Genco Shipping & Trading Limited



Jefferies investor call update

NYSE:GNK

April 14, 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 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 and general, administrative, 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 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) the 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 IMO 2020 regulations; (xxi) our financial results the year ending December 31, 2019 and other factors relating to determination of the tax treatment of dividends we have declared; (xxii) the duration and impact of the Covid-19 coronavirus epidemic; and other factors listed from time to time in our public filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2019 and our subsequent reports on Form 10-Q and Form 8-K. 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.



Executive Summary

Genco Shipping & Trading: Who We Are…

- Genco is the **largest U.S. based** drybulk shipowner
- We are headquartered in **New York** with global offices in **Singapore** and **Copenhagen**
- We currently own a fleet of **53 modern, high quality** drybulk vessels
- Our large and scalable fleet consists of both **major** and **minor** bulk vessels
- Cargoes carried by our fleet closely mirrors **global trade flows**
- We **transport raw materials** such as iron ore, grain, bauxite, cement, nickel ore, among other commodities
- **NYSE listed** under ticker symbol **GNK**



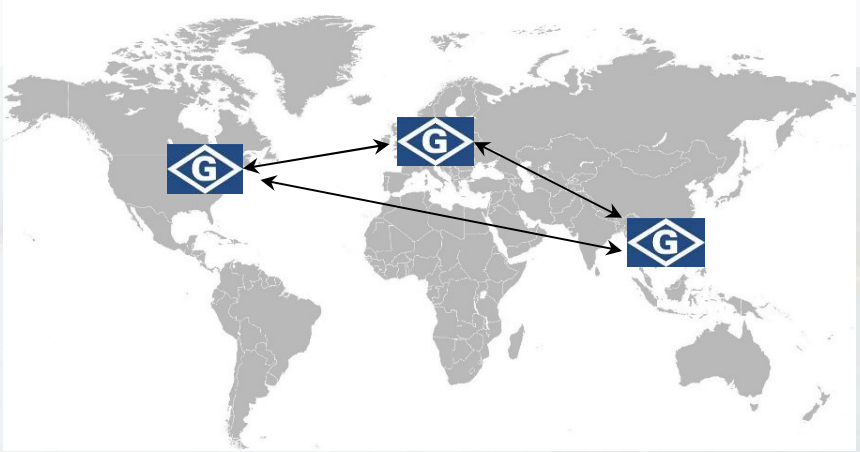




Genco's differentiated approach

Strong capital structure

- Sizeable cash position of $162m as of Dec 31, 2019
- Simplified and flexible debt structure
- Paid a total of $0.675 per share in dividends over the past two quarters, including a one-time special dividend of $0.325 per share[1]



Margin expansion led by benchmark outperformance

- Minor bulk TCE outperformance of over $700 per day in 2019[2]
- Active commercial platform that booked >420 fixtures in 2019 while adding nearly 40 new customers
- Efficient cost structure with annualized opex savings of ~$9m in 2019 vs 2014 levels







Focus on long-term, sustainable operations

- Purchase modern, fuel efficient assets while divesting older, less fuel efficient tonnage to reduce our carbon footprint
- Employ a diverse global team with a strong culture of safety
- Transparent US filer with no related party transactions

1) As previously announced, our dividend policy is reviewed by our Board of Directors on a quarterly basis.
2) Note: Minor bulk TCE relative performance is benchmarked against the weighted average of the relevant sub-indices of the Baltic Dry Index as published by the Baltic Exchange (BPI, BSI 58 and BHSI) net of 5% for commissions, adjusted for our owned-fleet composition as well as the characteristics of our vessels. Please see the appendix for our definition of TCE as well as further detail regarding TCE calculations.

2019 was the busiest drydocking year in Company history…

…ahead of a significant shift in the environmental and regulatory landscape

17 **Scrubbers installed on our Capesizes**

- Able to capture wide fuel spreads early in the compliance period
- Expect to increase Capesize utilization in 2020 with no scheduled drydockings for this portion of our fleet



17 **Ballast Water Treatment Systems**

- 17 BWTS installed in 2019
- 28 BWTS installed fleet-wide, representing more than 50% of our vessels



20 **Special surveys**

- 20 special surveys completed
- Approximately 40% of our fleet undertook a special survey in 2019



Genco 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		
Baltic Hornet	2014	63,574
Baltic Mantis	2015	63,470
Baltic Scorpion	2015	63,462
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
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

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
Genco Provence	2004	55,317
Genco Picardy	2005	55,257
Genco Normandy	2007	53,596
Baltic Jaguar	2009	53,473
Baltic Leopard	2009	53,446
Baltic Cougar	2009	53,432
Genco Loire	2009	53,430
Genco Lorraine	2009	53,417
Baltic Panther	2009	53,350
Handysize		
Genco Spirit	2011	34,432
Genco Mare	2011	34,428
Genco Ocean	2010	34,409
Baltic Wind	2009	34,408
Baltic Cove	2010	34,403
Genco Avra	2011	34,391
Baltic Breeze	2010	34,386
Genco Bay	2010	34,296
Baltic Hare	2009	31,887
Baltic Fox	2010	31,883

17 *Capesize*

26 *Ultra/Supra*

10 *Handysize*







Business continuity plans as a response to COVID-19

We continue to prioritize the health and safety of our team both on-shore and on-board our vessels during this challenging time

Our vessels continue to trade commodities globally, as such we have taken several steps to safeguard our crew members, including…





- Placing a 30-day moratorium on crew rotations to ensure adequate risk controls
- Limiting access of shore personnel boarding vessels
  - No shore personnel with fever or respiratory symptoms is allowed on board
    - Temperatures are checked prior to boarding
  - Shore personnel that are allowed on board are restricted to designated areas
  - Face masks are provided to shore personnel prior to boarding a vessel
  - We have secured COVID-19 tests for potential crew changes
  - Personal hygiene best practices are strongly encouraged on board our vessels
- Precautionary materials are posted in common areas to supplement safety training
- Existing crew members have received gloves, hand sanitizer, goggles and hand held thermometers
- Receiving daily updates of ports that are instituting quarantine periods

