Genco Shipping & Trading Limited



Fearnleys Investor Call Update

NYSE:GNK

June 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; 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; (xxiii) successful completion of the negotiation of, and agreement regarding the terms of definitive documentation for, the revolving credit facility for up to $25 million referred to in this presentation; 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, 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.



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**



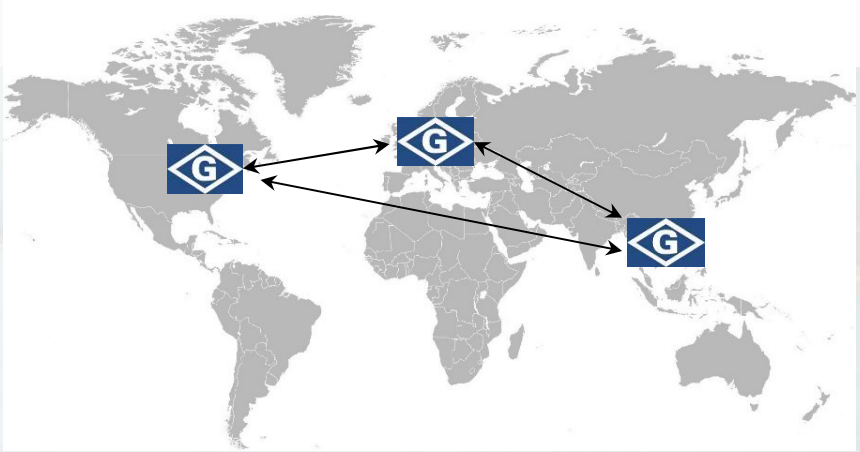




Genco's differentiated approach

Strong capital structure

- Sizeable cash position of $149.5m as of Mar 31, 2020, including $15.2m of restricted cash
- Simplified and flexible debt structure
- Paid a total of $0.695 per share in dividends over the past three quarters(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







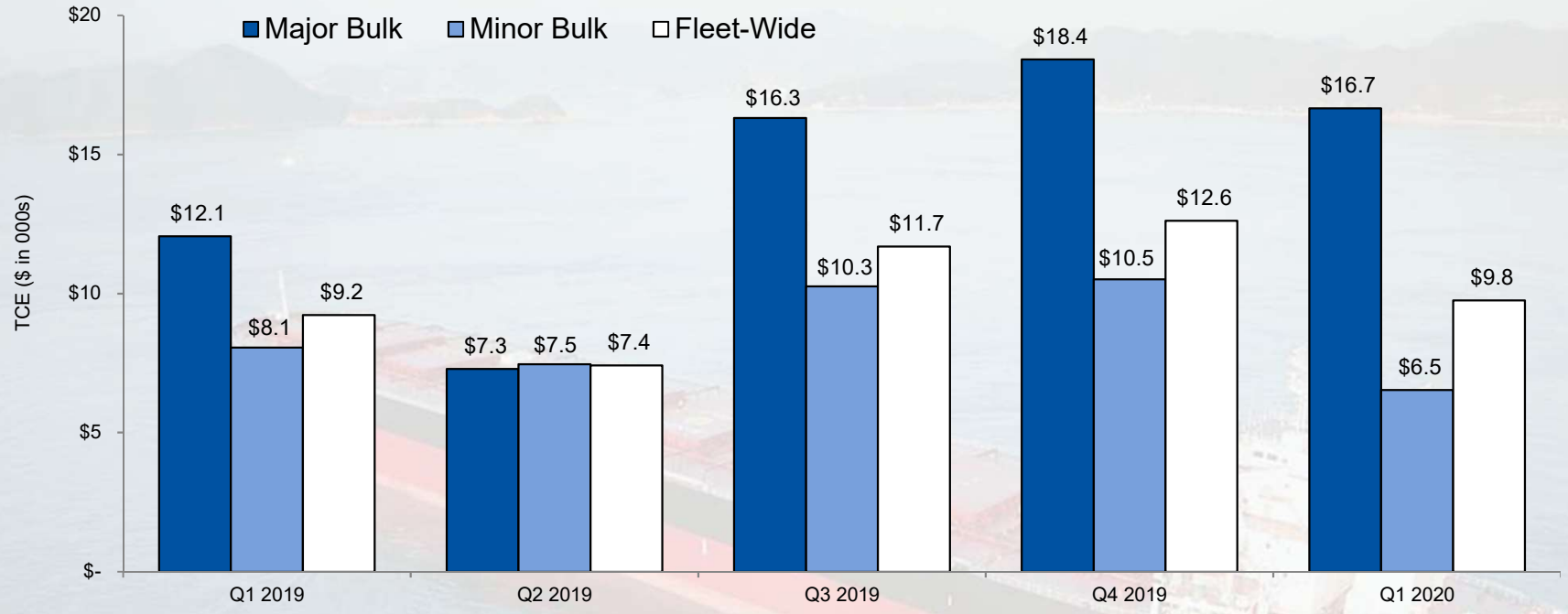
Focus on long-term, sustainable operations

