Genco Shipping & Trading Limited



Q3 2020 Earnings Presentation

November 5th, 2020

Forward Looking Statements

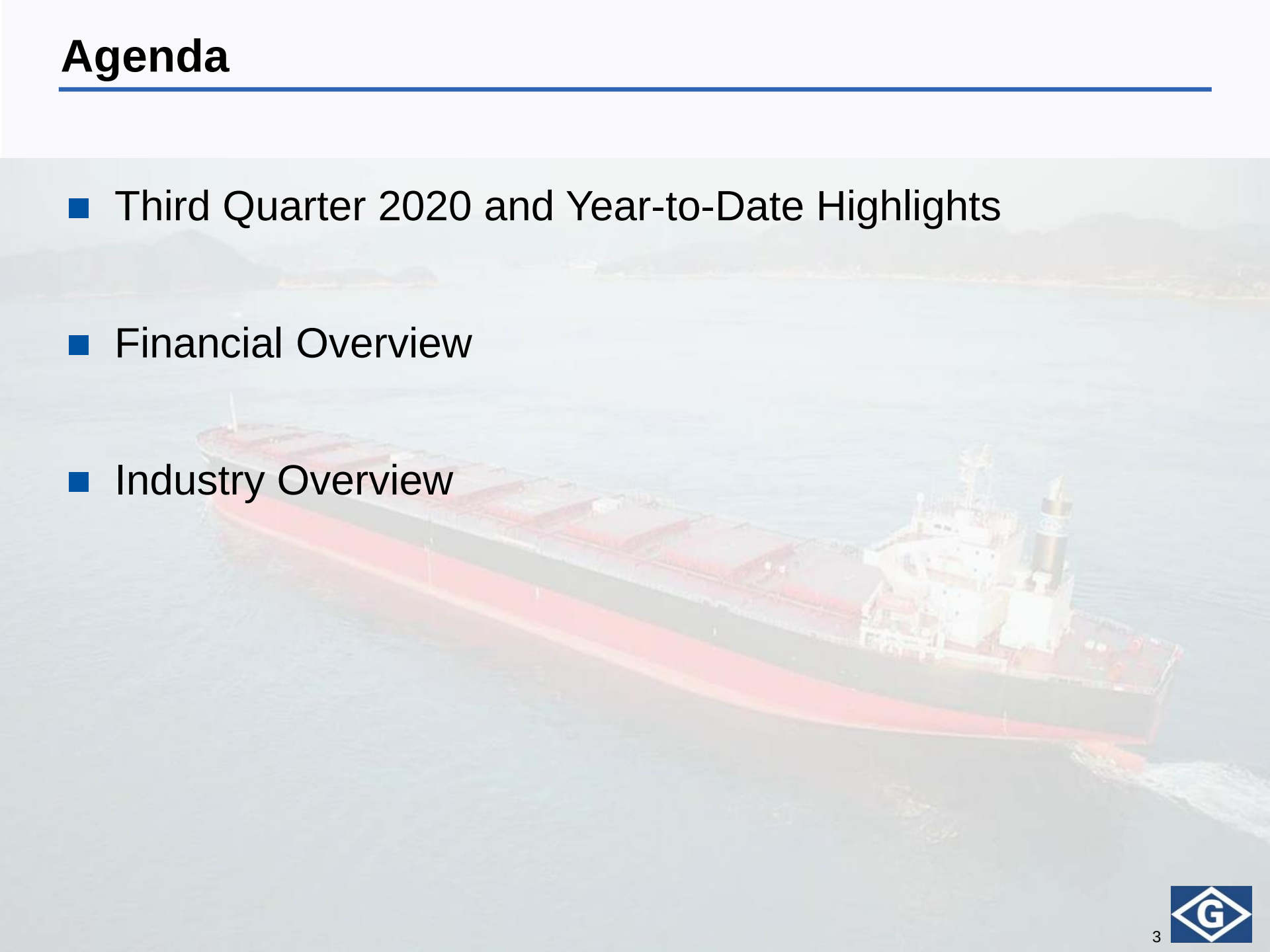
"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as “anticipate,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on our management’s current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance, general and administrative expenses, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company’s acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete maintenance, repairs, and installation of equipment to comply with applicable regulations on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and freight and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the relative cost and availability of low sulfur and high sulfur fuel or any additional scrubbers we may seek to install; (xix) our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; (xx) worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020; (xxi) our financial results for the year ending December 31, 2020 and other factors relating to determination of the tax treatment of dividends we have declared; (xxii) the duration and impact of the COVID-19 novel coronavirus epidemic, which may negatively affect general global and regional economic conditions; our ability to charter our vessels at all and the rates at which are able to do so; our ability to call on or depart from ports on a timely basis or at all; our ability to crew, maintain, and repair our vessels, including without limitation the impact diversion of our vessels to perform crew rotations may have on our revenues, expenses, and ability to consummate vessel sales, expense and disruption to our operations that may arise from the inability to rotate crews on schedule, and delay and added expense we may incur in rotating crews in the current environment; our ability to staff and maintain our headquarters and administrative operations; sources of cash and liquidity; our ability to sell vessels in the secondary market, including without limitation the compliance of purchasers and us with the terms of vessel sale contracts, and the prices at which vessels are sold; and other factors relevant to our business described from time to time in our filings with the Securities and Exchange Commission; and (xxiii) other factors listed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2019 and subsequent reports on Form 8-K and Form 10-Q. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

.

Agenda

- Third Quarter 2020 and Year-to-Date Highlights
- Financial Overview
- Industry Overview



Third Quarter 2020 and Year-to-Date Highlights

Third Quarter 2020 and YTD Update

Q3 2020 financial performance



- Cash position: $160.8 million, including $24.2 million of restricted cash related to vessel sales
- Net loss: $21.1 million, basic and diluted loss per share: $0.50
  - Adjusted net income of $1.2 million, basic and diluted earnings per share of $0.03 (excluding $21.9 million non-cash impairment of vessels and $0.4 million loss on sale of vessels)
- Adjusted EBITDA: $22.3 million

Commercial operating platform



- Voyage revenues totaled $87.5 million and net revenue (voyage revenues minus voyage expenses and charter hire expenses) totaled $53.0 million during Q3 2020
- Q3 TCE: $11,456 per day, an increase of 71% as compared to Q2 2020
- Q4 TCE to date: $13,004 per day for 57% of our owned fleet's available days

Capital allocation strategy

- Declared a regular quarterly divided of $0.02 per share for Q3 2020
  - Payable on or about November 25, 2020 to all shareholders of record as of November 17, 2020
- Declared cumulative dividends of $0.735 per share over the last five quarters