Measures implemented across our three global offices in New York, Copenhagen and Singapore

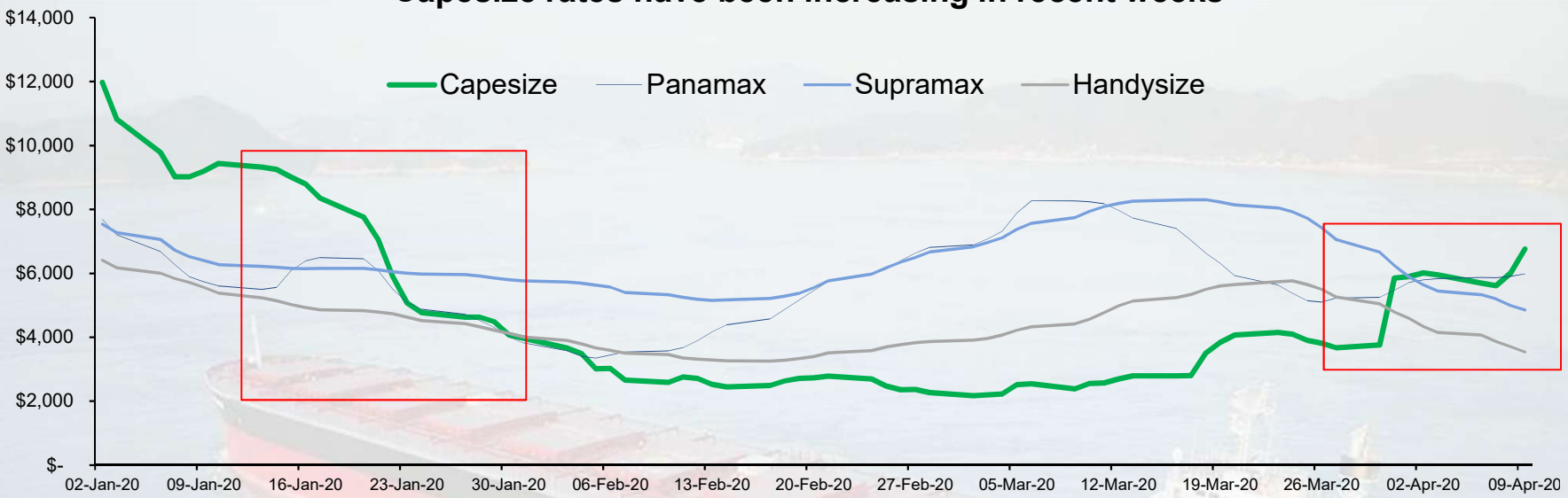
- Employees are working remotely through at least April 30th - business operations shore-side have transitioned well to this setup without any disruption to operations to date
- Instituted a temporary ban on non-essential international travel



Market update and industry overview

Where the drybulk market currently stands

Freight rates have come under pressure so far in 2020, however, Capesize rates have been increasing in recent weeks



- The spread of COVID-19 has led to a reduction in overall global economic activity levels and increased uncertainty around its overall impact
- Several commodity producers have announced a temporary reduction in output while countries, such as India and South Africa, have imposed 21-day nation-wide lockdowns - certain ports globally are reducing or temporarily halting operations in an effort to slow the spread of COVID-19
- To date, there has been a reduction in iron ore exports from Brazil as shipments are down by 16% YOY through the first 3 months of 2020 which has weighed on the Capesize sector
- At the beginning of April, Brazilian iron ore volumes are beginning to show signs of improvement as the rainy season comes toward an end

Seasonal trends together with the onset of COVID-19…

…resulted in significant pullback in freight rates during early 2020

- Seasonal factors include:
  - Frontloaded newbuilding deliveries
  - Timing of the Lunar New Year in China
  - Weather related disruptions impacting seaborne cargo availability from Brazil and Australia
    - Q1 2020 Brazilian iron ore exports declined by 16% YOY to the lowest level since Q1 2013 primarily due to poor weather conditions
- Reduced economic activity levels in China in January and February as highlighted by the below data, but improvement is being shown in March and April to date

35.7 **China's manufacturing PMI in Feb 2020**

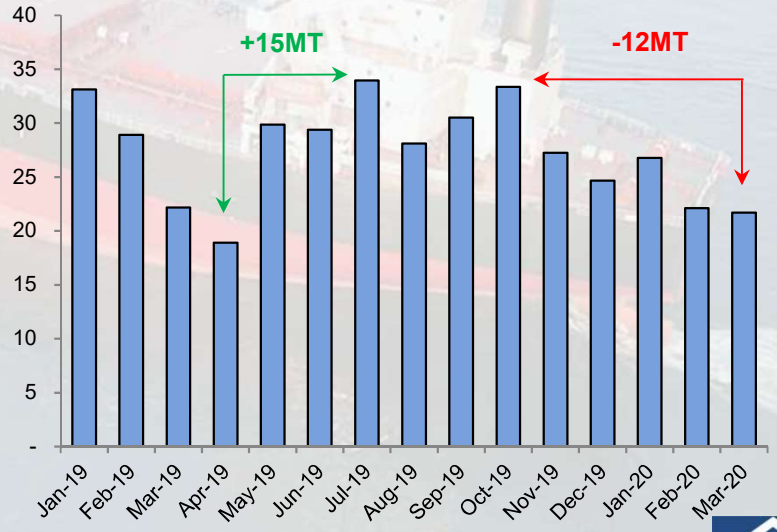
-14% **China's industrial production YOY thru Feb**