- 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.

Strong Q1 TCE performance driven by our Capesizes

Our fleet 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
- During Q1 2020, we benefited from coverage taken ahead of the traditionally softer period through a combination of booking forward cargoes as well as short-period time charters
- Additionally, on our Capesize vessels, our timely execution of our scrubber installation program enabled Genco to capture the differential between compliant and high sulfur fuel that was widest in the earliest stages of IMO 2020 compliance

Genco's industry leading balance sheet

Key balance sheet items as of March 31, 2020

Cash[1]	Debt[2]	Net Debt
$149.5 million	$488.8 million	$339.3 million

- **Strong financial position:** Genco continues to maintain one of the highest liquidity positions and lowest leverage profiles among our drybulk peer group
- **Revolving credit facility:** We are In the process of negotiating a revolving credit facility with lenders of our current bank group for up to $25 million

1) Cash balance as of March 31, 2020 includes $15.2 million of restricted cash.
2) The debt balance presented is gross of $12.1 million of unamortized debt issuance costs.

Business continuity plans as a response to COVID-19

As our main focus is on the health and safety of our crew members and our team onshore, we have taken various proactive measures centered around business continuity, crew protection and headquarters operations during this challenging time

Steps taken to safeguard our crew members

- Crew members have received gloves, face masks, hand sanitizer, goggles and hand held thermometers
- 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
- Precautionary materials are posted in common areas to supplement safety training
- Receiving daily updates of ports that are instituting quarantine periods
- We continue to monitor CDC and WHO guidelines





Managing crew rotations

- Implemented industry leading protocols regarding crew rotations to keep our crew members safe and healthy
  - Includes PCR testing + 14-day quarantine period prior to boarding a vessel
  - Enacting crew changes where permissible by regulations of the ports and origin of the mariners
- Led the first full crew change under new COVID-19 protocols in Singapore in early June on the Genco Liberty

Measures implemented across our global offices

- Employees based in New York, Singapore and Copenhagen are working remotely
- Business operations shore-side have transitioned well to this setup without any disruption to operations to date
- Placed a ban on non-essential international travel

