Genco Shipping & Trading Limited



Q1 2021 Earnings Presentation

May 6th, 2021

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, worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020 and our ability to realize the economic benefits or recover the cost of the scrubbers we have installed.; (xix) our financial results for the year ending December 31, 2021 and other factors relating to determination of the tax treatment of dividends we have declared; (xx) the financial results we achieve for each quarter that apply to the formula under our new dividend policy, including without limitation the actual amounts earned by our vessels and the amounts of various expenses we incur, as a significant decrease in such earnings or a significant increase in such expenses may affect our ability to carry out our new value strategy; (xxi) the exercise of the discretion of our Board regarding the declaration of dividends, including without limitation the amount that our Board determines to set aside for reserves under our dividend policy; (xxii) our ability to refinance and amend the terms of our credit facilities as contemplated in connection with our new dividend policy; (xxiii) 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 (xxiv) 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, 2020 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

- First Quarter 2021 and Year-to-Date Highlights
- New Comprehensive Value Strategy
- Financial Overview
- Industry Overview

First Quarter 2021 and Year-to-Date Highlights

First quarter 2021 and YTD update

Q1 2021 financials

- Increased the quarterly dividend for Q1 2021 to $0.05 per share
  - 7th consecutive quarterly dividend declared totaling $0.805 per share
- Cash position: $164.0 million, including $40.5 million of restricted cash related to vessel sales
- Adjusted net income: $2.7 million (or $2.0 million including a $0.7 million non-cash loss on sale of vessels)
  - Adjusted basic and diluted earnings per share: $0.06 (or $0.05 including the non-cash charge)
- Adjusted EBITDA: $20.6 million (or $19.9 million including the non-cash charge)

New corporate strategy

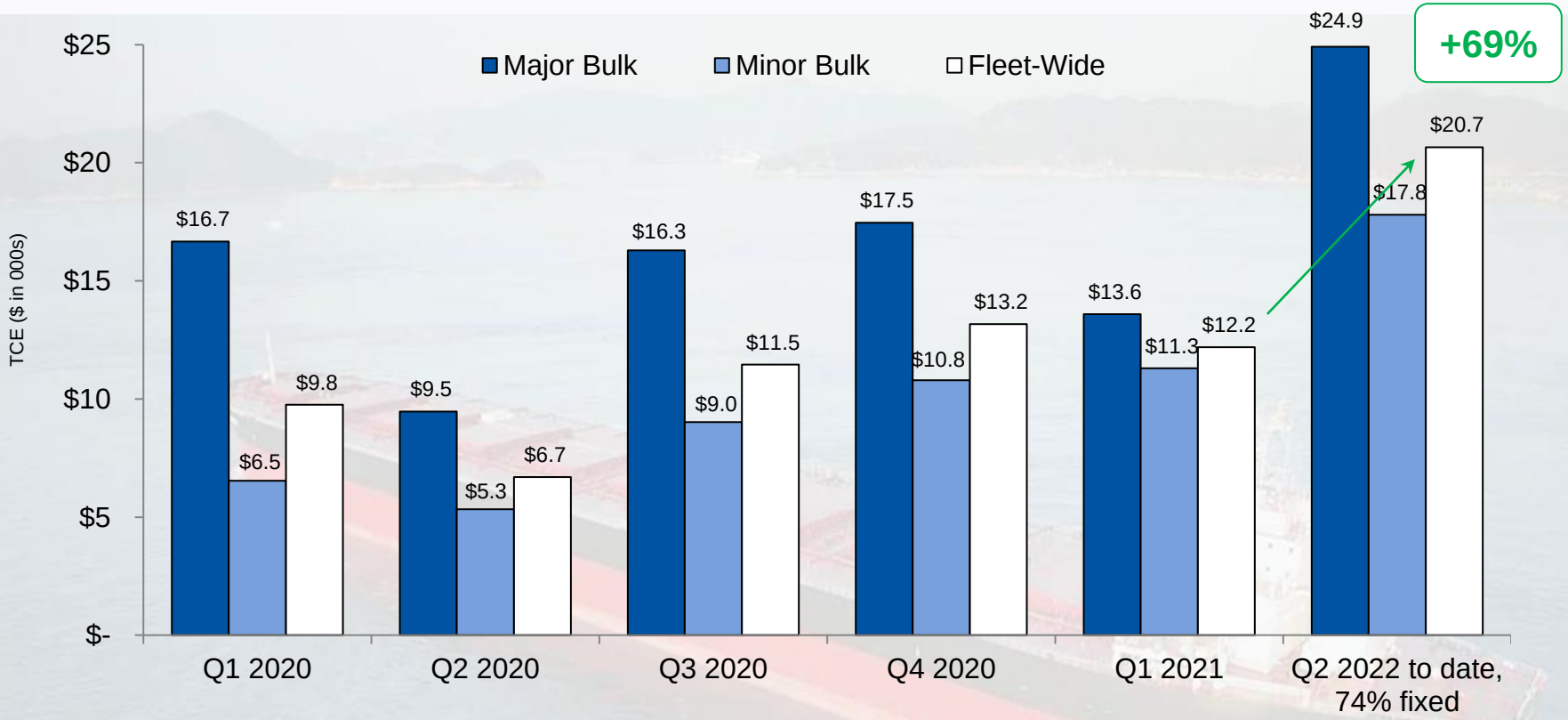
- Genco announced a new comprehensive value strategy in April 2021 centered on low financial leverage and three key tenets:
  - Attractive quarterly dividends based on cash flow after debt service less a reserve
  - Further debt reduction, and
  - Growth of the fleet

Steps towards execution

- **Debt pay down:** $48.2m in Q1 including the revolver (remaining availability of $19.2m)
- **Vessel acquisition:** purchased a 2016-built Ultramax vessel
- **Securing cash flows:** fixed 2 minor bulk vessels on period contracts at $23k and 25k for 5-7 months, fixed one Cape at $31k for 10 to 13 months

Note: a reconciliation of Adjusted EBITDA, a non-GAAP financial measure, is provided in the Financial Overview section of this presentation.

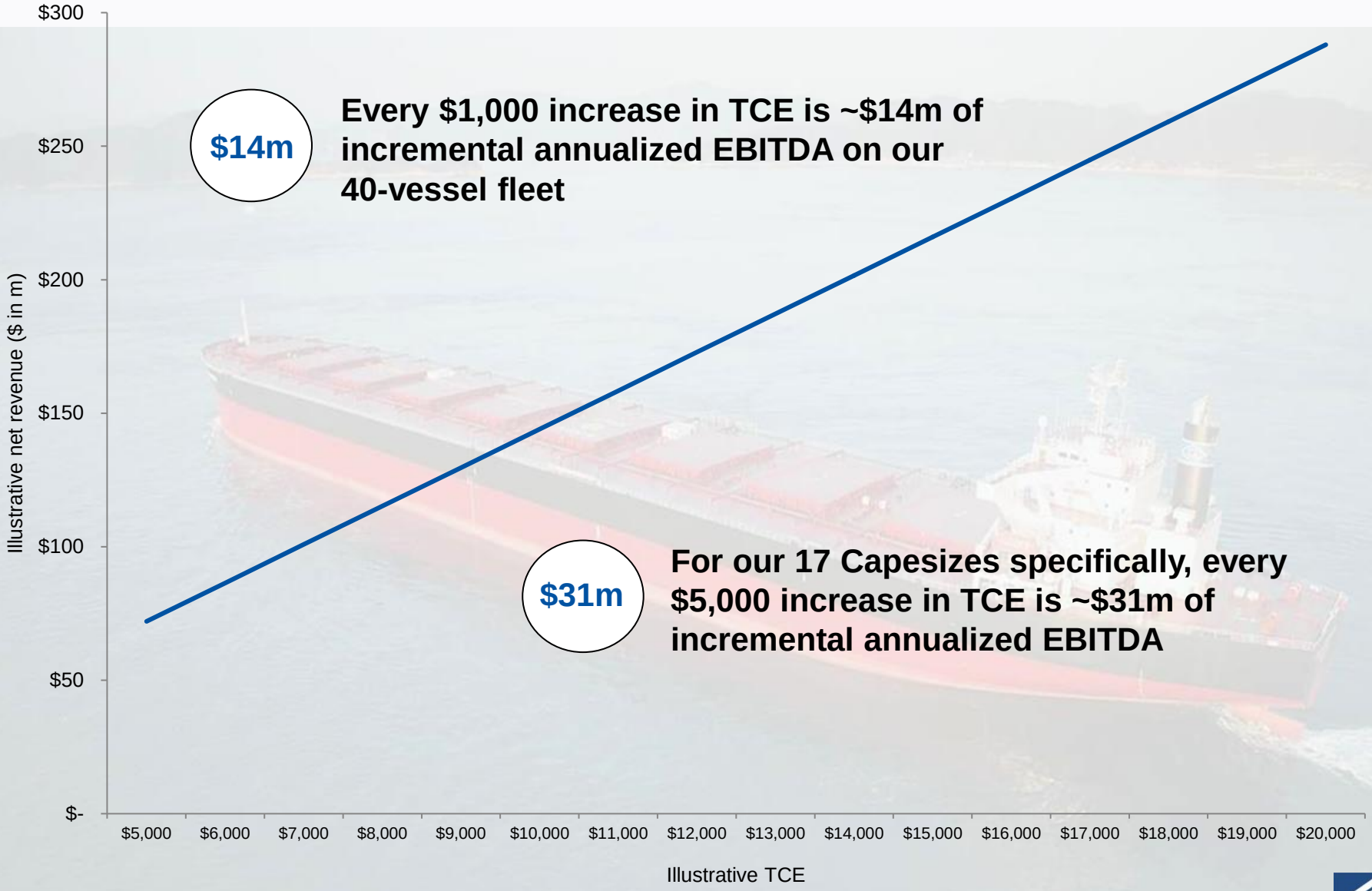
Q2 2021 TCE to date is our highest since 2010