-25% **China's fixed asset investment YOY thru Feb**

35% **China accounts for 35% of total drybulk imports**

72% **China accounts for 72% of the global iron ore trade**

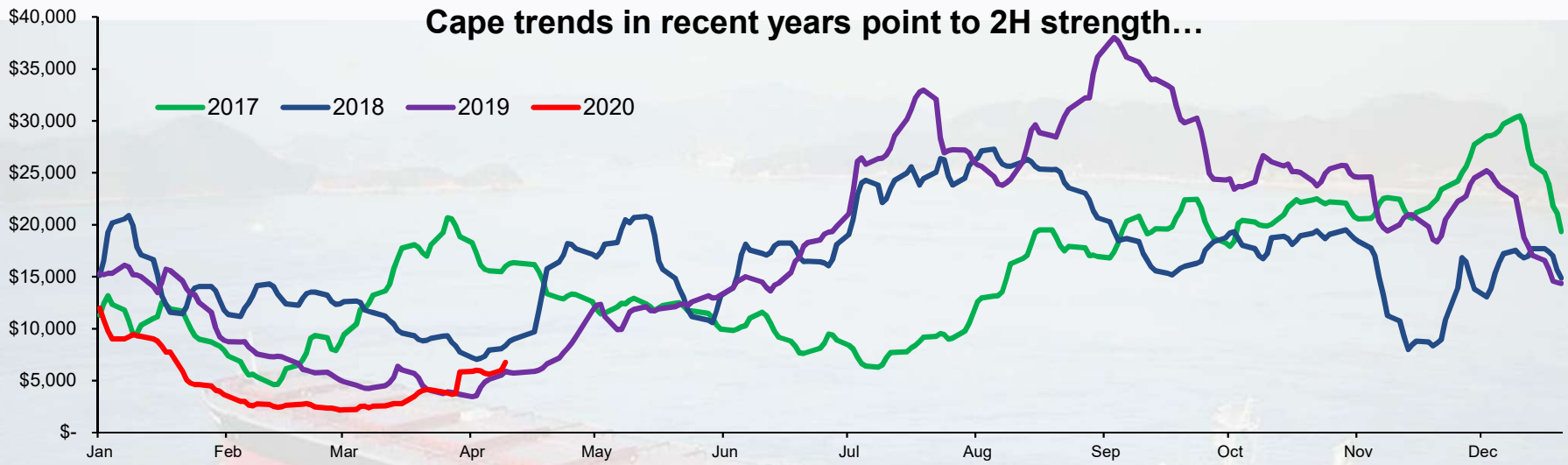
Brazilian iron ore exports have dropped off meaningfully in Q1 2020 to date



Sources: Clarksons, Macquarie

Cape seasonality – Q1 rates have declined vs Q4 for 11 straight years…

…while Q2 rates have rebounded from Q1 levels in 8 of the last 10 years



…while data from 2010 highlights Q1 rate softness

Peak Cape avg has occurred in 2H 8 of the last 10 years, including each of the last 5 years

Cape quarterly average (2010 to date)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	34,120	8,391	6,970	6,058	16,298	5,671	2,719	11,170	12,962	8,740	4,569
Q2	38,267	8,709	6,068	6,214	11,902	5,834	6,684	12,043	14,980	11,372	
Q3	26,324	17,138	4,827	18,968	12,637	12,595	8,098	14,654	22,207	29,365	
Q4	34,913	28,557	13,004	27,072	14,355	8,196	12,182	22,995	15,829	22,184	

QoQ decline
QoQ increase

Q1 declines vs Q4 have been greater than 40% in 9 of the last 11 years

Cape quarterly % change (2010 to date)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Q1	-38%	-76%	-76%	-53%	-40%	-60%	-67%	-8%	-44%	-45%	-79%
Q2	12%	4%	-13%	3%	-27%	3%	146%	8%	16%	30%	
Q3	-31%	97%	-20%	205%	6%	116%	21%	22%	48%	158%	
Q4	33%	67%	169%	43%	14%	-35%	50%	57%	-29%	-24%	

QoQ decline
QoQ increase

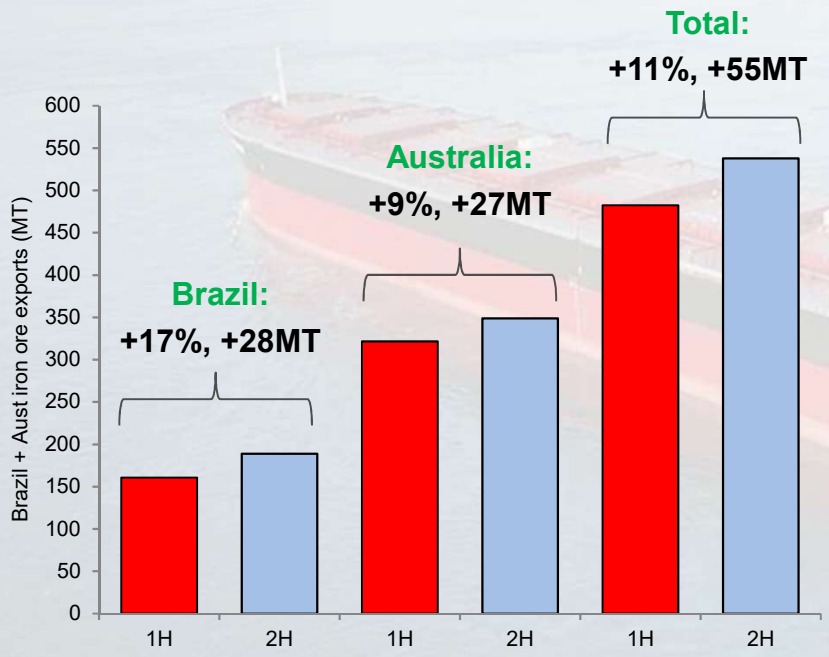
Source: Clarkson Research Services Limited 2020
Note: BCI prior to 2015 is based on the BCI 4TC

Historical data highlights 2H Capesize strength

Cape rate quarterly highs have occurred in the second half of the year in 8 of the last 10 years, including each of the last 5 years, due to…