Fleet renewal update

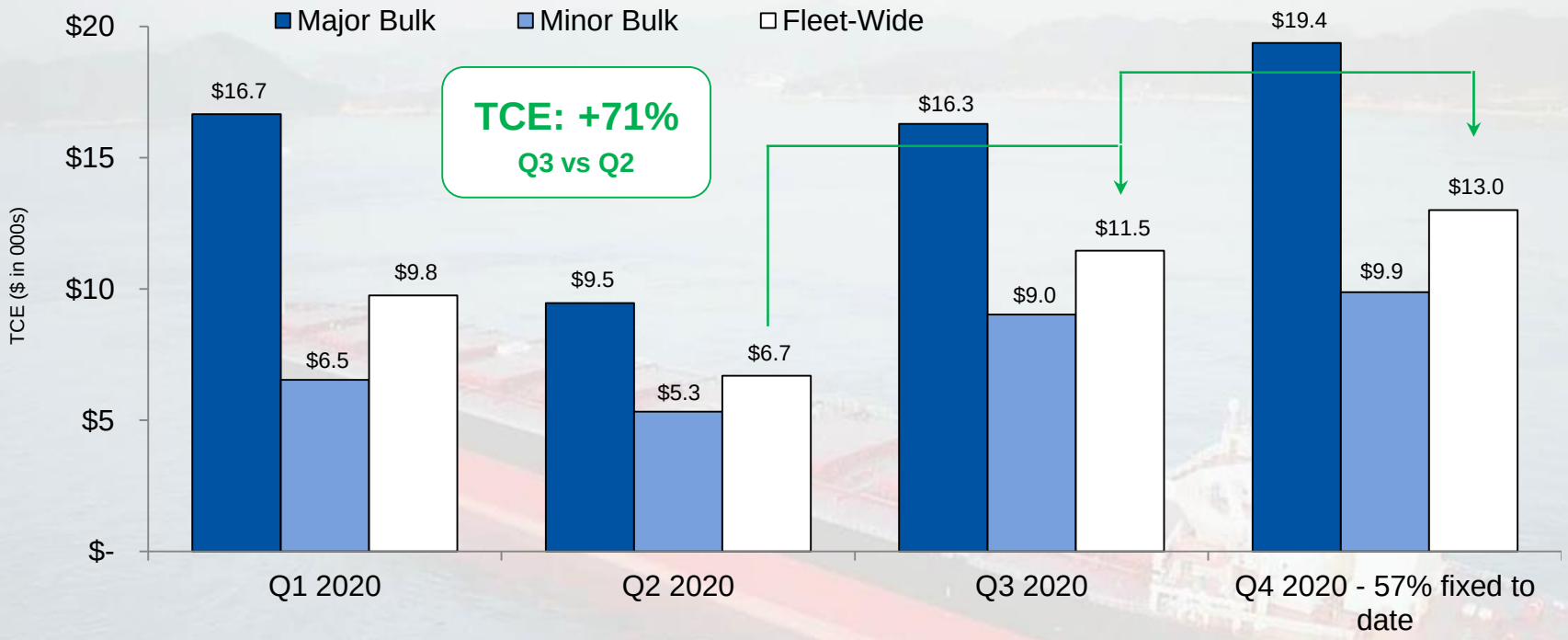


- **July 2020:** delivered the Baltic Wind, a 2009-built Handysize vessel, and the Baltic Breeze, a 2010-built Handysize vessel, to buyers
- **October 2020:** delivered the Genco Bay, a 2010-built Handysize vessel and the Baltic Jaguar, a 2009-built Supramax vessel, to buyers
- **Balance of 2020 to Q1 2021:** anticipate delivering three Supramax vessels, the Genco Loire, the Genco Normandy and the Baltic Panther to buyers in Q4 2020 and Q1 2021

Note: for a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, please refer to slide 9.

Q4 to date TCE estimates led by our Capesize fleet

Our vessel deployment strategy remains weighted towards short-term fixtures which provides us with optionality on our sizeable fleet



- Our sizeable fleet provides us with significant operating leverage in what has been a recovering freight market since June
- Firm overall drybulk market has carried over into Q4 as reflected in our Q4 2020 TCE estimates to date

Financial Overview

Third Quarter Earnings

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	(Dollars in thousands, except share and per share data) (unaudited)		(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:				
Revenues:				
Voyage revenues	$ 87,524	$ 103,776	$ 260,066	$ 280,790
Total revenues	87,524	103,776	260,066	280,790
Operating expenses:				
Voyage expenses	33,487	42,967	123,550	127,789
Vessel operating expenses	23,460	24,711	66,332	72,260
Charter hire expenses	1,020	5,475	5,527	12,743
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $0.6 million, $1.5 million and $1.6 million, respectively)	5,115	6,144	16,353	18,253
Technical management fees	1,739	1,885	5,316	5,710
Depreciation and amortization	16,115	18,184	49,619	54,532
Impairment of vessel assets	21,896	12,182	134,710	26,078
Loss (gain) on sale of vessels	358	-	844	(611)
Total operating expenses	103,190	111,548	402,251	316,754
Operating loss	(15,666)	(7,772)	(142,185)	(35,964)
Other (expense) income:				
Other (expense) income	(436)	86	(900)	523
Interest income	101	892	948	3,292
Interest expense	(5,097)	(7,797)	(17,515)	(24,496)
Impairment of right-of-use asset	-	-	-	(223)
Other expense	(5,432)	(6,819)	(17,467)	(20,904)
Net loss	$ (21,098)	$ (14,591)	$ (159,652)	$ (56,868)
Net loss per share - basic	$ (0.50)	$ (0.35)	$ (3.81)	$ (1.36)
Net loss per share - diluted	$ (0.50)	$ (0.35)	$ (3.81)	$ (1.36)
Weighted average common shares outstanding - basic	41,928,682	41,749,200	41,898,756	41,739,287
Weighted average common shares outstanding - diluted	41,928,682	41,749,200	41,898,756	41,739,287

September 30, 2020 Balance Sheet

BALANCE SHEET DATA:	September 30, 2020 (unaudited)	December 31, 2019
	(Dollars in thousands)	
Cash (including restricted cash)	$ 160,775	$ 162,249
Current assets	222,428	223,195
Total assets	1,317,547	1,528,892
Current liabilities (excluding current portion of long-term debt)	33,033	57,908
Current portion of long-term debt	80,642	69,747
Long-term debt (net of $10.7 million and $13.1 million of unamortized debt issuance costs at September 30, 2020 and December 31, 2019, respectively)	384,141	412,983
Shareholders' equity	811,220	978,428

OTHER FINANCIAL DATA:	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
Net cash provided by operating activities	N/A		$ 16,015	$ 28,758
Net cash provided by (used in) investing activities			12,327	(31,797)
Net cash used in financing activities			(29,816)	(33,531)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net loss	$ (21,098)	$ (14,591)	$ (159,652)	$ (56,868)
+ Net interest expense	4,996	6,905	16,567	21,204
+ Depreciation and amortization	16,115	18,184	49,619	54,532
EBITDA[(1)]	$ 13	$ 10,498	$ (93,466)	$ 18,868
+ Impairment of vessel assets	21,896	12,182	134,710	26,078
+ Impairment of right-of-use asset	-	-	-	223
+ Loss (gain) on sale of vessels	358	-	844	(611)
Adjusted EBITDA	$ 22,267	$ 22,680	$ 42,088	$ 44,558

(1) EBITDA represents net (loss) income plus net interest expense, taxes, and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in consolidating internal financial statements and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP (i.e. non-GAAP measure) and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statement of cash flows. The definition of EBITDA used here may not be comparable to that used by other companies.

Third Quarter Highlights

	Three Months Ended (unaudited)		Nine Months Ended (unaudited)	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
FLEET DATA:				
Total number of vessels at end of period	51	58	51	58
Average number of vessels (1)	51.4	58.0	52.9	58.1
Total ownership days for fleet (2)	4,729	5,336	14,495	15,861
Total chartered-in days (3)	145	430	816	1,071
Total available days (4)	4,773	5,165	14,891	15,984
Total available days for owned fleet (5)	4,628	4,735	14,075	14,914
Total operating days for fleet (6)	4,626	5,130	14,576	15,737
Fleet utilization (7)	96.2%	98.9%	97.3%	97.9%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 11,456	$ 11,687	$ 9,307	$ 9,405
Daily vessel operating expenses per vessel (9)	4,961	4,631	4,576	4,556

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as a measured by the sum of the number of days each vessel was part of our fleet during the period divided by the number of calendar days in that period.

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

(3) We define chartered-in days as the aggregate number of days in a period during which we chartered-in third-party vessels.

(4) We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(5) We define available days for the owned fleet as available days less chartered-in days.

(6) We define operating days as the number of our total available days in a period less the aggregate number of days that the vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(7) We calculate fleet utilization as the number of our operating days during a period divided by the number of ownership days plus time charter-in days less days our vessels spend in drydocking.