Genco's 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*







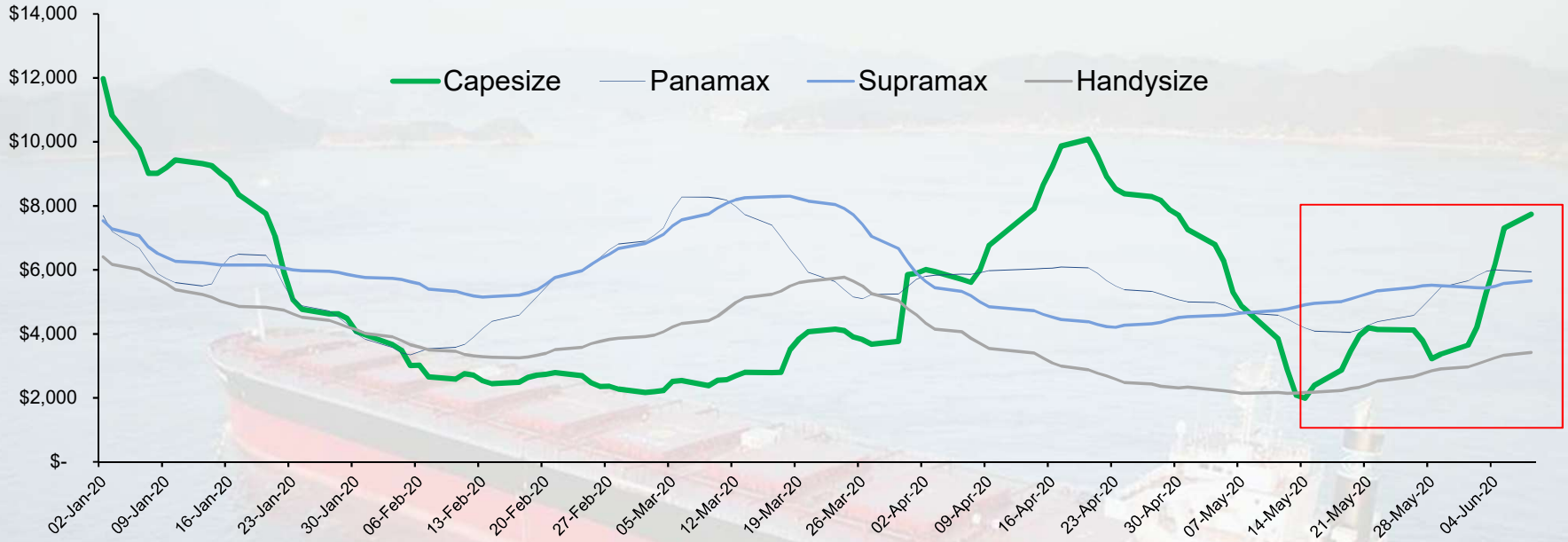
Note: We have entered into memoranda of agreement to sell the Baltic Wind, Genco Bay and Baltic Breeze



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 increased in recent weeks



- The spread of COVID-19 together with various nation-wide lockdowns have led to a reduction in overall global economic activity levels
- Brazilian iron ore exports are also down by 13% YOY
- Capesize rates are currently being driven by increased iron ore shipments in the Pacific as several Australian miners continue to increase exports ahead of their June 30 fiscal year-end while capturing strong iron ore prices

Data highlights continued improvement in China

…while economic activity in India, Japan, EU and the US is beginning to slowly recover

China's Q1 2020 GDP contracted by 6.8% YOY

- During the quarter, the steepest period of decline was seen in February
- No GDP target was provided for the year at China's National People's Congress (NPC) meeting in May

China stimulus

- $500 billion of stimulus announced through a combination of local and sovereign special bonds as well as an increase in the budget deficit
- A meaningful portion of this stimulus is expected to be applied towards infrastructure spending

Global Steel Production (MT)			
	Apr 2020	Apr 2019	% Variance
China	85.0	84.9	0.2%
European Union	10.7	13.9	-22.9%
Japan	6.6	8.6	-23.5%
India	3.1	9.0	-65.2%
South Korea	5.5	6.0	-8.3%
Global Production	137.1	157.7	-13.0%
Ex-China	52.1	72.8	-28.5%

	4 Mos 2020	4 Mos 2019	% Variance
China	319.5	315.3	1.3%
European Union	49.4	56.5	-12.5%
Japan	30.7	33.6	-8.6%
India	30.1	38.1	-21.1%
South Korea	22.4	23.8	-5.7%
Global Production	581.0	605.7	-4.1%
Ex-China	261.5	290.4	-9.9%