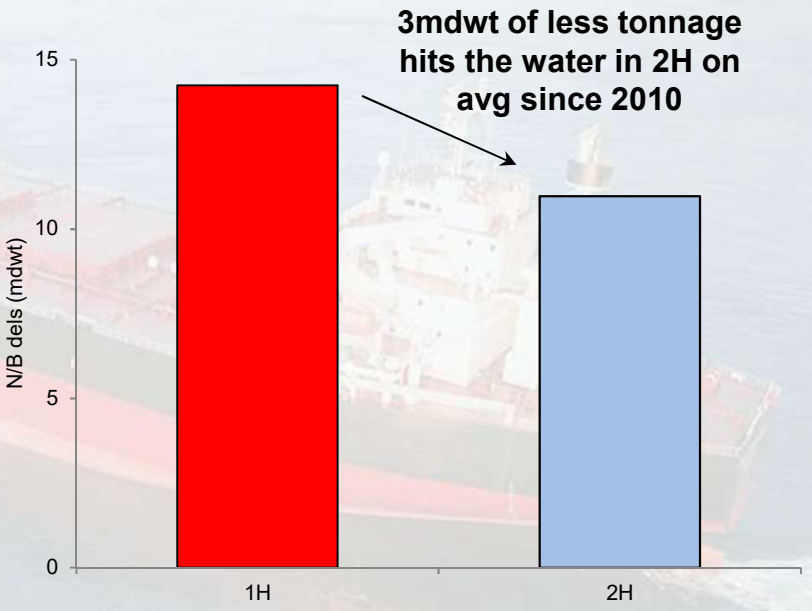
…increased cargo volumes…

Aust + Brazil iron ore exports have increased by *11%* in 2H vs. 1H on avg since 2010



…met by reduced newbuilding deliveries

Avg 2H vs. 1H decline in Cape N/B deliveries of *23%* since 2010



Source: Clarkson Research Services Limited 2020

China's steel production growth remains strong

Global Steel Production (million tons)[1]			
	2 Mos 2020	2 Mos 2019	% Variance
China	154.7	150.1	3.1%
European Union	25.0	27.5	-9.1%
Japan	16.2	15.9	1.7%
India	18.9	19.0	-0.8%
South Korea	11.1	11.5	-3.4%
Global Production	293.0	291.0	0.7%
Ex-China	138.3	140.9	-1.9%

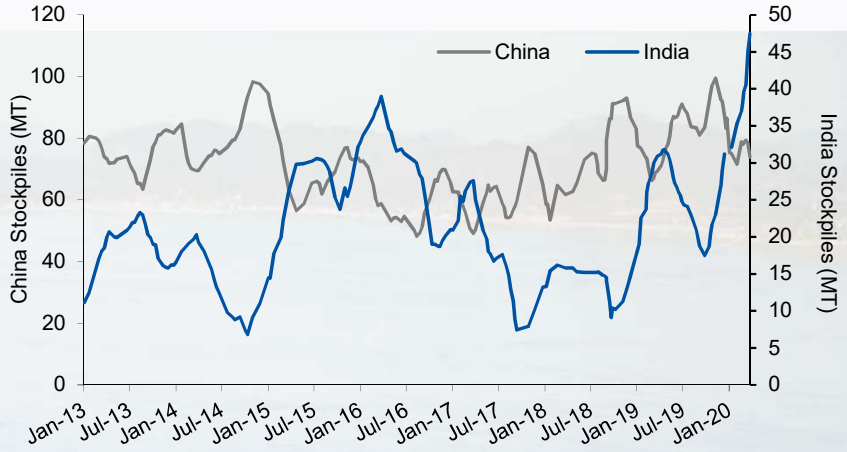
Steel Production

- Chinese steel production increased by 3.1% through the first two months of 2020 YOY[1]
- China's steel inventories have tripled since the start of the year, but more recently have begun to be drawn down over the last four weeks
- Steel output in India and Europe is expected to soften in the coming weeks as steel producers curtail operations in an attempt to prevent the further spread of COVID-19

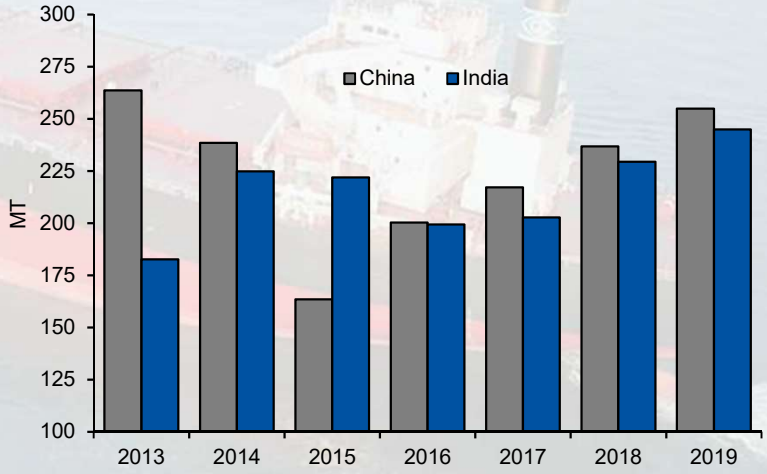
Coal

- India, the world's second largest coal importer and steel producer, announced a nation-wide 21-day lockdown due to the spread of COVID-19 - South Africa and Colombia have undertaken similar measures

Coal power plant stockpiles[2]



China and India coal imports[2]