(8) We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

(9) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Genco's industry leading balance sheet

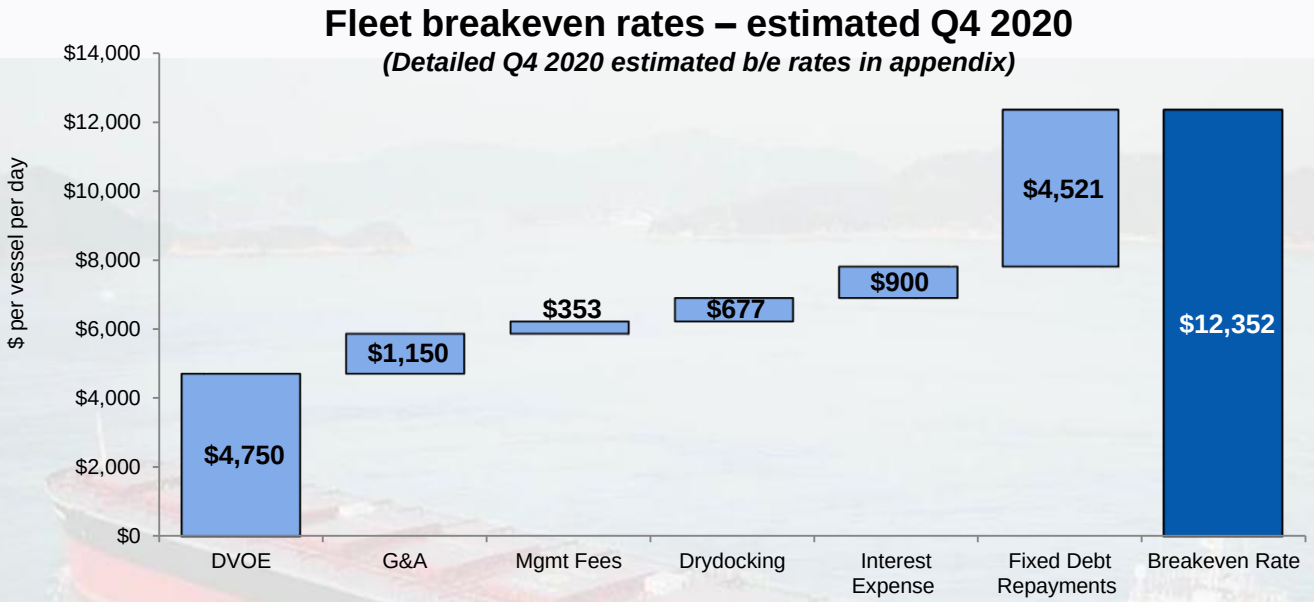
Key balance sheet items as of September 30, 2020

Cash[1]	Debt[2]	Net Debt[3]
$160.8 million	$475.4 million	$314.7 million

- **Strong financial position:** Genco continues to maintain one of the highest liquidity positions and lowest leverage profiles among our drybulk peer group

1) Cash balance as of September 30, 2020 includes $24.5 million of restricted cash.
2) The debt balance presented is gross of $10.7 million of unamortized debt issuance costs.
3) Net debt is equal to debt minus cash

Estimated Q4 2020 Cash Breakeven Rates(1)



Genco's Estimated Ownership and Owned Available Days - Q4 2020			
Vessel Type	**Ownership Days**	**Drydocking Days**	**Owned Avail Days**
Capesize	1,564	-	1,564
Ultramax	552	20	532
Supramax	1,699	17	1,682
Handysize	644	57	587
Total	**4,459**	**94**	**4,365**

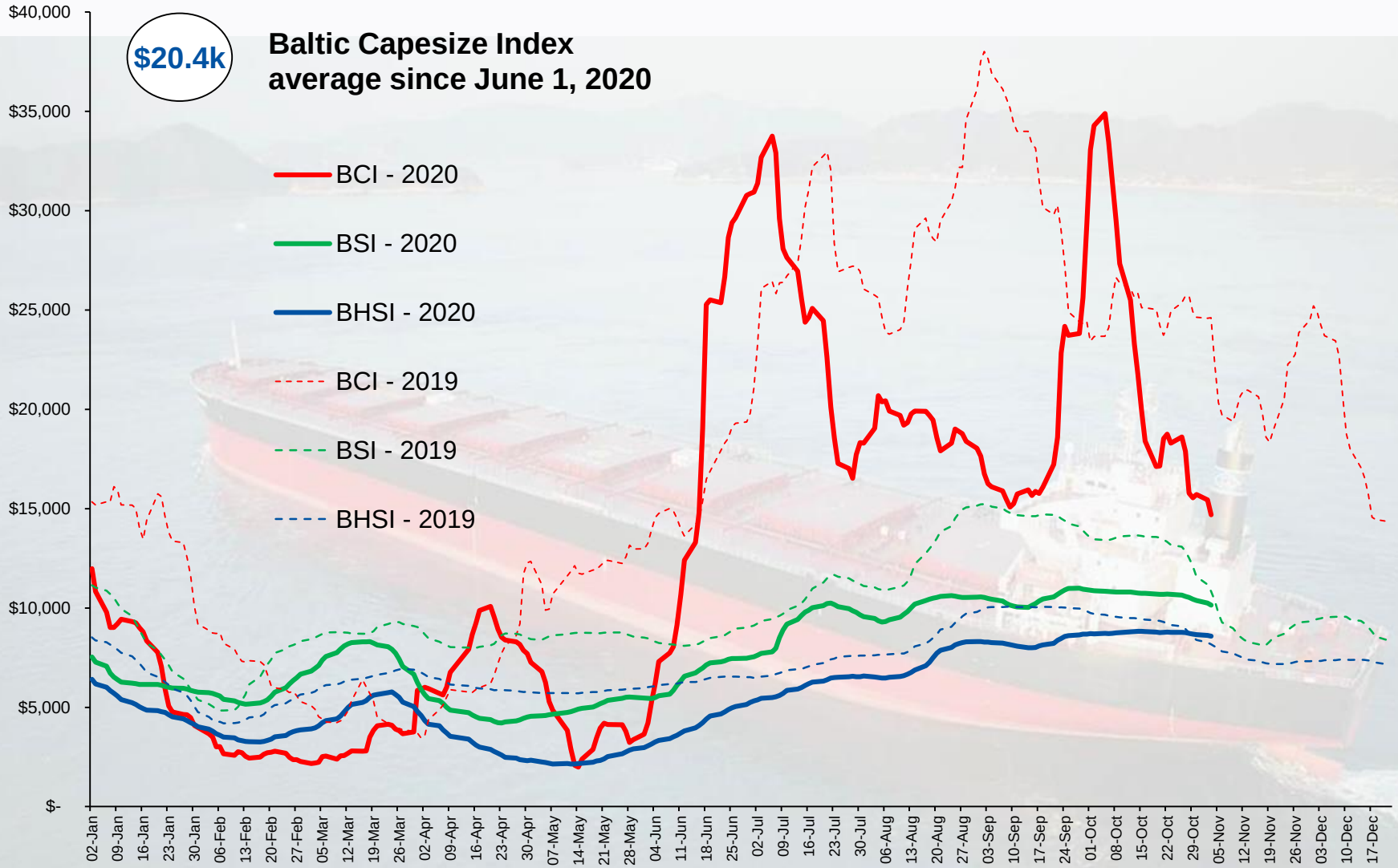
We anticipate 5 of our vessels will drydock during Q4 2020

Note: Free cash flow breakeven rates consist of direct vessel operating expenses, general and administrative expenses, technical management fees, drydocking, interest expenses and fixed debt repayments. One-time costs associated with ballast water treatment system installation expected to be incurred during Q4 2020 of $1.1 million or ~$242 per vessel per day are not included in the above. For a complete reconciliation of non-GAAP financial measures and detailed estimated breakeven rates for Q4 2020, please refer to the appendix.