- Our sizeable fleet provides us with significant operating leverage in what has been a strong freight market since June 2020

Note: our Capesize vessels are considered major bulk vessels, while Panamax, Ultramax, Supramax and Handysize vessels are considered minor bulk.

Fleet-wide operating leverage



$14m

Every $1,000 increase in TCE is ~$14m of incremental annualized EBITDA on our 40-vessel fleet

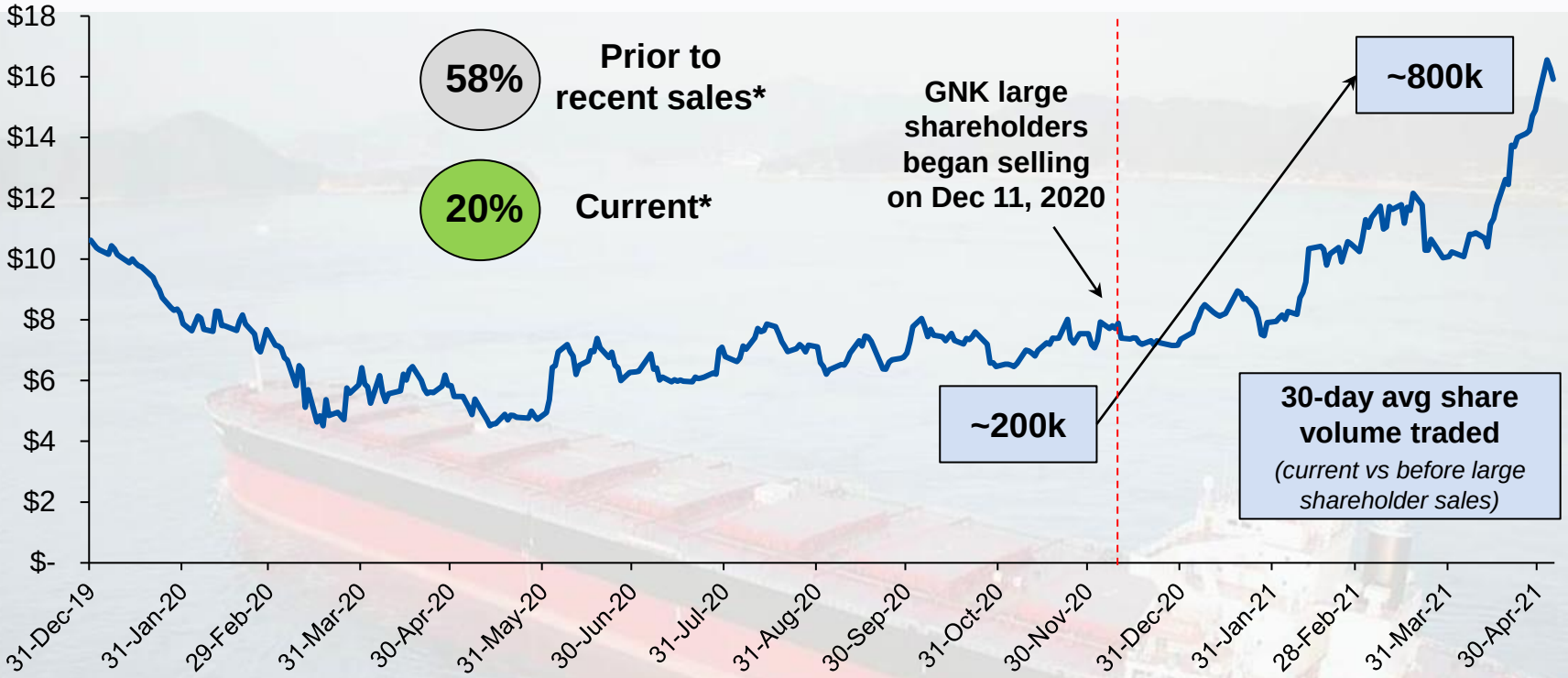
$31m

For our 17 Capesizes specifically, every $5,000 increase in TCE is ~$31m of incremental annualized EBITDA

Note: based on a fleet of 40 ships, for illustrative purposes only

GNK stock performance

GNK's large shareholders' % ownership*



Since Dec 11, 2020: GNK share price has lagged the peer group of listed drybulk shipping companies during a time in which significant large shareholder sales have been occurring

- Total value of GNK shares traded: ~$890 million (based on closing share price x daily volume)
- Total value of GNK shares traded by 3 current and former large shareholders: $127 million or 14% of total volume over this period*

*Represents ownership of large shareholders with representation on Genco's board of directors. Prior to December 2020, Genco had three such shareholders. On December 15, 2020, the sole director affiliated with Strategic Value Partners, LLC ("SVP") resigned from our board, and investment funds affiliated with SVP reported sales reducing their ownership to approximately 1.3 million Genco shares, or approximately 3%. Furthermore, in March 2021, the director affiliated with Apollo Global Management, LLC ("Apollo") announced his intention not to stand for re-election to the board, and investment funds affiliated with Apollo reported sales reducing their ownership to approximately 0.4m shares, or approximately 1%. Additionally, based on filings with the SEC through May 5, 2021, investment funds affiliated with Centerbridge Partners, L.P. ("Centerbridge") reported sales that reduced their ownership of our stock to approximately 8.2 million shares, or approximately 20% of our stock. As a result, following our Annual Meeting of Shareholders in May 2021, we expect to have one remaining large shareholder with board representation.

New comprehensive value strategy

Our new corporate strategy…

…is a holistic three-pronged approach including returning cash to shareholders, further de-levering of the balance sheet and growth of the fleet

Dividends	De-levering	Growth
Cash flow generation	Scheduled debt repayments	Use shares as a currency to grow
Reduced cash flow breakeven rate	Debt prepayments utilizing cash on the balance sheet + reserve	Utilize reserve + revolver
		Opportunistically sell older ships + redeploy proceeds

Strategy ideally integrates with our barbell approach to fleet composition in which our minor bulk fleet provides stable cash flows to cover debt service, while our Capesize vessels provide meaningful upside and operating leverage

Genco's quarterly dividend framework / calculation

Targeting a quarterly dividend based on cash flow after debt service less a reserve

Genco's quarterly dividend to be paid based on the following formula:
Operating cash flow
Less: Debt repayments
Less: Capital expenditures for drydocking
Less: Reserve
Cash flow distributable as dividends

Quarterly reserve is targeted to be based on quarterly debt repayments and interest expense

Reserve optionality: uses include debt prepayments, vessel acquisitions, general corporate purposes

- **Genco to provide guidance** each quarter for the data above based on management estimates in our quarterly breakeven rates and TCE guidance
- **For the purpose of the dividend calculation, operating cash flow is defined as:** voyage revenue less voyage expenses, charter hire expenses, vessel opex, G&A other than non-cash restricted stock expenses, technical mgmt fees, interest expense other than non-cash deferred financing costs
- Determinations of whether to pay a dividend, the amount of any dividend, and the amount of reserves used in any dividend calculation will remain in our board of directors' discretion

Steps taken towards implementation to date

Debt paid down

- $48.2m of debt repaid in Q1 2021, including $20.2m scheduled and $28.0m prepaid

Growth

- Agreed to purchase a 2016-built Ultramax vessel, our 4th Ultramax acquisition since December 2020

Dividend

- Increased our quarterly dividend to $0.05/share in Q1 2021

Cash flow generation

- Approximately $181m of cash, including restricted cash, as of April 30, 2021, an increase of $17m from the March 31, 2021 balance

Contracted cash flows

- Fixed 3 vessels on medium to long term contracts at attractive rates

Vessel:	Genco Pyrenees	Genco Magic	Genco Liberty
Type	Supramax	Ultramax	Capesize
Rate	$23,000	$25,000	$31,000
Duration	5 to 7 mos	5 to 7 mos	10 to 13 mos
Minimum expiration	Oct 2021	Oct 2021	Feb 2022

Note: Cash as of April 30, 2021 includes the proceeds from the sale of the Baltic Leopard as well as a $4m deposit paid for the purchase of the Genco Enterprise.