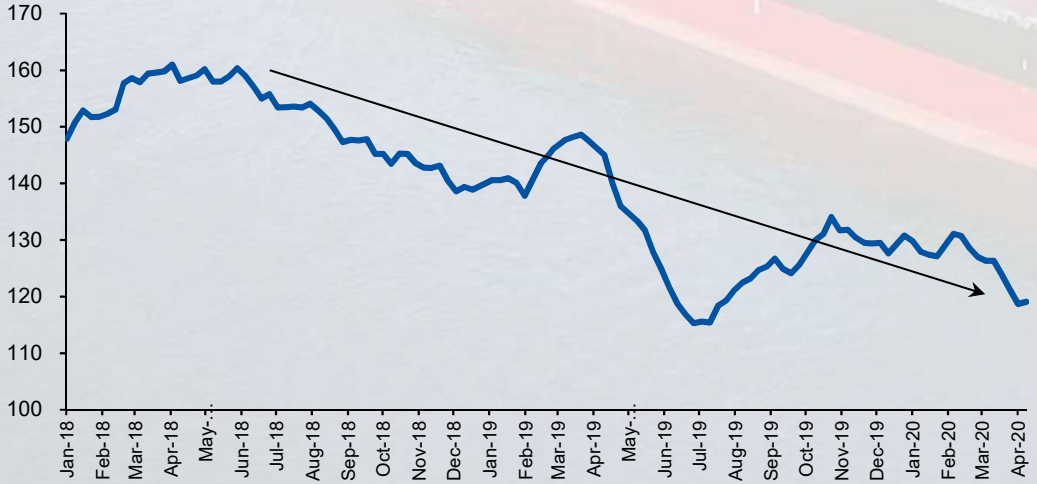
1) Source: World Steel Association
2) Source: Commodore Research
3) Source: Clarkson Research Services Limited 2020

Inventory levels of major bulk drivers steel + iron ore

China's steel inventory has more than tripled since the start of 2020



Iron ore port inventories have been drawn down recently and are ~40MT off of 2018 highs

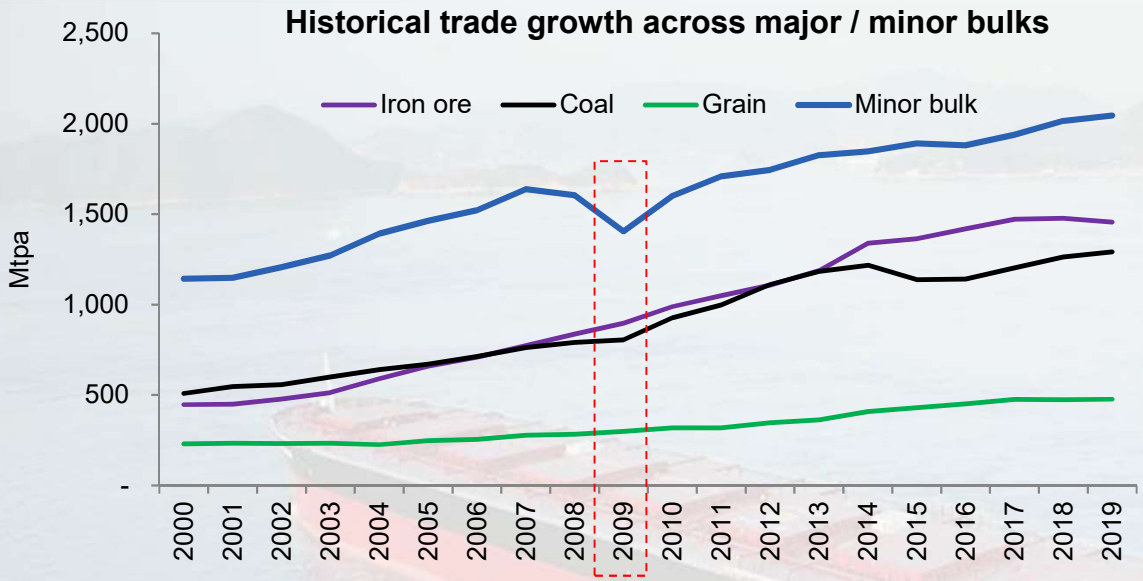


- China's steel inventory has historically increased during the first quarter, however, this year's build has reached record levels as a result of lower overall activity and steel consumption together with logistical constraints
- High frequency data on coal consumption and vehicle traffic data has been trending towards normalized levels in recent weeks
- Iron ore port inventories have been drawn down to ~119MT currently
  - This compares to the June 2018 high of 160MT
  - Platts and Macquarie steel and iron ore surveys point to a potential restocking of iron ore in the coming months to replenish depleted inventory levels

Source: Commodore Research

While iron ore and grain trades are improving…

…other minor bulk trades have eased similar to what we saw during the last global economic recession



	2000-2019 CAGR	2009
Iron ore	6%	7%
Coal	5%	2%
Grain	4%	5%
Minor bulk	3%	-12%

Main trades impacted in today's market due to reduced global activity

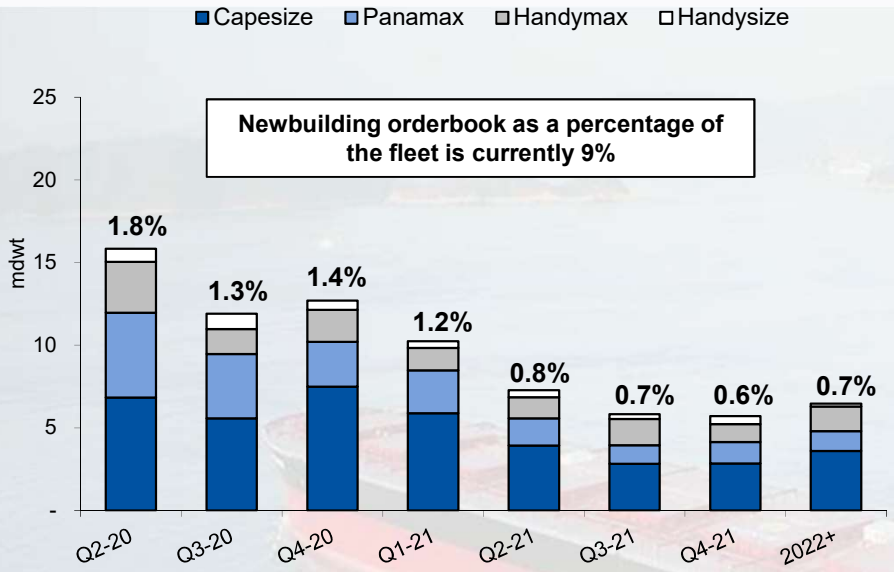
In 2009, trade flows improved mid-year into 2H