(1) Breakeven rate is based on the 2020 budget, which is subject to change. Based on a fleet of 48.47 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.

Industry Overview

Freight rate developments in the YTD

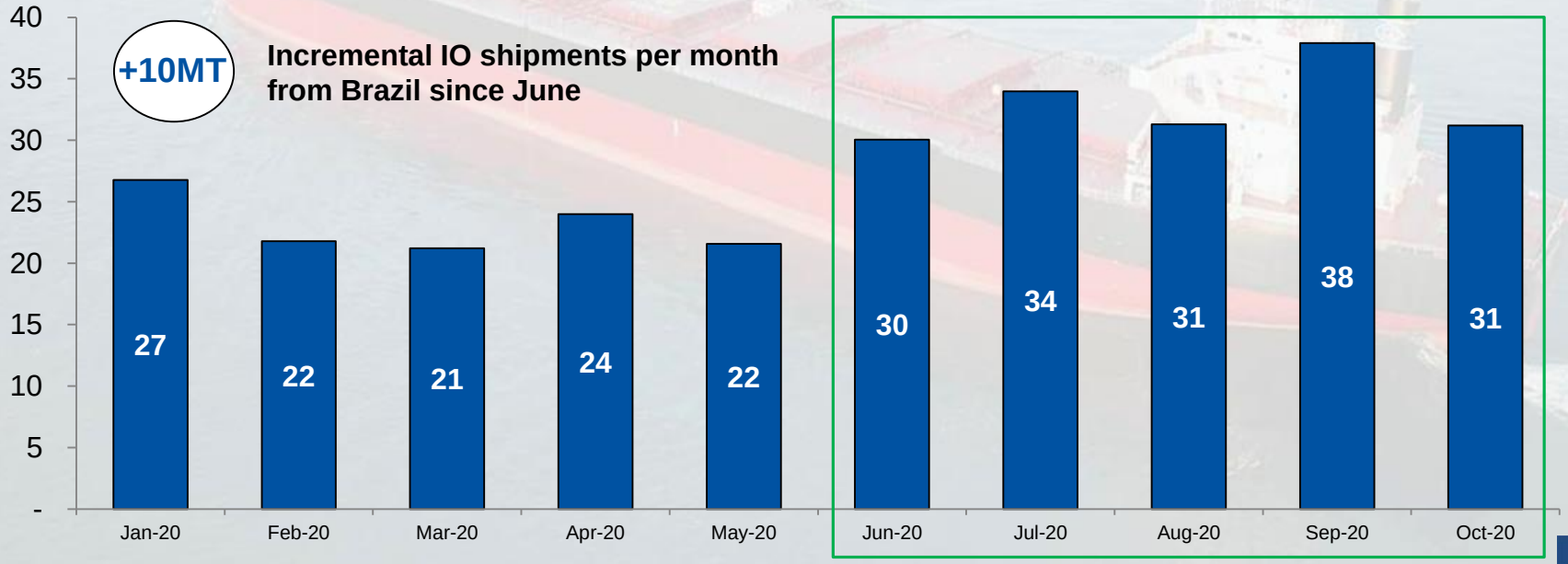


Brazilian iron ore exports have recovered since June…

…following poor weather conditions and operational challenges that disrupted production and shipments during most of the first half of the year

- Brazilian iron ore exports have exceeded 30MT in each of the last 5 months
  - The first time this has occurred since pre-Vale dam incident
  - September 2020 exports reached a 5 year high of 37.9MT, up 19% YOY
- Vale Q3 production was +31% vs Q2 (or +21MT)
  - To hit FY guidance, Q4 production would be +6% vs Q3 (or +5MT)

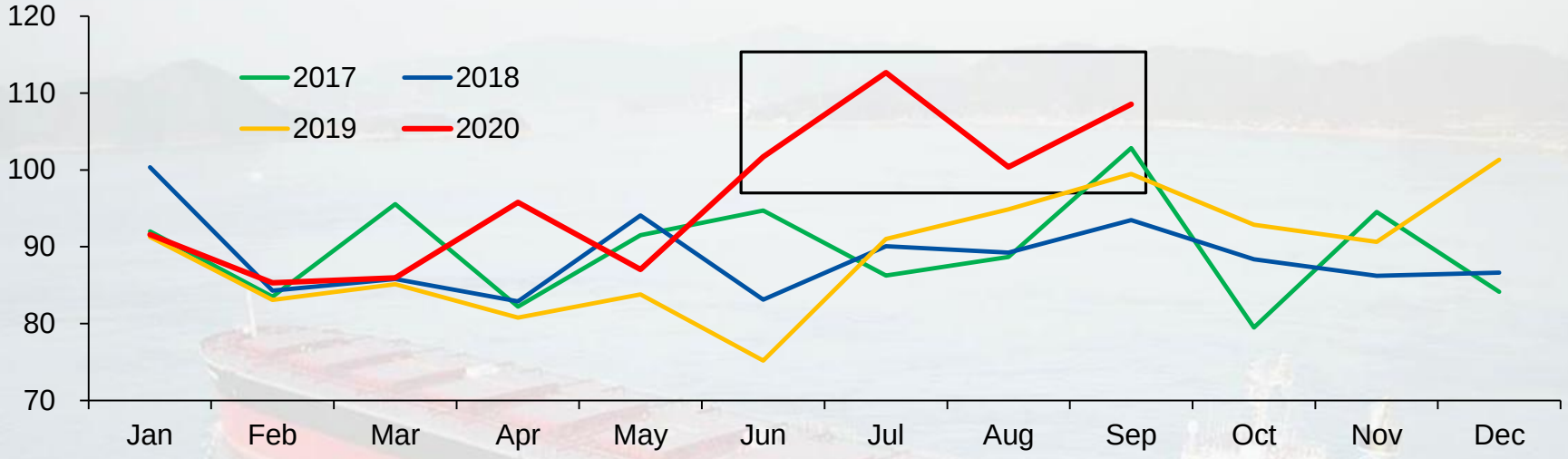
Brazil IO exports from Jun to Oct averaged 33MT vs 23MT in Jan to May



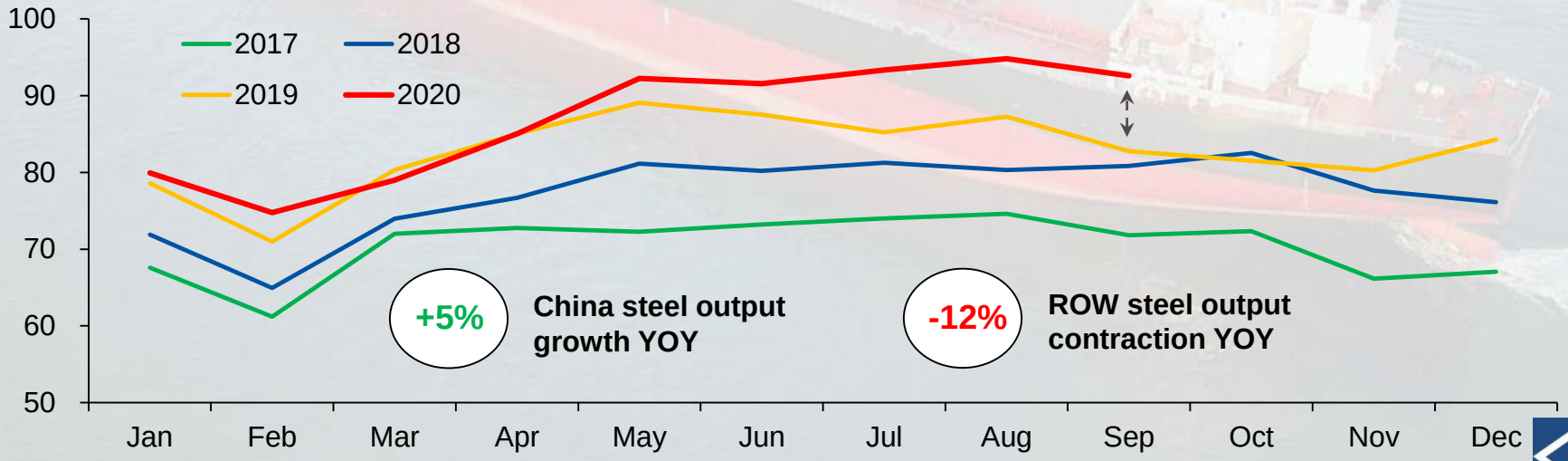
Sources: Clarkson Research Services Limited 2020, Vale