Our roadmap to year-end and implementation…

Where we currently stand – April 30, 2021 balances

$181m **Cash balance** *(including restricted cash)*

$401m **Debt outstanding**

$220m **Net debt**

27% **Net LTV**

Year-end targets

20% **Target a net loan-to-value of ~20% by year-end**

$75m **Cash balance following paydown of debt**

Differentiator for Genco: we believe achieving these metrics will uniquely position Genco to successfully execute the low leverage + attractive dividend structure

Notes: debt balance presented gross of unamortized debt issuance costs. Net debt is equal to debt minus cash. Net loan-to-value figures presented above are based on VesselsValue.com estimates from May 2021 and assume the sale of the Genco Lorraine and the purchase of the Genco Enterprise and are shown for illustrative purposes. Actual results will vary.

Illustrative cash flow sensitivity *($ in m, except TCE and per share data)*

20% **Target year-end 2021 net loan-to-value ratio**

~11% **Est. net LTV ratio at year-end 2021 basis current fixtures + FFA curve**

2022 illustrative analysis based on cash flow sensitivity

Fleet-wide net TCE - 2022	**$ 15,000**	**$ 17,500**	**$ 20,000**
Net revenue	$ 216	$ 252	$ 288
Vessel operating expenses	(73)	(73)	(73)
G&A (ex-non cash restricted stock)	(20)	(20)	(20)
Technical management fees	(5)	(5)	(5)
Interest exp. (ex-deferred financing costs)	(7)	(7)	(7)
Operating cash flow	$ 111	$ 147	$ 184
Debt amortization	(15)	(15)	(15)
Drydocking / BWTS capex	(11)	(11)	(11)
Cash flow after debt repayments / drydocking capex	$ 85	$ 121	$ 157
Cash flow distributable as dividends (after reserve)	**$ 63**	**$ 100**	**$ 136**
Illustrative dividend per share	**$ 1.51**	**$ 2.37**	**$ 3.23**

- Plan to continue to reduce our debt balance, with a long-term goal of zero debt

Note: The amounts set forth above are for illustrative purposes only, and actual amounts will vary. 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 our Board of Directors each quarter after its review of our financial performance. Please see p.2 and the appendix of this presentation for additional details. Operating cash flow and TCE are non-GAAP financial measures. For a reconciliation of operating cash flow to net income, the most comparable financial measure presented in accordance with GAAP, please see the appendix of this presentation. TCE rates are assumed for analytical purposes and encompass a number of underlying assumed variables. Non-cash restricted stock expense and deferring financing costs also depend on a number of variables that are unknown at this time. Accordingly, we are unable to provide, without unreasonable efforts, a reconciliation of TCE, G&A (ex-non cash restricted stock), and interest expense (ex-deferred financing costs) to the most comparable financial measure presented in accordance with GAAP.

Financial Overview

First Quarter Earnings

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
	(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:		
Revenues:		
Voyage revenues	$ 87,591	$ 98,336
Total revenues	87,591	98,336
Operating expenses:		
Voyage expenses	35,074	48,368
Vessel operating expenses	19,046	21,813
Charter hire expenses	5,435	3,075
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million and $0.5 million, respectively)	6,102	5,767
Technical management fees	1,464	1,854
Depreciation and amortization	13,441	17,574
Impairment of vessel assets	-	112,814
Loss on sale of vessels	720	486
Total operating expenses	81,282	211,751
Operating income (loss)	6,309	(113,415)
Other income (expense):		
Other income (expense)	146	(584)
Interest income	71	594
Interest expense	(4,541)	(6,945)
Other expense, net	(4,324)	(6,935)
Net income (loss)	$ 1,985	$ (120,350)
Net earnings (loss) per share - basic	$ 0.05	$ (2.87)
Net earnings (loss) per share - diluted	$ 0.05	$ (2.87)
Weighted average common shares outstanding - basic	41,973,782	41,866,357
Weighted average common shares outstanding - diluted	42,276,380	41,866,357

March 31, 2021 Balance Sheet

	March 31, 2021 (unaudited)	December 31, 2020
	(Dollars in thousands)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 164,025	$ 179,679
Current assets	227,880	247,202
Total assets	1,180,343	1,232,809
Current liabilities (excluding current portion of long-term debt)	33,579	32,979
Current portion of long-term debt	65,277	80,642
Long-term debt (net of $8.7 million and $9.7 million of unamortized debt issuance costs at March 31, 2021 and December 31, 2020, respectively)	327,064	358,933
Shareholders' equity	746,817	744,994

	Three Months Ended March 31, 2021	March 31, 2020
	(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:		
Net cash provided by (used in) operating activities	$ 13,494	$ (4,038)
Net cash provided by investing activities	19,950	5,577
Net cash used in financing activities	(49,098)	(14,280)
	(unaudited)	
EBITDA Reconciliation:		
Net income (loss)	$ 1,985	$ (120,350)
+ Net interest expense	4,470	6,351
+ Depreciation and amortization	13,441	17,574
EBITDA[(1)]	$ 19,896	$ (96,425)
+ Impairment of vessel assets	-	112,814
+ Loss on sale of vessels	720	486
Adjusted EBITDA	$ 20,616	$ 16,875

(1) EBITDA represents net income (loss) 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.

First Quarter Highlights

	Three Months Ended March 31, 2021 (unaudited)	Three Months Ended March 31, 2020 (unaudited)
FLEET DATA:		
Total number of vessels at end of period	41	53
Average number of vessels (1)	43.3	54.3
Total ownership days for fleet (2)	3,897	4,942
Total chartered-in days (3)	341	422
Total available days (4)	4,201	5,229
Total available days for owned fleet (5)	3,860	4,807
Total operating days for fleet (6)	4,122	5,126
Fleet utilization (7)	97.8%	97.8%
AVERAGE DAILY RESULTS:		
Time charter equivalent (8)	$ 12,197	$ 9,755
Daily vessel operating expenses per vessel (9)	4,887	4,413

(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.

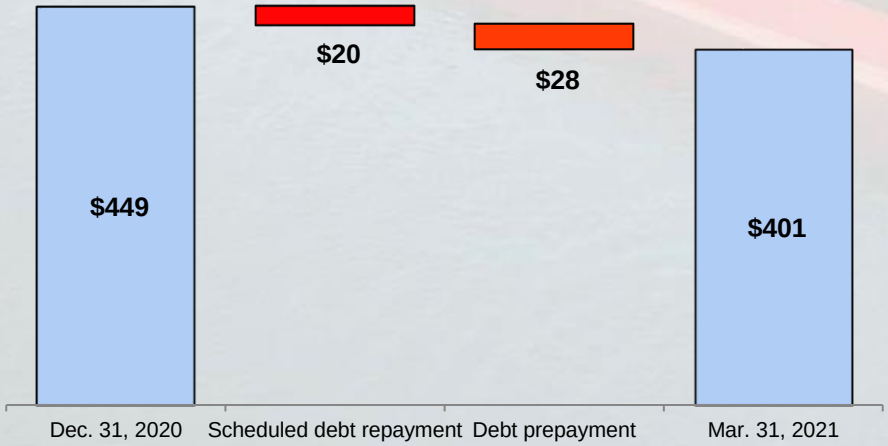
(9) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses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

Cash and debt development – Q1 2021 ($ in m)