+1% **China's fixed asset investment** YOY in April 2020
(up from -10% in Mar and -25% in Jan/Feb)

+4% **China's industrial production** YOY in April 2020
(up from -1% in Mar and -14% in Jan/Feb)

50.8 **China's manufacturing PMI** in April 2020
(down from 52.0 in Mar but up from 35.7 in Feb)

35% China accounts for 35% of total drybulk imports

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

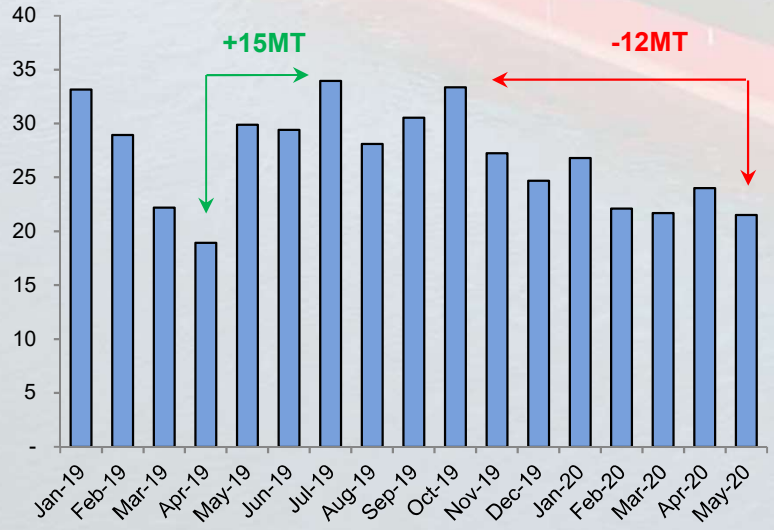
Sources: Clarksons, Macquarie, Bloomberg, WorldSteel

Brazilian iron ore exports have fallen to a 7-year low

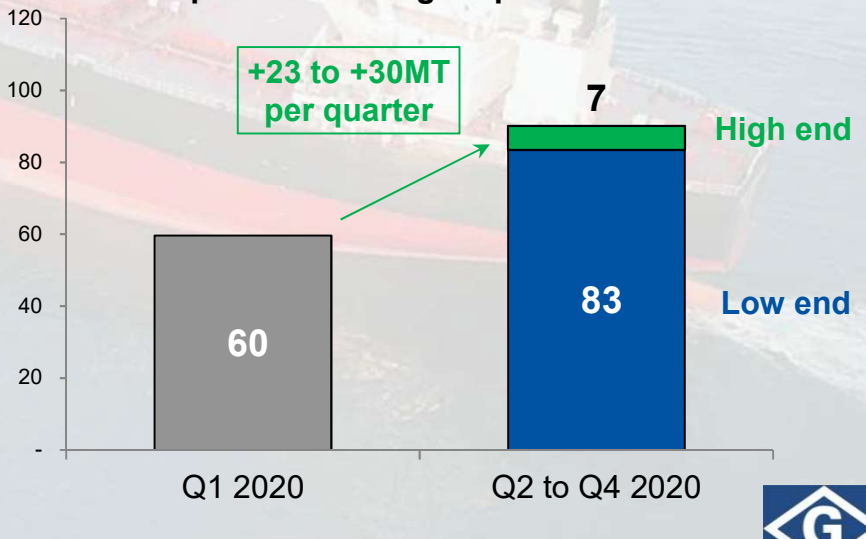
…as heavy rains and operational challenges disrupted production and shipments