China's record IO imports led by all-time high steel output

China's IO imports have risen by *11%* YOY in 2020, including 4 straight months of over 100MT per month…



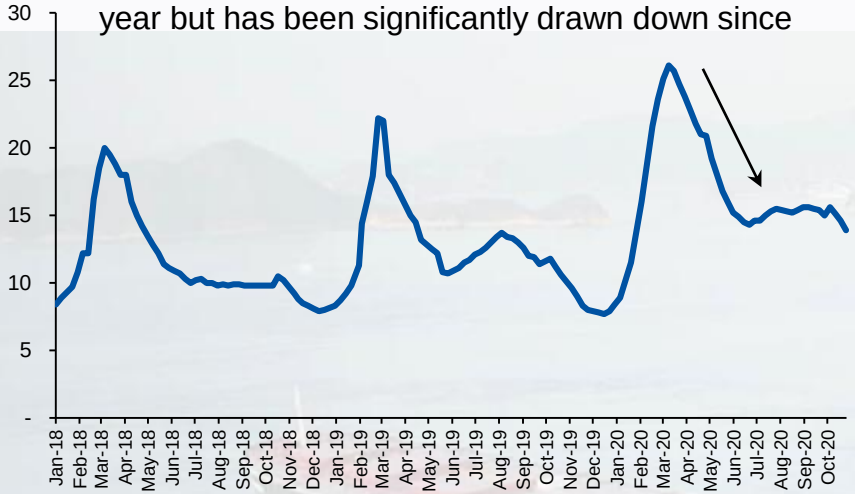
…as China's steel output continues to set records and gain global market share



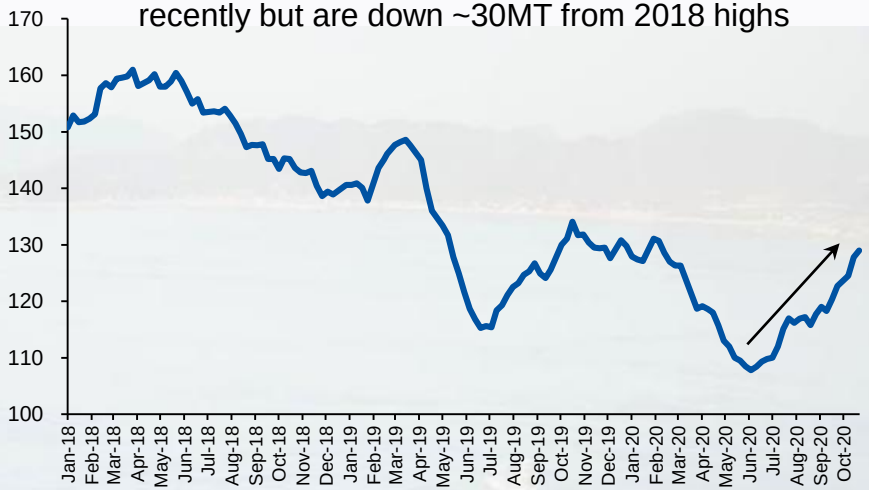
Sources: Clarkson Research Services Limited 2020, WorldSteel

Inventory levels for key major bulk trades

China's steel inventory more than tripled early in the year but has been significantly drawn down since



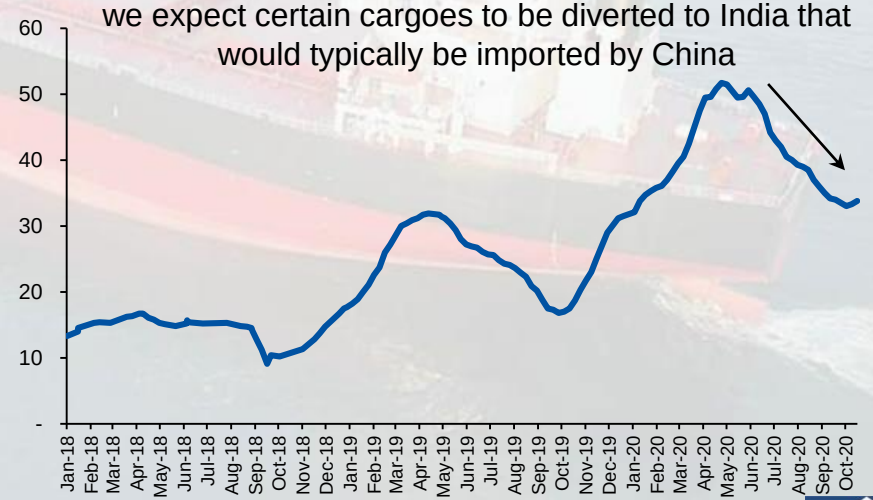
China's iron ore port inventories have been building recently but are down ~30MT from 2018 highs



China's coal powerplant stockpiles have increased recently, which together with a ban on Aust coal and coal import quotas doesn't bode well for shipments to China for Q4 2020