Cash flows – Q1 2021



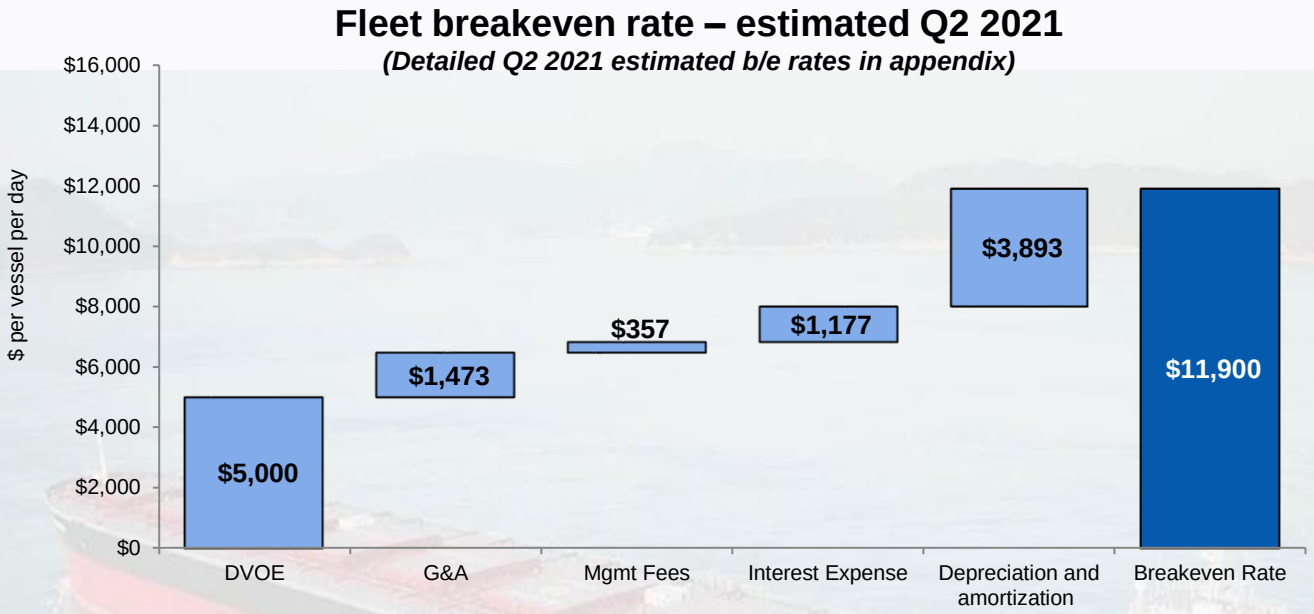
Debt – Q1 2021



- Debt balance decreased by 11% during Q1 2021 through a combination of:
  - Scheduled debt repayments, and
  - Debt prepayments
- Remaining revolver availability is currently $19.2m

Note: Operating cash flow as calculated above is defined as voyage revenue less voyage expenses, charter hire expenses, vessel operating expenses, general and administrative expenses other than non-cash restricted stock expenses, technical management fees, and interest expense other than non-cash deferred financing costs, in line with our new dividend policy calculation.

Estimated Q2 2021 Net Income Breakeven Rate(1)



Genco's Estimated Ownership and Owned Available Days - Q2 2021			
Vessel Type	**Ownership Days**	**Drydocking Days**	**Owned Avail Days**
Capesize	1,547	45	1,502
Ultramax	819	-	819
Supramax	1,281	-	1,281
Total	**3,647**	**45**	**3,602**

We anticipate two of our vessels will drydock during Q2 2021

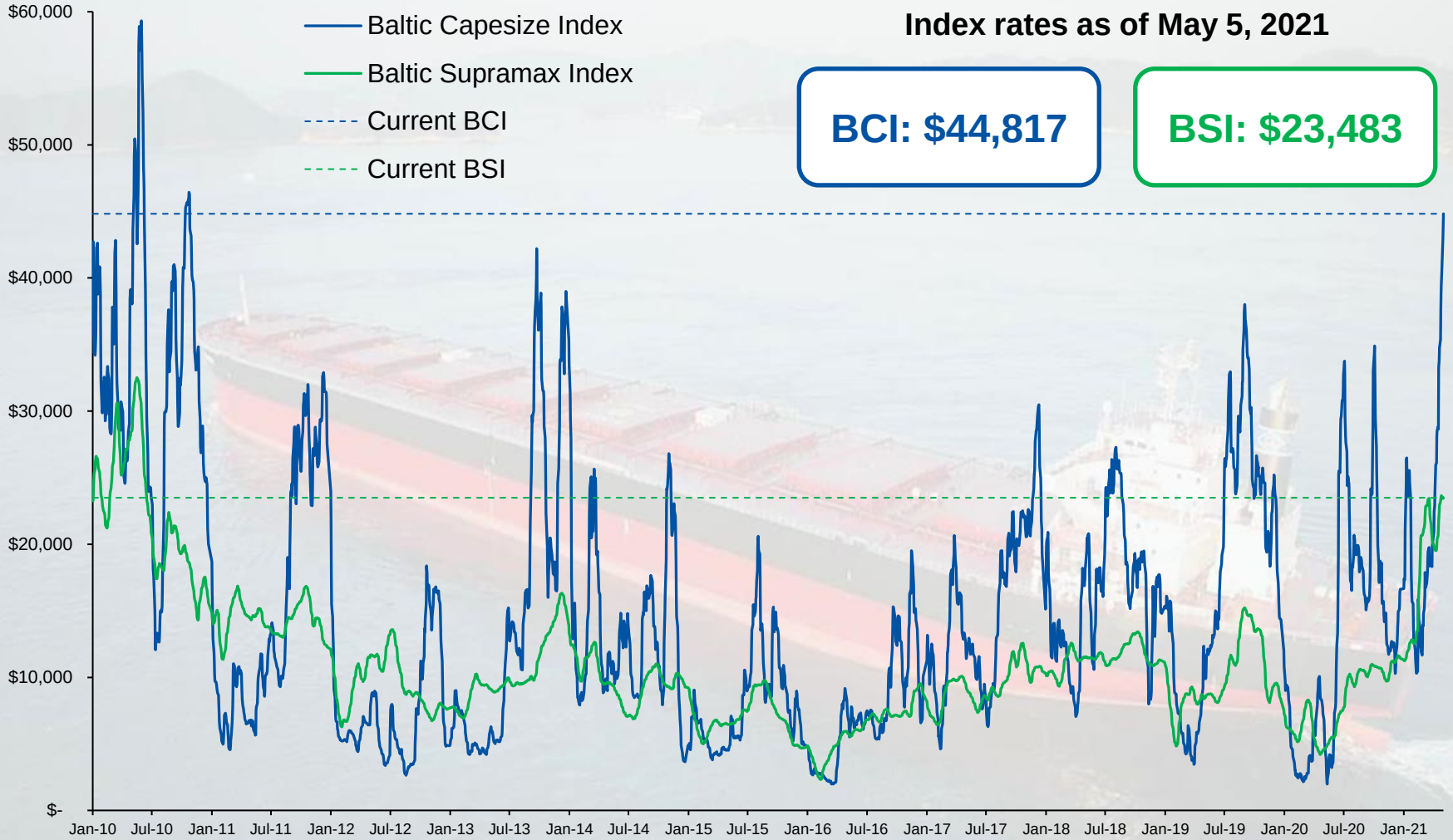
Note: Breakeven rate consists of direct vessel operating expenses, general and administrative expenses, technical management fees, interest expenses and deprecation and amortization. Please refer to the appendix for further detail. One-time costs associated with ballast water treatment system installation expected to be incurred during Q2 2021 of $0.8 million or ~$229 per vessel per day are not included in the above. For a complete reconciliation of non-GAAP financial measures and details and assumptions for estimated breakeven rates for Q2 2021, please refer to the appendix.

(1) Breakeven rate is based on the 2021 budget, which is subject to change. Based on a fleet of 40.08 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.

Industry Overview

Freight rates have started 2021 off strong…

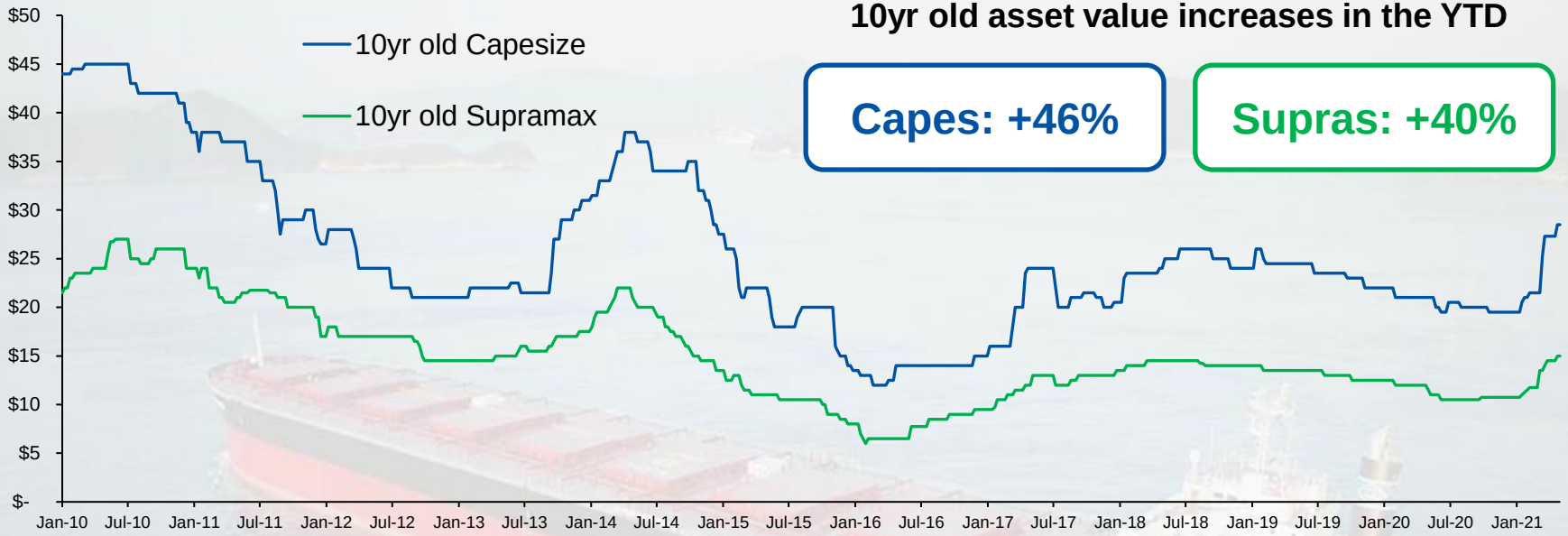
…with the BCI and BSI reaching levels not seen since 2010