- The grain trade has been strong in recent weeks as the South American grain season commenced in March with Brazil expected to produce a record soybean crop
- In March, Brazil exported 11.6MT of soybeans, a 38% increase YOY
- However, other minor bulk trades more closely aligned with global economic activity have slowed of late resulting in a decline in Supra/Handy earnings
- Primary minor bulk commodities impacted in 2009 include scrap, cement and steel products
- However, trade flows in these commodities began recovering in mid-2009 resulting in improving minor bulk freight rates as the year progressed – a sharp rebound in minor bulk trade occurred in 2010, with more steady growth experienced thereafter

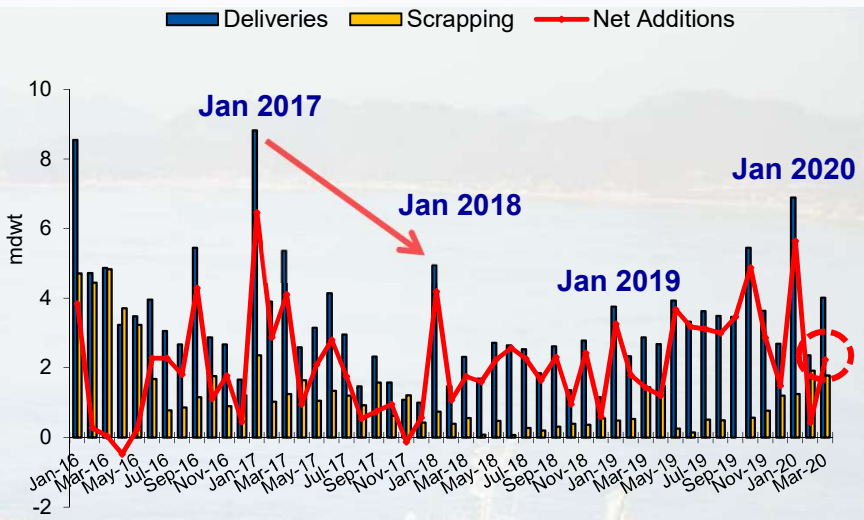
Source: Clarkson Research Services Limited 2020