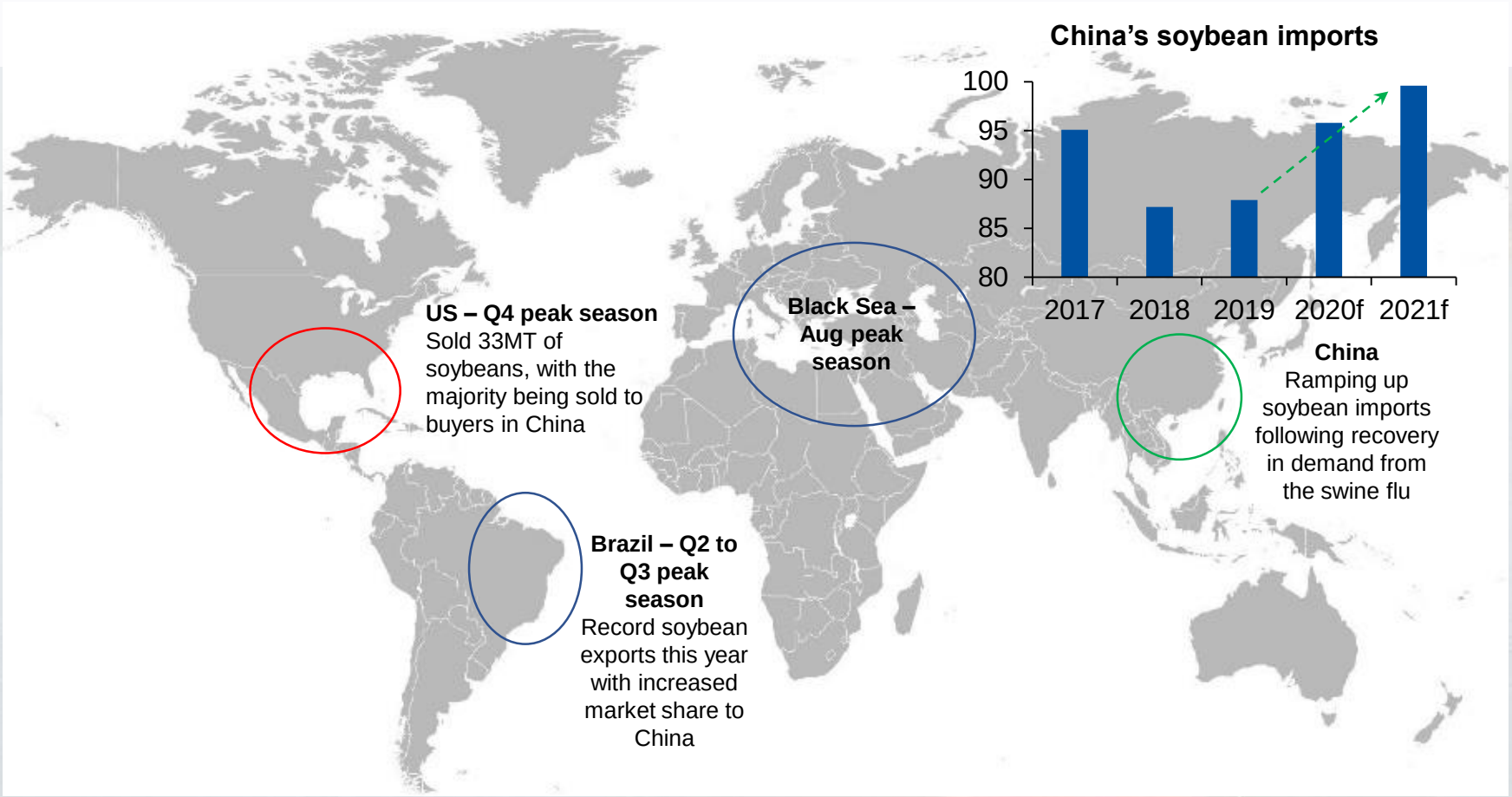


India's coal powerplant stockpiles have declined from record levels while monsoon season has ended, we expect certain cargoes to be diverted to India that would typically be imported by China



Source: Commodore Research

Strong grain trade + improvement in other minor bulk trades

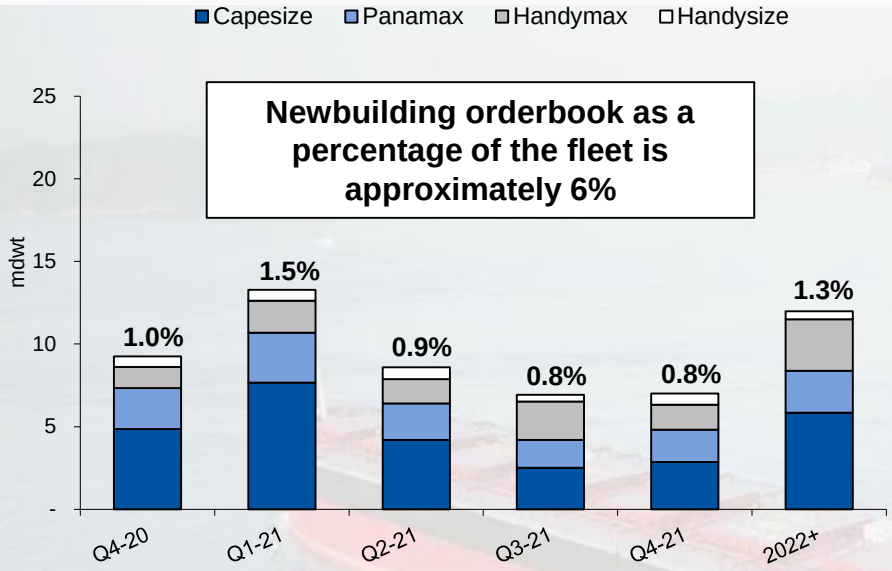


- **Minor bulk trades** have improved as economic activity rose from earlier year levels
- **Grain trade** has been resilient as China recovers from the swine flu outbreak in 2019 + strong Brazil crop
- Large scale purchases of US agricultural products have been made by China in recent months setting up a firm US export season during Q4

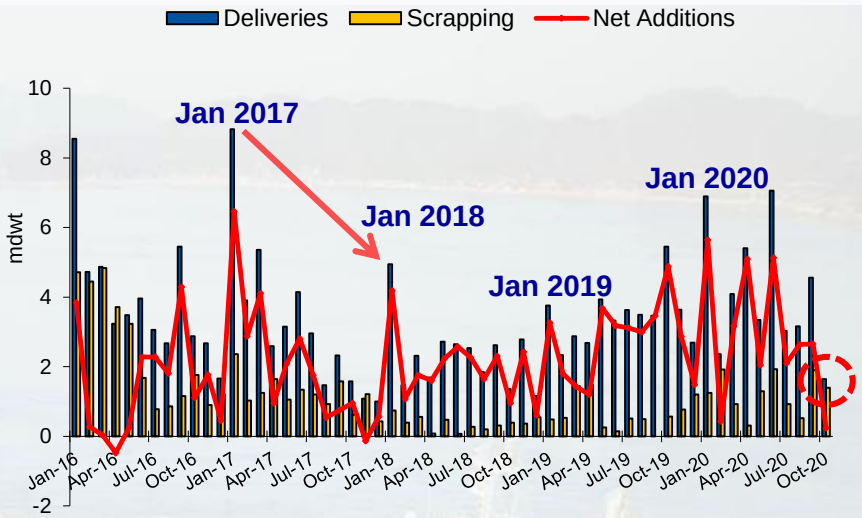
Sources: Clarkson Research Services Limited 2020, Commodore Research

Supply side fundamentals

Current Drybulk Vessel Orderbook by Type



Drybulk Vessel Deliveries vs. Scrapping



- Lowest orderbook on record at approximately 6% of the fleet
- On the water tonnage greater than or equal to 20 years old totals approximately 6% of the fleet on a dwt basis
- Scrapping levels in 2020 have been strong in the YTD, with 40 reported Capesize demolitions (including 22 VLOCs), already eclipsing the 29 reported in all of 2019
- 2020 VLOC newbuilding deliveries have been nearly fully offset by VLOC scrapping to date
- Capesize scrap potential remains high with approximately 80 Capesizes >=18 years old

Source: Clarkson Research Services Limited 2020

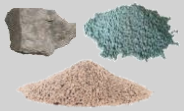
2021 drybulk outlook

Drybulk market catalysts

1. Gradual recommencement of global economic activity levels
2. Recovery in Brazilian iron ore exports
3. Improvement in minor bulk earnings as global GDP starts to grow again
4. Global stimulus measures
5. Lower fleet growth: increased scrapping + delayed N/B deliveries + declining fleet productivity

