	109,999	—	SLR2P (3)	LR2	Yes
104 STI Gauntlet	2017	113,000	—	Time Charter (13)	LR2	Yes
105 STI Gladiator	2017	113,000	—	Time Charter (12)	LR2	Yes
106 STI Gratitude	2017	113,000	—	Time Charter (14)	LR2	Yes
107 STI Lobelia	2019	110,000	—	SLR2P (3)	LR2	Yes
108 STI Lotus	2019	110,000	—	SLR2P (3)	LR2	Yes
109 STI Lily	2019	110,000	—	SLR2P (3)	LR2	Yes
110 STI Lavender	2019	110,000	—	Time Charter (15)	LR2	Yes
111 STI Beryl	2013	49,990	—	SMRP (2)	MR	Not Yet Installed
112 STI Le Rocher	2013	49,990	—	SMRP (2)	MR	Not Yet Installed
113 STI Larvotto	2013	49,990	—	SMRP (2)	MR	Not Yet Installed
Total Fleet DWT		7,852,182				

- (1) This vessel operates in, or is expected to operate in, the Scorpio Handymax Tanker Pool, or SHTP. SHTP is a Scorpio Pool and is operated by Scorpio Commercial Management S.A.M. (SCM). SHTP and SCM are related parties to the Company.
- (2) This vessel operates in, or is expected to operate in, the Scorpio MR Pool, or SMRP. SMRP is a Scorpio Pool and is operated by SCM. SMRP and SCM are related parties to the Company.
- (3) This vessel operates in, or is expected to operate in, the Scorpio LR2 Pool, or SLR2P. SLR2P is a Scorpio Pool and is operated by SCM. SLR2P and SCM are related parties to the Company.
- (4) This vessel commenced a time charter in October 2022 for three years at an average rate of \$25,000 per day.
- (5) This vessel commenced a time charter in June 2022 for three years at an average rate of \$21,000 per day. The daily rate is the average rate over the three year period, which is payable during the first six months at \$30,000 per day, the next 6 months are payable at \$20,000 per day, and years two and three are payable at \$19,000 per day. The charterers have the option to extend the term of this agreement for an additional year at \$22,500 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$24,000 per day.
- (6) This vessel commenced a time charter in July 2022 for three years at an average rate of \$23,000 per day. The daily rate is the average rate over the three year period, which is payable in years one, two, and three at \$30,000 per day, \$20,000 per day, and \$19,000 per day, respectively. The charterers have the option to extend the term of this agreement for an additional year at \$24,500 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$26,000 per day.

- (7) This vessel commenced a time charter in July 2022 for three years at a rate of \$23,000 per day. The charterers have the option to extend the term of this agreement for an additional year at \$24,000 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$25,000 per day. If this second option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$26,000 per day.
- (8) This vessel commenced a time charter in August 2022 for three years at a rate of \$21,000 per day. The daily rate is the average rate over the three year period, which is payable during the first six months at \$30,000 per day, the next 6 months are payable at \$20,000 per day, and years two and three are payable at \$19,000 per day. The charterers have the option to extend the term of this agreement for an additional year at \$22,500 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$24,000 per day.
- (9) This vessel commenced a time charter in September 2022 for three years at an average rate of \$32,750 per day. The charterer has the option to extend the term of this agreement for an additional year at \$34,750 per day. If this option is declared, the charterer has the option to further extend the term of this agreement for an additional year at \$36,750 per day.
- (10) This vessel commenced a time charter in August 2022 for three years at a rate of \$30,000 per day. The charterers have the option) to extend the term of this agreement for an additional year at \$32,000 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$34,000 per day.
- (11) This vessel commenced a time charter in July 2022 for five years at a rate of \$28,000 per day. The charterers have the option to) convert the term of this agreement to three years at \$30,000 per day, which must be declared within 30 months after the delivery date.
- (12) This vessel commenced a time charter in July 2022 for three years at an average rate of \$28,000 per day. The charterers have the) option to extend the term of this agreement for an additional year at \$31,000 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$33,000 per day.
- (13) This vessel is expected to commence a time charter in the fourth quarter 2022 for three years at an average rate of \$32,750 per) day.
- (14) This vessel commenced a time charter in May 2022 for three years at an average rate of \$28,000 per day. The charterers have the) option to extend the term of this agreement for an additional year at \$31,000 per day. If this option is declared, the charterers have the option to further extend the term of this agreement for an additional year at \$33,000 per day.
- (15) This vessel is expected to commence a time charter in the fourth quarter 2022 for three years at an average rate of \$35,000 per) day.