Source: Clarksons Research Services Limited 2021. BCI shown is the 4TC through 2014 then the 5TC thereafter. BSI shown is the 52 index through 2015 then the 58 index thereafter.

Asset values have significantly increased in the YTD…

…but remain low relative to the current earnings environment



10yr old asset value increases in the YTD

Capes: +46%

Supras: +40%

- Genco's fleet average age is ~10 years and has directly experienced the rise in asset values
- Strong earnings environment since June 2020 (~10 consecutive months)
- Strong historical correlation between freight rates and asset values currently holding

10 year old Supramax values the last time the BSI was at this level

Date	BSI	Values ($ in m)
Jun-10	$ 23,730	$ 27.00
May-21	$ 23,483	$ 15.00
% Variance	**1%**	**80%**

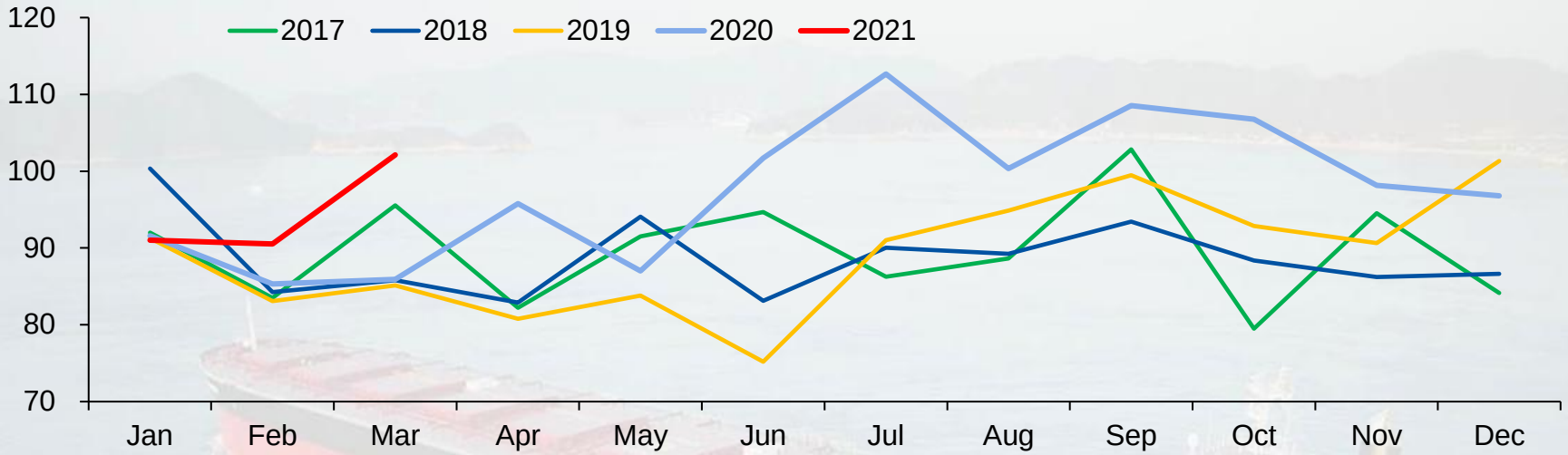
>20%

Unlevered cash-on-cash return over 20% currently as values have lagged rates despite YTD increases

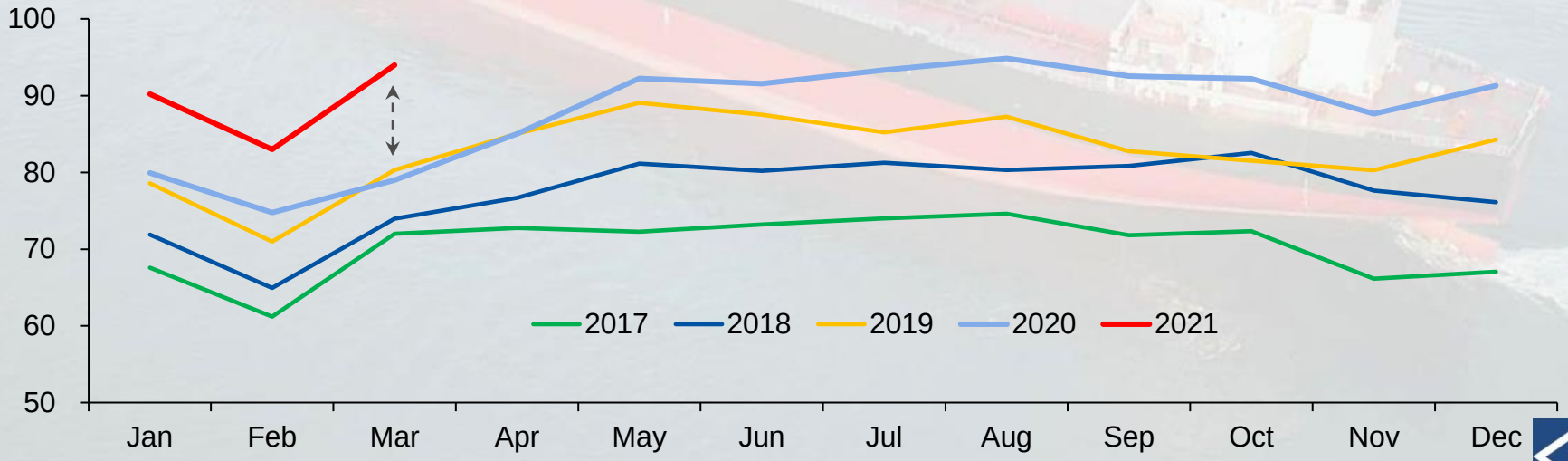
Source: Clarksons Research Services Limited 2021

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

China's IO imports rose by *8%* YOY in Q1 2021…



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



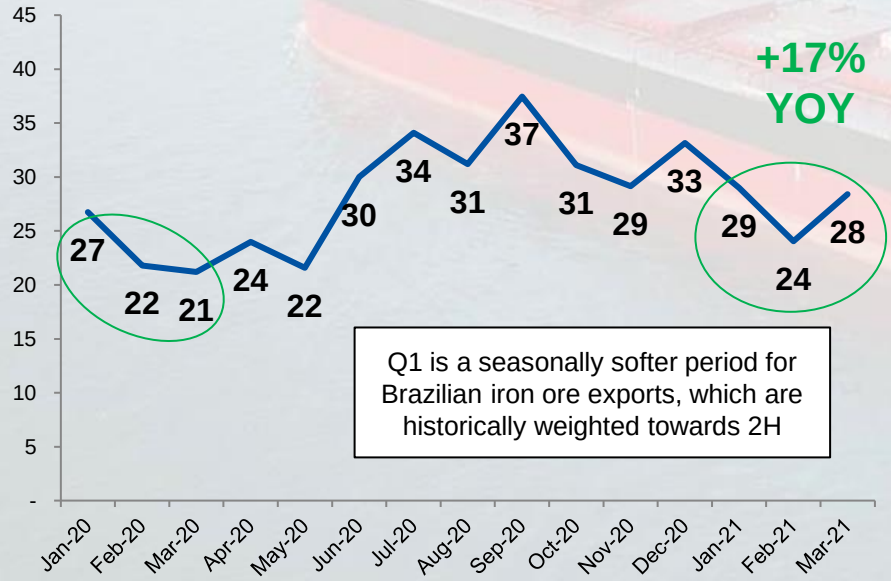
Source: Clarksons Research Services Limited 2021, World Steel