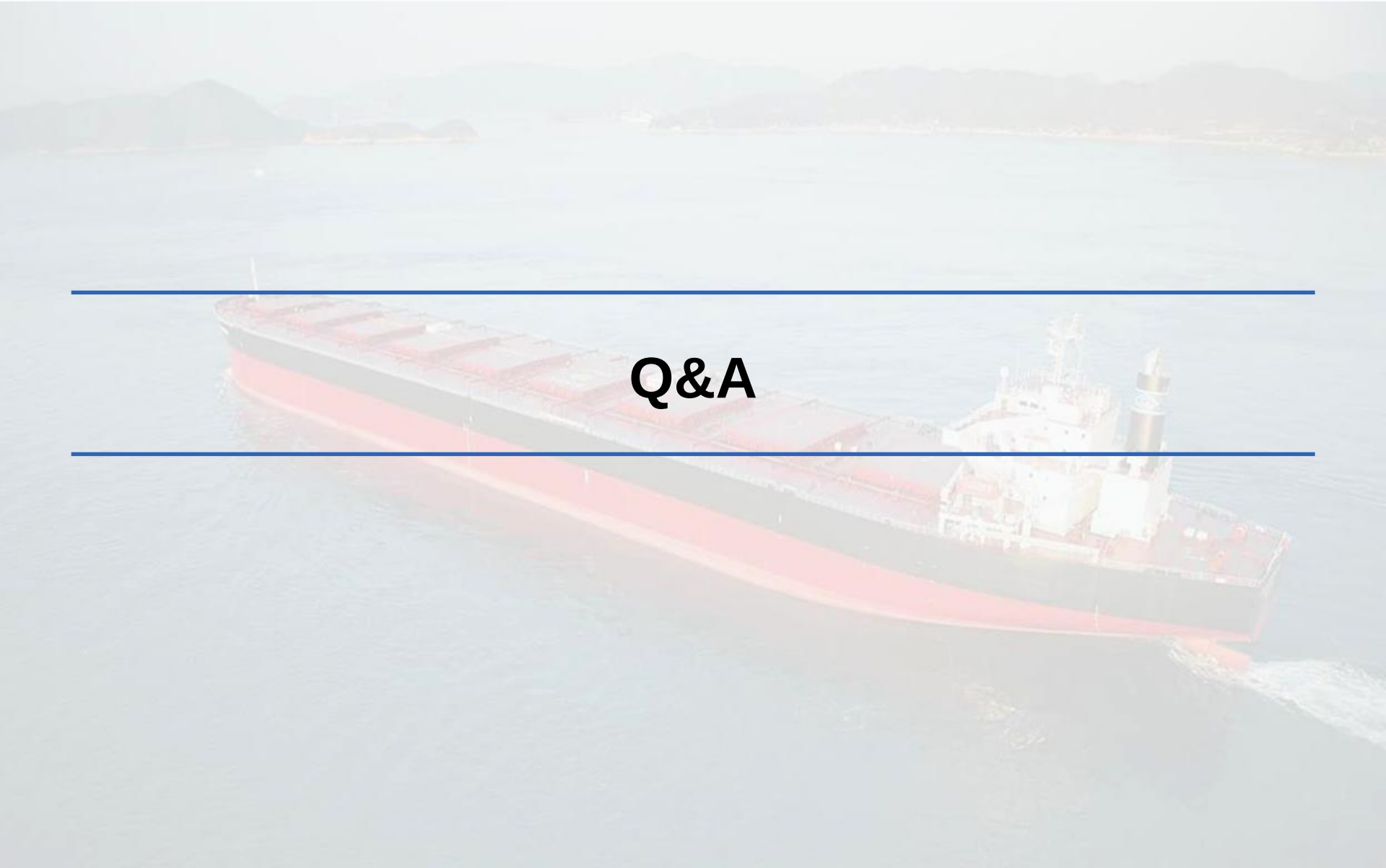
Primary risk factors include another wave of COVID-19, and coal import restrictions in China

2021 supply & demand growth estimates

	Vessel*	Marsoft	Clarksons
Iron Ore 	Capesize	+6.2%	+3.0%
Coal 	Capesize Panamax	+0.4%	+4.7%
Grain 	Panamax Supramax Handysize	-0.6%	+2.2%
Minor Bulk 	Supramax Handysize	+6.2%	+5.9%
Total Demand		+3.8%	+4.4%
Fleet Growth		+1.5%	+1.3%

*Indicates the primary vessel type that carries the respective commodities. Supply and demand forecasts are based on Marsoft's base case and Clarksons drybulk outlook as of October 2020.

Sources: Marsoft, Clarksons



Q&A

Appendix

Genco Fleet List

Major Bulk			Minor Bulk					
Vessel Name	**Year Built**	**Dwt**	**Vessel Name**	**Year Built**	**Dwt**	**Vessel Name**	**Year Built**	**Dwt**
Capesize			**Ultramax**			Genco Predator	2005	55,407
Genco Resolute	2015	181,060	Baltic Hornet	2014	63,574	Genco Provence	2004	55,317
Genco Endeavour	2015	181,060	Baltic Mantis	2015	63,470	Genco Picardy	2005	55,257
Genco Constantine	2008	180,183	Baltic Scorpion	2015	63,462	Genco Normandy	2007	53,596
Genco Augustus	2007	180,151	Baltic Wasp	2015	63,389	Baltic Leopard	2009	53,446
Genco Liberty	2016	180,032	Genco Weatherly	2014	61,556	Baltic Cougar	2009	53,432
Genco Defender	2016	180,021	Genco Columbia	2016	60,294	Genco Loire	2009	53,430
Genco Tiger	2011	179,185	**Supramax**			Genco Lorraine	2009	53,417
Baltic Lion	2012	179,185	Genco Hunter	2007	58,729	Baltic Panther	2009	53,350
Genco London	2007	177,833	Genco Auvergne	2009	58,020	**Handysize**		
Baltic Wolf	2010	177,752	Genco Ardennes	2009	58,018	Genco Spirit	2011	34,432
Genco Titus	2007	177,729	Genco Bourgogne	2010	58,018	Genco Mare	2011	34,428
Baltic Bear	2010	177,717	Genco Brittany	2010	58,018	Genco Ocean	2010	34,409
Genco Tiberius	2007	175,874	Genco Languedoc	2010	58,018	Baltic Cove	2010	34,403
Genco Commodus	2009	169,098	Genco Pyrenees	2010	58,018	Genco Avra	2011	34,391
Genco Hadrian	2008	169,025	Genco Rhone	2011	58,018	Baltic Hare	2009	31,887
Genco Maximus	2009	169,025	Genco Aquitaine	2009	57,981	Baltic Fox	2010	31,883
Genco Claudius	2010	169,001	Genco Warrior	2005	55,435			

17 *Capesize*

25 *Ultra/Supra*

7 *Handysize*







Note: We have agreed to sell the Genco Normandy, Genco Loire and Baltic Panther

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Nine Months Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 87,524	$ 103,776	$ 260,066	$ 280,790
Voyage expenses (in thousands)	33,487	42,967	123,550	127,789
Charter hire expenses (in thousands)	1,020	5,475	5,527	12,743
	53,017	55,334	130,989	140,258
Total available days for owned fleet	4,628	4,735	14,075	14,914
Total TCE rate	$ 11,456	$ 11,687	$ 9,307	$ 9,405

	Three Months Ended	
	March 31, 2020	June 30, 2020
	(unaudited)	
Total Fleet		
Voyage revenues (in thousands)	$ 98,336	$ 74,206
Voyage expenses (in thousands)	48,368	41,695
Charter hire expenses (in thousands)	3,075	1,432
	46,893	31,079
Total available days for owned fleet	4,807	4,643
Total TCE rate	$ 9,755	$ 6,693

(1) We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts, while charterhire rates for vessels on time charters generally are expressed in such amounts.

Adjusted Net Income Reconciliation

	Three Months Ended September 30, 2020
	(unaudited)
Adjusted Net Income Reconciliation	
Net loss	$ (21,098)
+ Impairment of vessel assets	21,896
+ Loss on sale of vessels	358
Adjusted net income	$ 1,156
Adjusted net earnings per share - basic	$ 0.03
Adjusted net earnings per share - diluted	$ 0.03
Weighted average common shares outstanding - basic	41,928,682
Weighted average common shares outstanding - diluted	41,928,682
Weighted average common shares outstanding - basic as per financial statements	41,928,682
Dilutive effect of stock options	-
Dilutive effect of restricted stock awards	-
Weighted average common shares outstanding - diluted as adjusted	41,928,682

Q4 2020 Genco Estimated Breakeven Rates[1]

Daily Expenses by Category	Free Cash Flow[2]	Net Income
Direct Vessel Operating[3]	$4,750	$4,750
General and Administrative Expenses[4]	1,150	1,253
Technical Management Fees[5]	353	353
Drydocking[6]	677	-
Interest Expense[7]	900	1,124
Fixed Debt Repayments[8]	4,521	-
Depreciation[9]	-	3,553
Daily Expense[10]	**$12,352**	**$11,033**
Number of Vessels[11]	48.47	48.47

The above figures are estimates and are subject to change

(1) Estimated pro-forma daily expenses are presented for illustrative purposes.