Supply side fundamentals

Current Drybulk Vessel Orderbook by Type

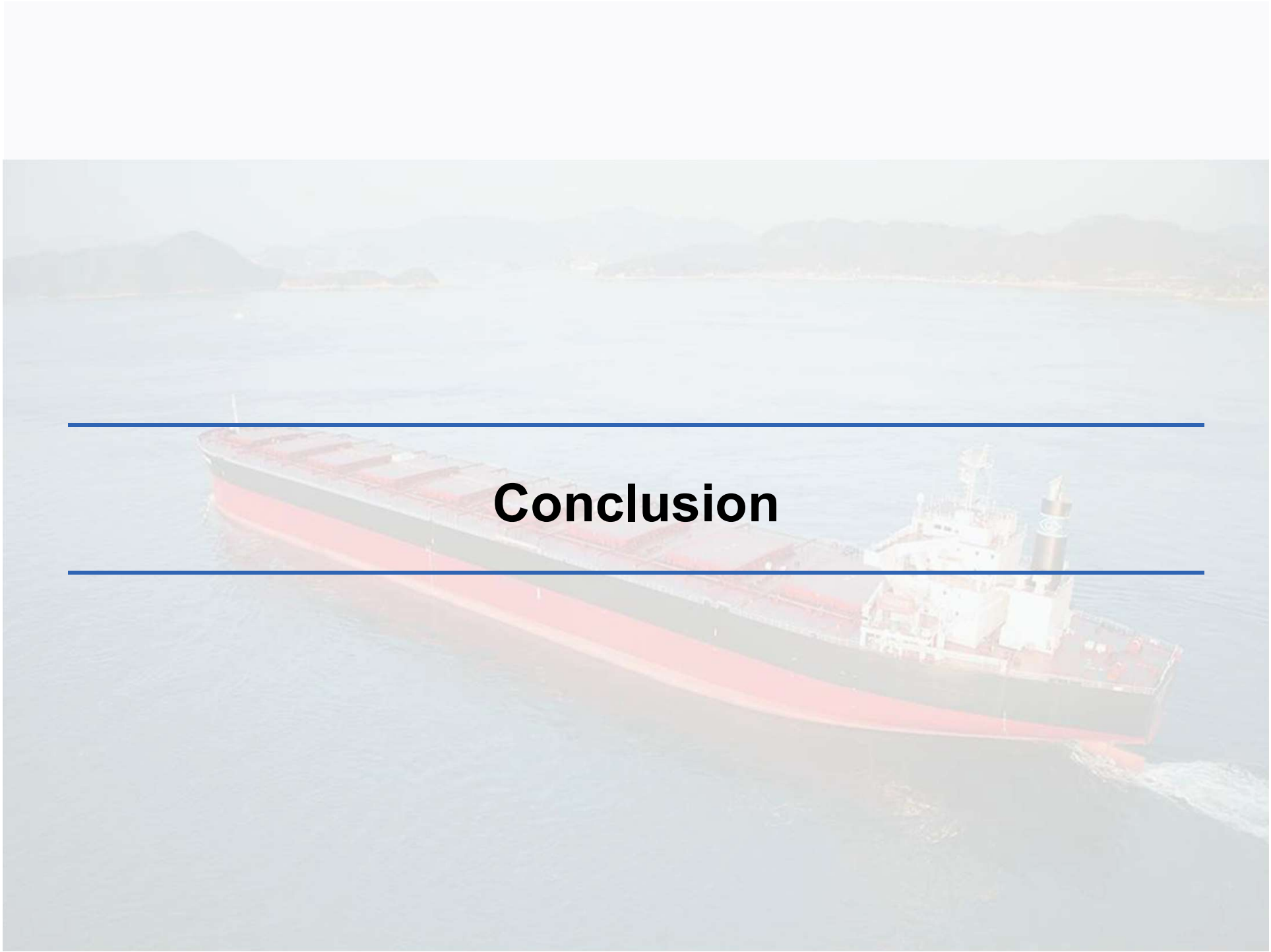


Drybulk Vessel Deliveries vs. Scrapping



- Scrapping levels in 2020 have been strong in the YTD, with 20 Capesize demolitions (including 4 VLOCs) already reported compared to 29 in all of 2019
- Older VLOCs are expected to continue to come under further scrutiny – it has been reported that Polaris will scrap 8 to 10 VLOCs during 2020
- Plenty of Capesize scrap potential remains on the water with over 90 Capesizes >=18 years old
- However, in the near-term, restrictions are in place in scrap yards in Pakistan, Bangladesh and India, which are expected to limit demolition activity in the coming weeks
- Orderbook as a percentage of the fleet is currently ~9% - potential for scheduled 2020 deliveries to push into 2021
- On the water tonnage greater than or equal to 20 years old totals 7% of the fleet on a dwt basis

Source: Clarkson Research Services Limited 2020



Conclusion

Genco is attractively positioned to capture market upside potential

Leadership	■ Experienced US-based management team
Drybulk Market	■ Demand and supply dynamics forecast to improve in 2H 2020
Capital Structure	■ Strong balance sheet + meaningful cash position of $162m as of Dec 31, 2019
IMO 2020	■ Comprehensive plan including a fully scrubber fitted Capesize fleet
Fleet Modernization	■ Opportunistically divest of older, less fuel-efficient assets
Commercial Platform	■ Active management through global commercial platform and full-service logistics solution
Genco's Fleet	■ Barbell approach to fleet composition



Appendix

Fourth Quarter Earnings

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
	(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	$ 108,705	$ 112,185	$ 389,496	$ 367,522
Total revenues	108,705	112,185	389,496	367,522
Operating expenses:				
Voyage expenses	45,254	36,305	173,043	114,855
Vessel operating expenses	23,949	24,785	96,209	97,427
Charter hire expenses	3,436	302	16,179	1,534
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $0.5 million, $2.1 million and $2.2 million, respectively)	6,263	6,380	24,516	23,141
Technical management fees	1,857	2,075	7,567	8,000
Depreciation and amortization	18,292	18,370	72,824	68,976
Impairment of vessel assets	1,315	-	27,393	56,586
Loss (gain) on sale of vessels	779	(2,004)	168	(3,513)
Total operating expenses	101,145	86,213	417,899	367,006
Operating income (loss)	7,560	25,972	(28,403)	516
Other (expense) income:				
Other (expense) income	(22)	95	501	367
Interest income	803	1,058	4,095	3,801
Interest expense	(7,459)	(8,842)	(31,955)	(33,091)
Impairment of right-of-use asset	-	-	(223)	-
Loss on debt extinguishment	-	-	-	(4,533)
Other expense	(6,678)	(7,689)	(27,582)	(33,456)
Net income (loss)	$ 882	$ 18,283	$ (55,985)	$ (32,940)
Net earnings (loss) per share - basic	$ 0.02	$ 0.44	$ (1.34)	$ (0.86)
Net earnings (loss) per share - diluted	$ 0.02	$ 0.44	$ (1.34)	$ (0.86)
Weighted average common shares outstanding - basic	41,832,942	41,704,296	41,762,893	38,382,599
Weighted average common shares outstanding - diluted	41,989,553	41,792,956	41,762,893	38,382,599

December 31, 2019 Balance Sheet

	December 31, 2019	December 31, 2018
	(Dollars in thousands) (unaudited)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 162,249	$ 202,761
Current assets	223,195	270,451
Total assets	1,528,892	1,627,470
Current liabilities (excluding current portion of long-term debt)	57,908	35,547
Current portion of long-term debt	69,747	66,320
Long-term debt (net of $13.1 million and $16.3 million of unamortized debt issuance costs at December 31, 2019 and December 31, 2018, respectively)	412,983	468,828
Shareholders' equity	978,428	1,053,307

	Three Months Ended		Twelve Months Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by operating activities	N/A		$ 59,526	$ 65,907
Net cash used in investing activities			(22,849)	(195,375)
Net cash (used in) provided by financing activities			(77,189)	127,283
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net income (loss)	$ 882	$ 18,283	$ (55,985)	$ (32,940)
+ Net interest expense	6,656	7,784	27,860	29,290
+ Depreciation and amortization	18,292	18,370	72,824	68,976
EBITDA[(1)]	$ 25,830	$ 44,437	$ 44,699	$ 65,326
+ Impairment of vessel assets	1,315	-	27,393	56,586
+ Impairment of right-of-use asset	-	-	223	-
+ Loss (gain) on sale of vessels	779	(2,004)	168	(3,513)
+ Loss on debt extinguishment	-	-	-	4,533
Adjusted EBITDA	$ 27,924	$ 42,433	$ 72,483	$ 122,932

(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.

Fourth Quarter Highlights

	Three Months Ended (unaudited)		Twelve Months Ended (unaudited)	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
FLEET DATA:				
Total number of vessels at end of period	55	59	55	59
Average number of vessels (1)	56.1	62.1	57.6	61.0
Total ownership days for fleet (2)	5,161	5,716	21,023	22,249
Total chartered-in days (3)	255	19	1,326	132
Total available days (4)	5,011	5,728	20,995	22,231
Total available days for owned fleet (5)	4,756	5,710	19,669	22,099
Total operating days for fleet (6)	4,864	5,661	20,589	21,975
Fleet utilization (7)	96.4%	98.7%	97.5%	98.5%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 12,619	$ 13,237	$ 10,182	$ 11,364
Daily vessel operating expenses per vessel (9)	4,640	4,336	4,576	4,379

(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, which is consistent with industry standards. 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.