Brazilian iron ore exports have recovered…

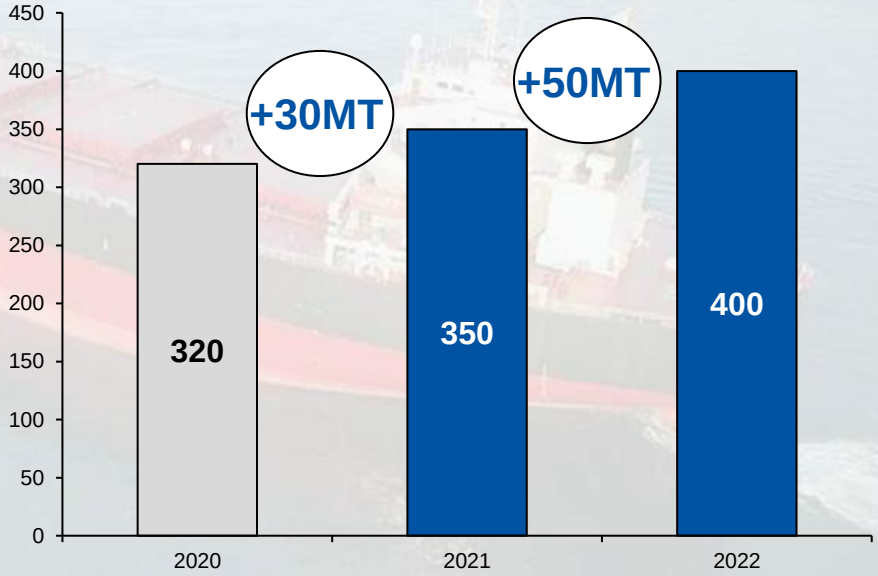
…following poor weather conditions and operational challenges that disrupted production and shipments during most of 1H 2020

- Brazilian iron ore exports have increased by 17% YOY through March
- Vale 2021 production guidance of 315-335MT
- Vale forecasts to reach a runrate of 350mtpa by the end of 2021 and 400mtpa by the end of 2022

Recovering IO exports from Brazil…



…with growth expected from Vale

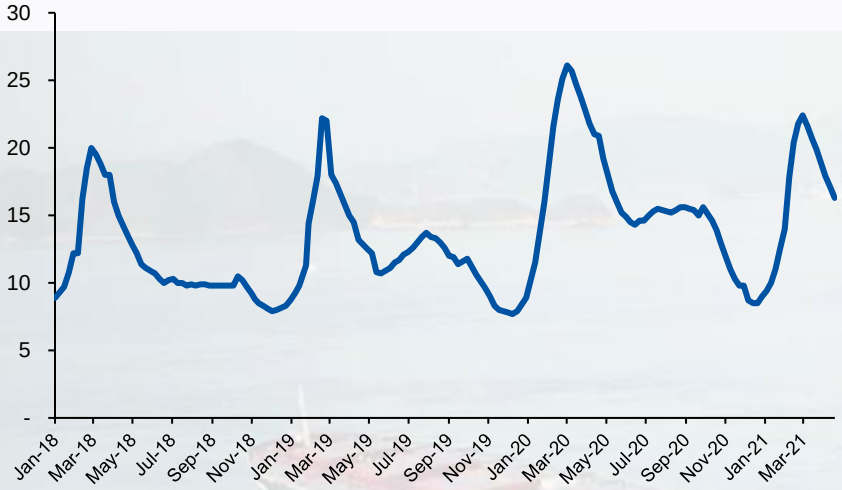


Year-end production run rates basis Vale forward guidance

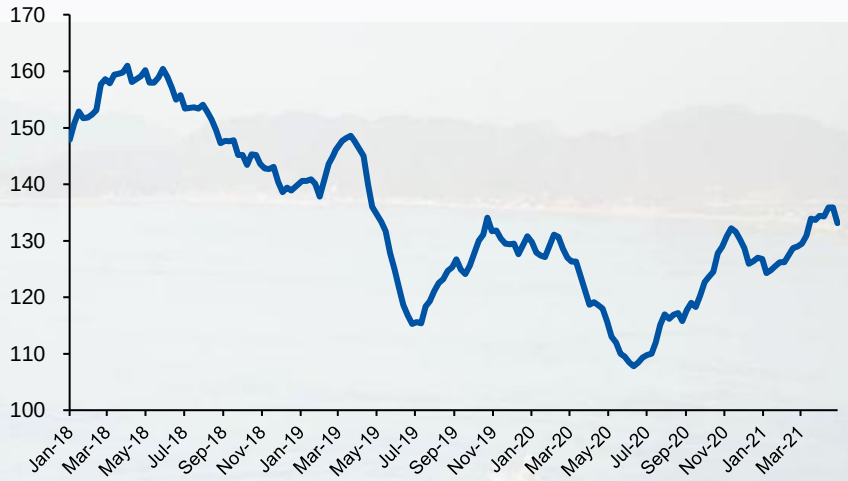
Source: Clarksons Research Services Limited 2021, Vale