- Brazilian iron ore exports declined by 13% YOY through May
  - May shipments were 21.5MT, the lowest since April 2019 (peak Vale disruption last year)
- Vale produced 60MT of iron ore in Q1 2020, down 18% YOY and 24% from Q4 2019 while missing their already revised down guidance range by 5% to 12% (3-8MT)
- Vale also lowered iron ore production guidance by 25 to 30MT (8MT of which is already incorporated in Q1 #'s):
  - Updated FY 2020 guidance is 310 to 330MT – range due to potential COVID disruption of ~15MT and Brucutu ramp up in 2H 2020 ~6MT
    - In June, Vale suspended mining activities at the Itabira complex – represents 2.7MT of production per month

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



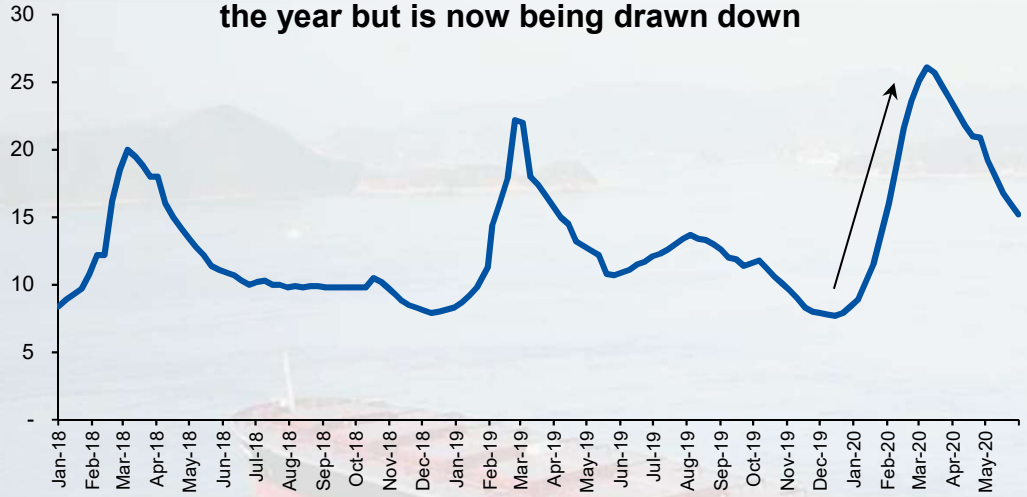
…but despite a poor start to 2020 and a downward revision to guidance, Vale's production implies recovering output in Q2 to Q4



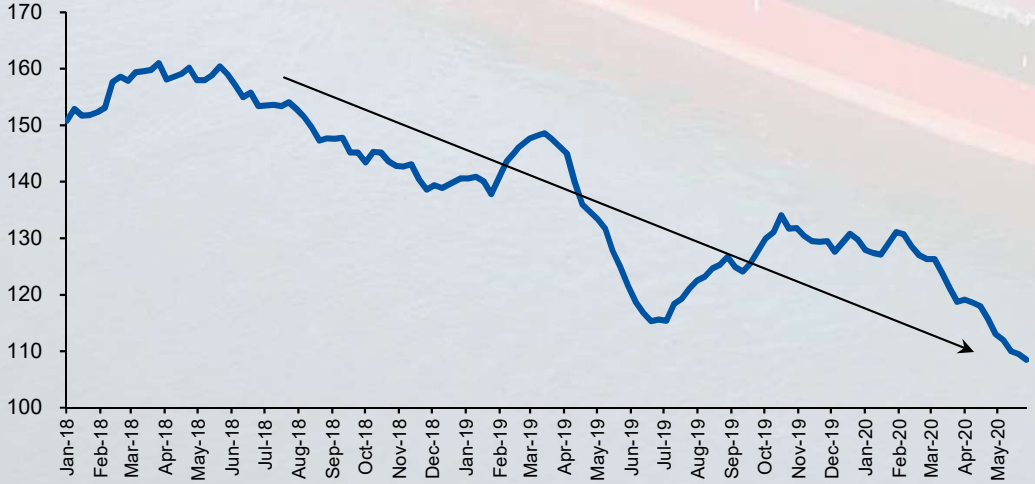
Sources: Clarksons, Vale

Inventory levels of major bulk drivers steel + iron ore

China's steel inventory more than tripled early in the year but is now being drawn down