Dividend Policy

The declaration and payment of dividends is subject at all times to the discretion of the Company's Board of Directors. The timing and the amount of dividends, if any, depends on the Company's earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in loan agreements, the provisions of Marshall Islands law affecting the payment of dividends and other factors.

The Company's dividends paid during 2021 and 2022 were as follows:

Date paid	Dividends per common share
March 2021	\$0.10
June 2021	\$0.10
September 2021	\$0.10
December 2021	\$0.10
March 2022	\$0.10
June 2022	\$0.10
September 2022	\$0.10

On October 31, 2022, the Company's Board of Directors declared a quarterly cash dividend of \$0.10 per common share, payable on or about December 15, 2022 to all shareholders of record as of November 17, 2022 (the record date). As of November 1, 2022, there were 56,294,672 common shares of the Company outstanding.

COVID-19

Since the beginning of calendar year 2020, the outbreak of the COVID-19 virus has resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets, the effects of which continued throughout 2021. The easing of restrictive measures that were put in place to combat the spread of the virus, and the successful roll-out of vaccines has served as a catalyst for an economic recovery in many countries throughout the world, which has, in part, led to a vastly improved financial performance during the second quarter of 2022. Nevertheless, the Company expects that the COVID-19 virus will continue to cause volatility in the commodities markets in the future. In particular, the spread of more contagious and vaccine resistant variants, along with the continued implementation of restrictive measures by governments in certain parts of the world, have hampered a full re-opening of the global economy. The scale and duration of these circumstances is unknowable but could have a material impact on the Company's earnings, cash flow and financial condition. An estimate of the impact on the Company's results of operations, financial condition, and future performance cannot be made at this time.

Conflict in Ukraine

The ongoing military conflict in Ukraine has had a significant direct and indirect impact on the trade of refined petroleum products. This conflict has resulted in the United States, United Kingdom, and the European Union, among other countries, implementing sanctions and executive orders against citizens, entities, and activities connected to Russia. Some of these sanctions and executive orders target the Russian oil sector, including a prohibition on the import of oil from Russia to the United States or the United Kingdom, and the European Union's recent ban on Russian crude oil and petroleum products which took effect, or are scheduled to take effect in December 2022 and February 2023, respectively. The Company cannot foresee what other sanctions or executive orders may arise that

affect the trade of petroleum products. Furthermore, the conflict and ensuing international response has disrupted the supply of Russian oil to the global market, and as a result, the price of oil and petroleum products has experienced significant volatility. The Company cannot predict what effect the higher price of oil and petroleum products will have on demand, and it is possible that the current conflict in Ukraine could adversely affect the Company's financial condition, results of operations, and future performance.

About Scorpio Tankers Inc.

Scorpio Tankers Inc. is a provider of marine transportation of petroleum products worldwide. Scorpio Tankers Inc. currently owns, lease finances or bareboat charters-in 113 product tankers (39 LR2 tankers, 60 MR tankers and 14 Handymax tankers) with an average age of 6.8 years. Additional information about the Company is available at the Company's website www.scorpiotankers.com, which is not a part of this press release.

Non-IFRS Measures

Reconciliation of IFRS Financial Information to Non-IFRS Financial Information

This press release describes time charter equivalent revenue, or TCE revenue, adjusted net income or loss, and adjusted EBITDA, which are not measures prepared in accordance with IFRS ("Non-IFRS" measures). The Non-IFRS measures are presented in this press release as we believe that they provide investors and other users of our financial statements, such as our lenders, with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance. These Non-IFRS measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with IFRS.

The Company believes that the presentation of TCE revenue, adjusted net income or loss with adjusted earnings or loss per share, basic and diluted, and adjusted EBITDA are useful to investors or other users of our financial statements, such as our lenders, because they facilitate the comparability and the evaluation of companies in the Company's industry. In addition, the Company believes that TCE revenue, adjusted net income or loss with adjusted earnings or loss per share, basic and diluted, and adjusted EBITDA are useful in evaluating its operating performance compared to that of other companies in the Company's industry. The Company's definitions of TCE revenue, adjusted net income or loss with adjusted earnings or loss per share, basic and diluted, and adjusted EBITDA may not be the same as reported by other companies in the shipping industry or other industries.