Inventory levels for key major bulk trades

China's steel inventories

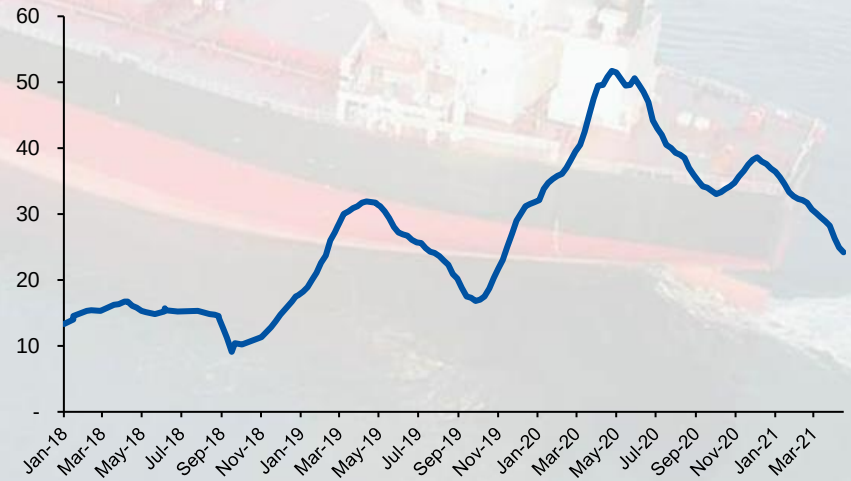


China's iron ore port inventories



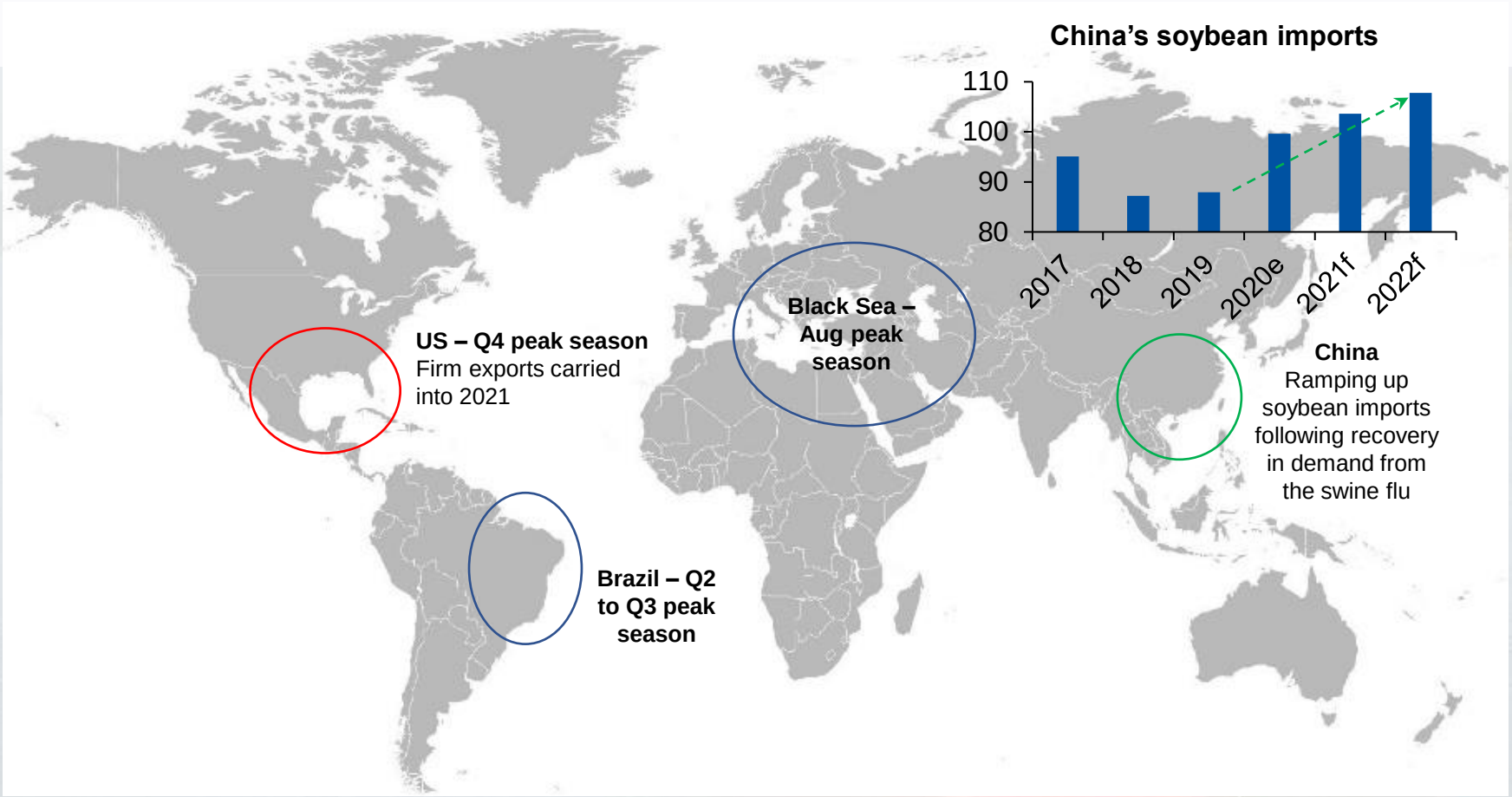
- China's steel inventories experienced seasonal restocking in Q1, but have now seen multiple weeks of drawn downs
- China's iron ore port inventories have increased off mid-2020 lows, but remain well below the multi-year highs seen in 2018
- India's coal powerplant stockpiles have continued to decline from record levels

India's coal powerplant stockpiles



Source: Commodore Research

Strong grain trade + improvement in other minor bulk trades



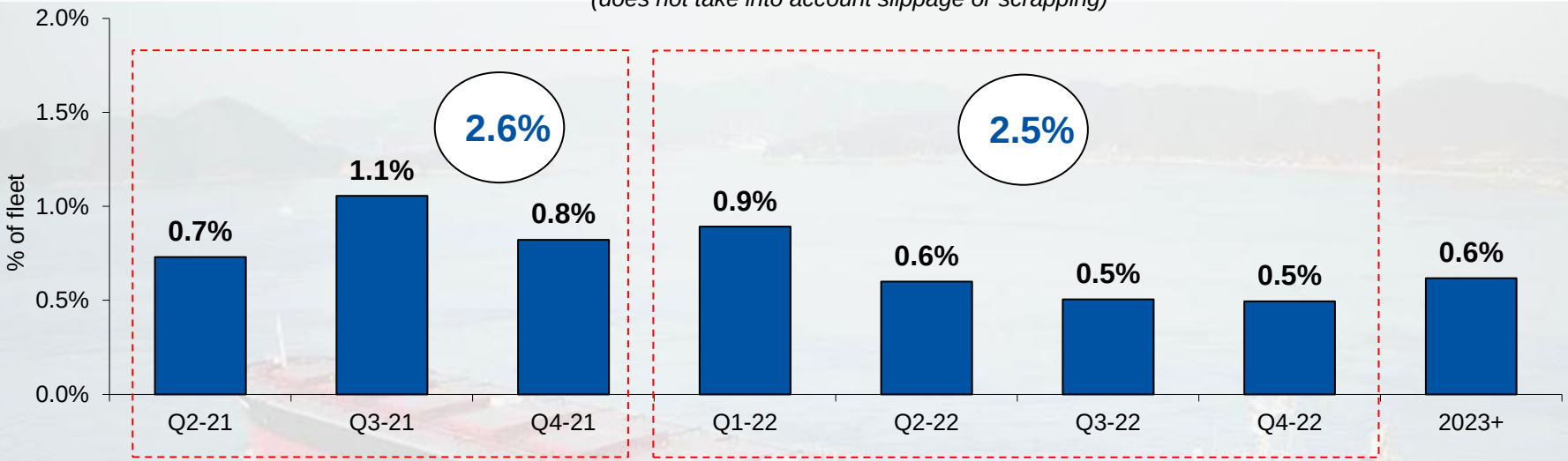
- **Minor bulk trades** are expected to further improve in 2021 given IMF's forecast of 6% global GDP growth
- **Grain trade** has been resilient as China recovers from the swine fever outbreak in 2019 + strong Brazil crop
- Large scale purchases of US agricultural products have been made by China in recent months which resulted in a firm US export season

Source: Clarksons Research Services Limited 2021

Drybulk newbuilding orderbook

Current drybulk newbuilding orderbook as a % of the fleet per Clarksons

(does not take into account slippage or scrapping)



- Orderbook as a % of the total drybulk fleet is currently 5.7%
- 6% of the fleet that is 20 years or older and 16% of the fleet 15 years or older
- 10% of the Capesize fleet is 15 years or older compared to 6% on order
- From 2022 onwards, the orderbook is 3.1% of the fleet
- N/B ordering in 2020 was the lowest total since 2016 at just 18mdwt - since 2015, average ordering has been 30mdwt per year

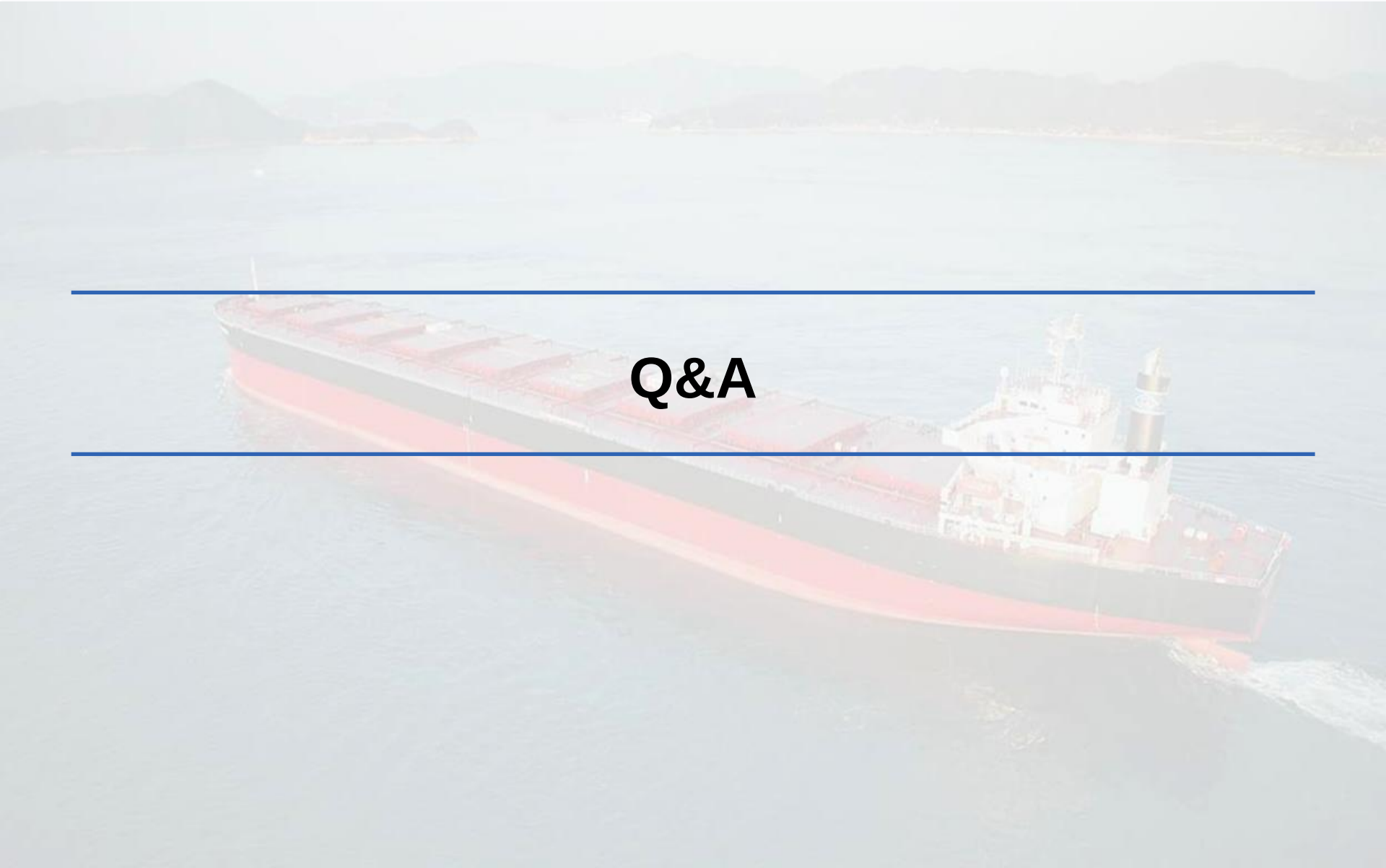
Source: Clarksons Research Services Limited 2021