(2) Free Cash Flow is defined as net income plus depreciation less capital expenditures, primarily vessel drydockings, plus other non-cash items, namely nonvested stock amortization and deferred financing costs, less fixed debt repayments. However, this does not include any adjustment for accounts payable and accrued expenses incurred in the ordinary course of business. We consider Free Cash Flow to be an important indicator of our ability to service debt.

(3) Direct Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe DVOE are best measured for comparative purposes over a 12-month period.

(4) General & Administrative Expenses are based on a budget set forth at the beginning of the year. Actual results may vary.

(5) Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.

(6) Drydocking expenses represent estimated drydocking expenditures for Q4 2020.

(7) Interest expense is based on our debt level as of September 30, 2020 less scheduled fixed debt repayments in Q4 2020. Deferred financing costs are included in calculating net income interest expense. Interest expense is calculated based on an assumed LIBOR rate under our credit facilities plus the facilities' respective margins.

(8) Genco's fixed debt repayments for Q4 2020 aggregate to $20.2 million under our outstanding credit facilities. Repayment of debt due to vessel sales is excluded from this calculation.

(9) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $310 per LWT.

(10) The amounts shown will vary based on actual results.

(11) Based on a weighted average fleet of 48.47 vessels.

Genco's ESG initiatives overview

Given the importance of Environmental, Social and Governance factors to management and Genco's diverse stakeholders, near and long-term ESG objectives are increasingly reflected in our strategic decision-making process

Environ.

- We have invested in our fleet with the purchase of modern, fuel efficient vessels while divesting older less fuel-efficient tonnage with a key goal of reducing emissions
  - This has led to a 10% decline in CO_2 emissions for our owned fleet in 2019 YOY

Social

- Investing in human capital and attracting and retaining a world-class team of professionals across our three global offices in New York, Singapore and Copenhagen is a top priority for Genco
  - We employ a team that is both gender and culturally diverse

Gov.

- Maintaining a high level of transparency and stringent corporate government standards are fundamental components of Genco's organization
  - We are a transparent, U.S. filer with no related party transactions

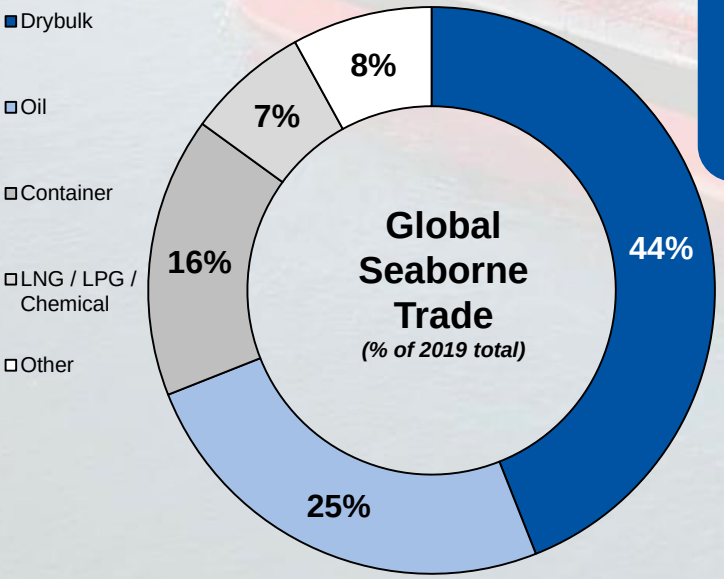






Shipping plays an essential role in global development

- Shipping is a **fundamental pillar** of the global economy
- Transportation by sea is a **cost-effective and fuel-efficient** way to move goods and raw materials in large scale around the world
- Maritime activity plays a key role in **alleviating extreme poverty and hunger** – also provides a large source of income and employment for many developing countries creating jobs globally
- Raw materials, such as iron ore which (integral in the steelmaking process), are **building blocks for daily life**



Drybulk trade is nearly half of seaborne trade volume



Shipping contributes to a circular economy

Sources: IMO, World Steel Association, Clarksons Research Services Limited 2020

As one of the largest drybulk shipping companies in the world…

…Genco recognizes the need to run a safe and responsible business built for the long-term

Over the last several years, we have invested in our fleet by…

- ✓ Purchasing modern, fuel-efficient vessels
- ✓ Divesting older, less fuel-efficient tonnage
- ✓ Installing energy saving devices including Mewis Ducts + EPLs
- ✓ Real-time fuel consumption analysis to optimize voyages
- ✓ Installing Ballast Water Treatment Systems

…while striving to exceed high safety standards and environmental regulations

100% **Compliance with the 2020 Global Sulfur Cap targeted**

100% **of our fleet has an A through E GHG rating**

90% **of our fleet is rated 4 or better by** RIGHTSHIP

The global sulfur cap has improved air quality

The International Maritime Organization implemented new emissions standards to meaningfully curb pollution from ships globally

- The sulfur content in fuel consumed by vessels has been reduced from 3.5% to 0.5% as of January 1, 2020
- We implemented a comprehensive plan to ensure full compliance with this regulation, which includes
  - The installation of exhaust gas cleaning systems on our Capesize vessels
  - The consumption of low sulfur compliant fuel on our minor bulk fleet

We view IMO 2020 as a key step to improve air quality and reduce emissions which has elevated the focus to key issues that will better the maritime industry as a whole over the long term

We partner with customers, banks and other large shipowners with the goal of attaining sustainable shipping

Working towards reducing emissions and protecting the environment

By purchasing modern, fuel-efficient vessels and selling older, less fuel-efficient tonnage, our Average Efficiency Ratio and Energy Efficiency Operational Indicator have improved leading to a reduction in our carbon emissions *(calcs below are in line with IMO and Poseidon Principles methodologies)*

2019 data

- **841k** CO_2 emissions *(metric tons CO_2)*
- **3.37** Average Efficiency Ratio – *(g CO_2 / dwt x NM)*
- **6.23** Energy Efficiency Operational Indicator *(g CO_2 / t x NM)*

Data presented verified by DNV GL Maritime Advisory

DNV·GL

Energy Efficiency Operational Indicator (EEOI)*

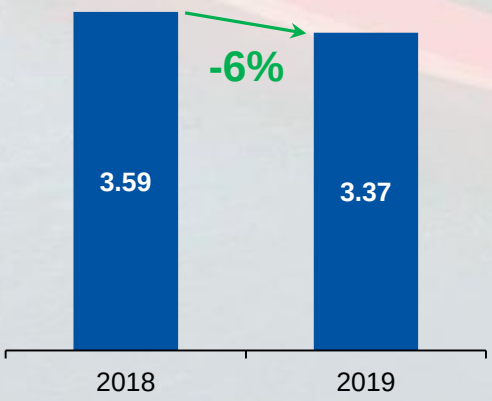
(measured in g CO_2 / t x NM)



*Calculated as CO_2 emissions of Genco's owned fleet divided by distance traveled laden multiplied by cargo carried.

Average Efficiency Ratio (AER)**

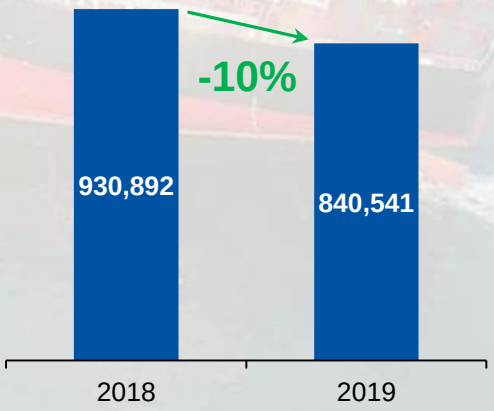
(measured in g CO_2 / dwt x NM)



**Calculated as CO_2 emissions of Genco's owned fleet divided by distance traveled multiplied by design deadweight.

CO_2 emissions***

(measured in metric tons CO_2)



***Calculations are based on IMO emission factors and fuel consumption for Genco's owned fleet.


Thank you