TCE revenue, on a historical basis, is reconciled above in the section entitled "Explanation of Variances on the Third Quarter of 2022 Financial Results Compared to the Third Quarter of 2021". The Company has not provided a reconciliation of forward-looking TCE revenue because the most directly comparable IFRS measure on a forward-looking basis is not available to the Company without unreasonable effort.

Reconciliation of Net Income / (Loss) to Adjusted Net Income / (Loss)

	For the three months ended September 30, 2022		
	Amount	Per share basic	Per share diluted
<i>In thousands of U.S. dollars except per share data</i>			
Net income	\$ 266,165	\$ 4.84	\$ 4.31
<i>Adjustments:</i>			
Net gain on sales of vessels	(2,732)	(0.05)	(0.04)
Write-offs of deferred financing fees and debt extinguishment costs	1,443	0.03	0.02
Gain on repurchase of Convertible Notes	(69)	\$ —	\$ —
Adjusted net income	\$ 264,807	\$ 4.81	\$ 4.29

	For the three months ended September 30, 2021		
	Amount	Per share basic	Per share diluted
<i>In thousands of U.S. dollars except per share data</i>			
Net loss	\$ (73,267)	\$ (1.34)	\$ (1.34)
<i>Adjustment:</i>			
Gain on sale and leaseback amendment	(2,851)	(0.05)	(0.05)
Adjusted net loss	\$ (76,118)	\$ (1.39)	\$ (1.39)

	For the nine months ended September 30, 2022		
	Amount	Per share basic	Per share diluted
<i>In thousands of U.S. dollars except per share data</i>			
Net income	\$ 372,848	\$ 6.74	\$ 6.07
<i>Adjustments:</i>			
Net loss on sales of vessels	66,486	1.20	1.04
Write-offs of deferred financing fees and debt extinguishment costs	7,144	0.13	0.11
Gain on repurchase of Convertible Notes	(481)	(0.01)	(0.01)
Adjusted net income	\$ 445,997	\$ 8.06	\$ 7.21

	For the nine months ended September 30, 2021		
	Amount	Per share basic	Per share diluted
<i>In thousands of U.S. dollars except per share data</i>			

Net loss	\$	(188,443)	\$	(3.46)	\$	(3.46)
<i>Adjustments:</i>						
Loss on Convertible Notes exchange		5,504		0.10		0.10
Write-offs of deferred financing fees		1,326		0.02		0.02
Gain on sale and leaseback amendment		(2,851)		(0.05)		(0.05)
Adjusted net loss	\$	(184,464)	\$	(3.38)	(1)	(3.38) (1)

(1) Summation difference due to rounding.

Reconciliation of Net Income / (Loss) to Adjusted EBITDA

<i>In thousands of U.S. dollars</i>	For the three months ended September 30,		For the nine months ended September 30,					
	2022	2021	2022	2021				
Net Income / (Loss)	\$	266,165	\$	(73,267)	\$	372,848	\$	(188,443)
Financial expenses		42,302		35,810		121,012		105,783
Financial income		(2,183)		(3,041)		(3,207)		(3,453)
Depreciation - owned or lease financed vessels		41,422		49,707		126,581		147,713
Depreciation - right of use assets		9,567		10,408		29,055		32,449
Amortization of restricted stock		5,472		5,748		16,148		18,231
Loss on Convertible Notes exchange		—		—		—		5,504
Net (gain) / loss on sales of vessels		(2,732)		—		66,486		—
Adjusted EBITDA	\$	360,013	\$	25,365	\$	728,923	\$	117,784

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,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “target,” “project,” “likely,” “may,” “will,” “would,” “could” 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, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. Although management 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 the Company’s control, there can be no assurance that the Company will achieve or accomplish these expectations, beliefs or projections. The Company undertakes no obligation, and specifically declines any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition to these important factors, other important factors that, in the Company’s view, could cause actual results to differ materially from those discussed in the forward-looking statements include unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, length and severity of the ongoing novel coronavirus (COVID-19) outbreak, including its effect on demand for petroleum products and the transportation thereof, expansion and growth of the Company’s operations, risks relating to the integration of assets or operations of entities that it has or may in the future acquire and the possibility that the anticipated synergies and other benefits of such acquisitions may not be realized within expected timeframes or at all, the failure of counterparties to fully perform their contracts with the Company, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for tanker vessel capacity, changes in the Company’s operating expenses, including bunker prices, drydocking and insurance costs, the market for the Company’s vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, 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, including the impact of the conflict in Ukraine, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires, and other factors. Please see the Company’s filings with the SEC for a more complete discussion of certain of these and other risks and uncertainties.

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