Freight rate catalysts for 2021

1. **Record low orderbook as a percentage of the fleet to limit net fleet growth**
2. **Unprecedented levels of global stimulus – global GDP forecast to rise by 6% in 2021***
3. **China's economy to continue to lead while rest of world continues economic improvement**
4. **Recovery and growth of Brazilian iron ore exports**
5. **India's coal imports and steel production to continue their rebound**

Primary risk factor remains trajectory of COVID-19, further lockdown measures and timing of large-scale vaccine distribution

*IMF forecast



Q&A

Appendix

Assumptions to illustrative cash flow sensitivity

- **Fleet size:** Based on a fleet of 40 vessels pro forma for the agreed upon sale of the Genco Lorraine and the agreed upon acquisition of the Genco Enterprise.
- **Illustrative rates used to calculate net revenue:** Net revenue is defined as voyage revenues less voyage expenses less charter hire expenses. Illustrative time charter equivalent rates are presented on a net basis and are sensitized based on estimates provided by third-party industry research firms. TCE presented is multiplied by the estimated available days of the fleet resulting in an illustrative net revenue figure.
- **Expenses:** Assumed to remain at current levels for vessels in our fleet and otherwise. Illustrative expenses are based on Genco's 2021 budget, including a daily fleet-wide vessel operating expense budget of $5,000 per vessel per day. Fleet-wide G&A and technical management fees remain similar to previous guidance.
- **Drydocking / ballast water treatment system capex:** Based on Genco's budget for the remainder of 2021 and FY 2022. Specifically, Q2 to Q4 2021 capex is budgeted for $10.6m and 2022 capex is budgeted for $11.5m.
- **Quarterly debt amortization:** For Q2 to Q4 2021, this is based on our current credit facility structure and assumes the resetting of debt amortization under our $495m credit facility. For 2022, a refinancing of our debt is assumed. We intend to refinance our credit facilities. We do not know what interest and amortization terms any refinanced credit facility will have. For analytical purposes only, we have used annual debt amortization based on initial discussions with our bank group of approximately $15m. The actual terms of a refinanced facility, if we enter into one, will depend on the results of negotiations with our lenders. Actual figures will vary. In a potential refinancing, we plan to include a revolver component for growth.
- **Cash and debt balances:** Starting balances are based on March 31, 2021 figures. It is assumed that cash is paid down to $75m to repay debt outstanding at year-end 2021. Timing of this paydown will vary. Potential refinancing fees and potential working capital fluctuations are not assumed in the illustrative calculations.
- **Operating cash flow:** Defined as voyage revenue less voyage expenses, charter hire expenses, vessel operating expenses, general and administrative expenses other than non-cash restricted stock expenses, technical management fees, and interest expense other than non-cash deferred financing costs.
- **Illustrative dividend per share:** Based on 41.9m shares outstanding.
- **Reserve:** The reserve will be set on a quarterly basis in advance of the subsequent quarter at the discretion of our Board of Directors and is anticipated to be based on future quarterly debt repayments and interest expense**.**
- **Reconciliation of operating cash flow ($ in m):**

2022 illustrative analysis based on cash flow sensitivity

Fleet-wide net TCE - 2022	**$ 15,000**	**$ 17,500**	**$ 20,000**
Net revenue	$ 216	$ 252	$ 288
Vessel operating expenses	(73)	(73)	(73)
General & administrative expenses	(20)	(20)	(20)
Technical management fees	(5)	(5)	(5)
Interest expense	(7)	(7)	(7)
Operating cash flow	**$ 111**	**$ 147**	**$ 184**

Adjustment to GAAP measure

$ -
-
(2)
-
(4)

Illustrative net income equivalent figures

$ 216	$ 252	$ 288
(73)	(73)	(73)
(22)	(22)	(22)
(5)	(5)	(5)
(10)	(10)	(10)

Genco pro forma fleet list

Major Bulk		
Vessel Name	**Year Built**	**Dwt**
Capesize		
Genco Resolute	2015	181,060
Genco Endeavour	2015	181,060
Genco Constantine	2008	180,183
Genco Augustus	2007	180,151
Genco Liberty	2016	180,032
Genco Defender	2016	180,021
Genco Tiger	2011	179,185
Baltic Lion	2012	179,185
Genco London	2007	177,833
Baltic Wolf	2010	177,752
Genco Titus	2007	177,729
Baltic Bear	2010	177,717
Genco Tiberius	2007	175,874
Genco Commodus	2009	169,098
Genco Hadrian	2008	169,025
Genco Maximus	2009	169,025
Genco Claudius	2010	169,001

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
Ultramax		
Genco Enterprise	2016	64,000
Baltic Hornet	2014	63,574
Genco Freedom	2015	63,498
Genco Vigilant	2015	63,498
Baltic Mantis	2015	63,470
Baltic Scorpion	2015	63,462
Genco Magic	2014	63,446
Baltic Wasp	2015	63,389
Genco Weatherly	2014	61,556
Genco Columbia	2016	60,294
Supramax		
Genco Hunter	2007	58,729
Genco Auvergne	2009	58,020
Genco Ardennes	2009	58,018
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
Genco Pyrenees	2010	58,018
Genco Rhone	2011	58,018
Genco Aquitaine	2009	57,981
Genco Warrior	2005	55,435
Genco Predator	2005	55,407
Genco Provence	2004	55,317
Genco Picardy	2005	55,257

17 *Capesize*

23 *Ultra/Supra*







Note: Pro forma fleet is based upon the agreed sale of the Genco Lorraine. Also includes the agreed upon purchase of the Genco Enterprise.

Time Charter Equivalent Reconciliation(1)

	Three Months Ended	
	March 31, 2021	March 31, 2020
	(unaudited)	
Total Fleet		
Voyage revenues (in thousands)	$ 87,591	$ 98,336
Voyage expenses (in thousands)	35,074	48,368
Charter hire expenses (in thousands)	5,435	3,075
	47,082	46,893
Total available days for owned fleet	3,860	4,807
Total TCE rate	$ 12,197	$ 9,755

	Three Months Ended		
	June 30, 2020	September 30, 2020	December 31, 2020
	(unaudited)		
Total Fleet			
Voyage revenues (in thousands)	$ 74,206	$ 87,524	$ 95,495
Voyage expenses (in thousands)	41,695	33,487	33,435
Charter hire expenses (in thousands)	1,432	1,020	4,780
	31,079	53,017	57,280
Total available days for owned fleet	4,643	4,628	4,350
Total TCE rate	$ 6,693	$ 11,456	$ 13,167

(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 March 31, 2021
	(unaudited)
Adjusted Net Income Reconciliation	
Net income	$ 1,985
+ Loss on sale of vessels	720
Adjusted net income	$ 2,705
Adjusted net earnings per share - basic	$ 0.06
Adjusted net earnings per share - diluted	$ 0.06
Weighted average common shares outstanding - basic	41,973,782
Weighted average common shares outstanding - diluted	42,276,380
Weighted average common shares outstanding - basic as per financial statements	41,973,782
Dilutive effect of stock options	87,358
Dilutive effect of restricted stock awards	215,240
Weighted average common shares outstanding - diluted as adjusted	42,276,380

Q2 2021 Genco Estimated Breakeven Rates[1]

Daily Expenses by Category	Free Cash Flow[2]	Net Income
Direct Vessel Operating[3]	$5,000	$5,000
General and Administrative Expenses[4]	1,374	1,473
Technical Management Fees[5]	357	357
Drydocking[6]	576	-
Interest Expense[7]	907	1,177
Fixed Debt Repayments[8]	4,475	-
Depreciation[9]	-	3,893
Daily Expense[10]	**$12,689**	**$11,900**
Number of Vessels[11]	40.08	40.08

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 Q2 2021.

(7) Interest expense is based on our debt level as of March 31, 2021 less scheduled fixed debt repayments in Q2 2021. 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 Q2 2021 aggregate to $16.3 million under our outstanding credit facilities.

(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 40.08 vessels.


Thank you