Time Charter Equivalent Reconciliation(1)

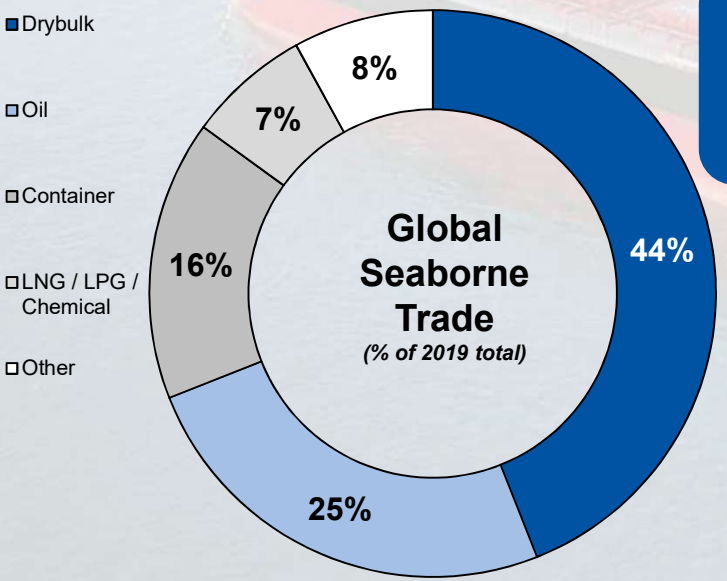
	Three Months Ended		Twelve Months Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 108,705	$ 112,185	$ 389,496	$ 367,522
Voyage expenses (in thousands)	45,254	36,305	173,043	114,855
Charter hire expenses (in thousands)	3,436	302	16,179	1,534
	60,015	75,578	200,274	251,133
Total available days for owned fleet	4,756	5,710	19,669	22,099
Total TCE rate	$ 12,619	$ 13,237	$ 10,182	$ 11,364

	Three Months Ended		
	March 31, 2019	June 30, 2019	September 30, 2019
	(unaudited)		
Total Fleet			
Voyage revenues (in thousands)	$ 93,464	$ 83,550	$ 103,776
Voyage expenses (in thousands)	43,022	41,800	42,967
Charter hire expenses (in thousands)	2,419	4,849	5,475
	48,023	36,901	55,334
Total available days for owned fleet	5,203	4,978	4,735
Total TCE rate	$ 9,230	$ 7,412	$ 11,687

(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, which is consistent with industry standards. 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. Our estimated TCE for the fourth quarter of 2019 is based on fixtures booked to date. Actual results may vary based on the actual duration of voyages and other factors. Accordingly, we are unable to provide, without unreasonable efforts, a reconciliation of estimated TCE for the fourth quarter to the most comparable financial measures presented in accordance with GAAP.

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

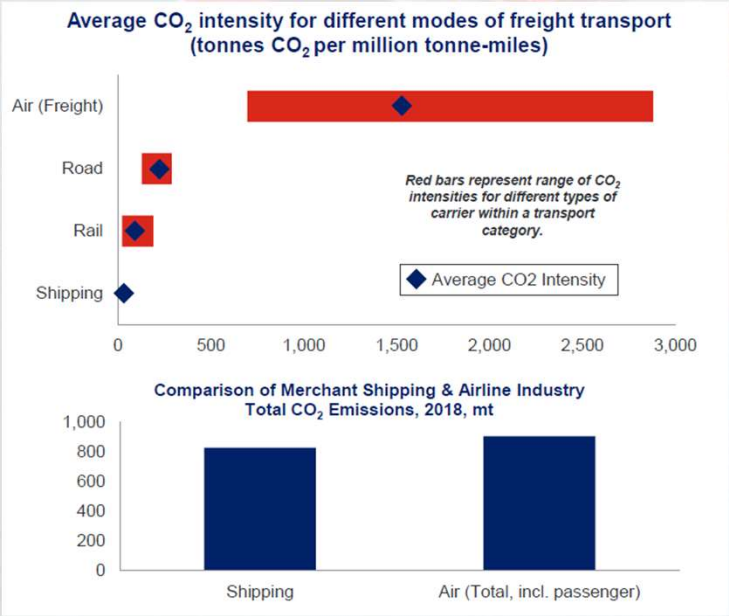
Shipping is a highly efficient mode of freight transport

~90% **of global trade is carried by the international shipping industry**
but shipping only accounts for…

2.3% **…of global CO2 emissions** *(down from 2.7% in 2008)*

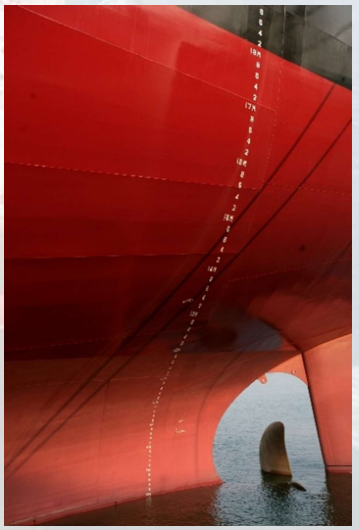
-18% **Global fuel consumption of the world shipping fleet has declined by 18% from 2008 levels, despite a…**

+37% **…increase in global seaborne trade**









Sources: IMO, Clarksons Research Services Limited 2020

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

…Genco recognizes the need to run a safe, responsible and sustainable 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 on several of our vessels including Mewis Ducts and 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

92% of our fleet is rated 4 or better by RIGHTSHIP

Genco transported 32 mdwt of drybulk commodities in 2019…

We employ a diversified asset base consisting of the larger Capesize vessels, medium size Ultramax / Supramax vessels as well as the smaller Handysize vessels enabling us to carry a wide range of cargoes worldwide

55 *vessels* — **Genco's owned fleet as of December 31, 2019** *(# of vessels)*

4.9 *mdwt* — **Of cargo carrying capacity**

>420 — **Fixtures booked by our in-house commercial team across 3 global offices**

38 — **New customers that we conducted business with in 2019**

Commodities carried


Iron ore: 46%


Coal: 16%


Grains: 15%


Steel/Pig Iron: 4%


Potash/Fertilizer: 4%


Alumina/Bauxite: 2%


Limestone: 1%


Miscellaneous: 12%


Thank you