Iron ore port inventories have been drawn down recently and are ~50MT off of 2018 highs



- China's steel inventory has historically increased during the first quarter, however, this year's build 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 ~109MT 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

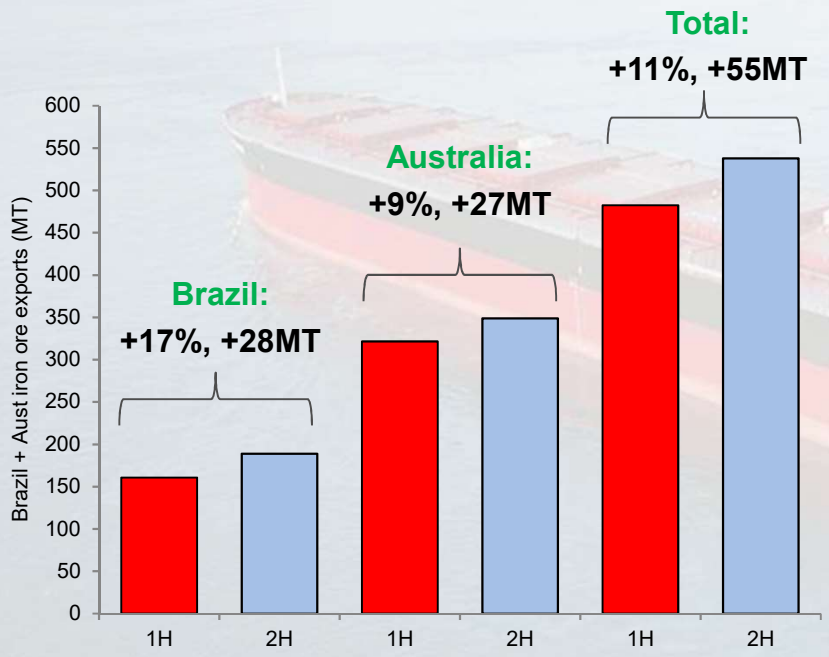
Source: Commodore Research

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…

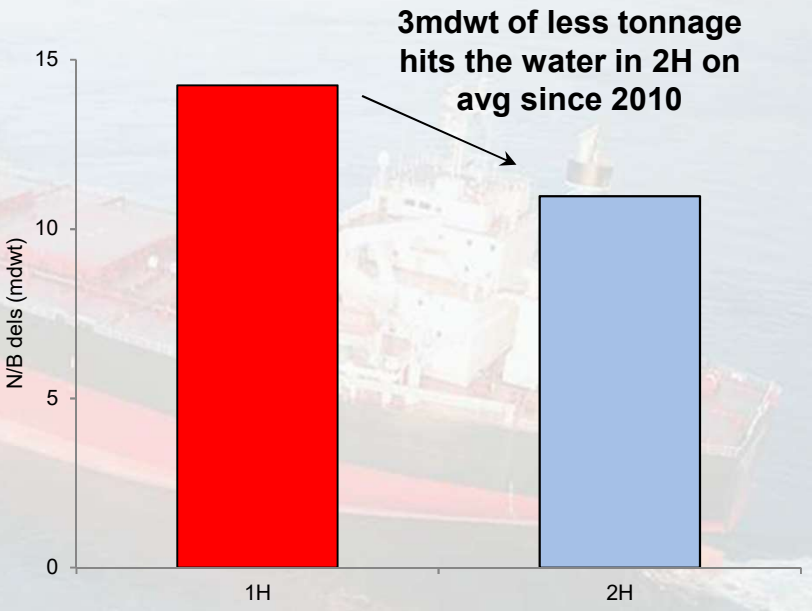
…increased iron ore cargo volumes…

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



…met by reduced newbuilding deliveries

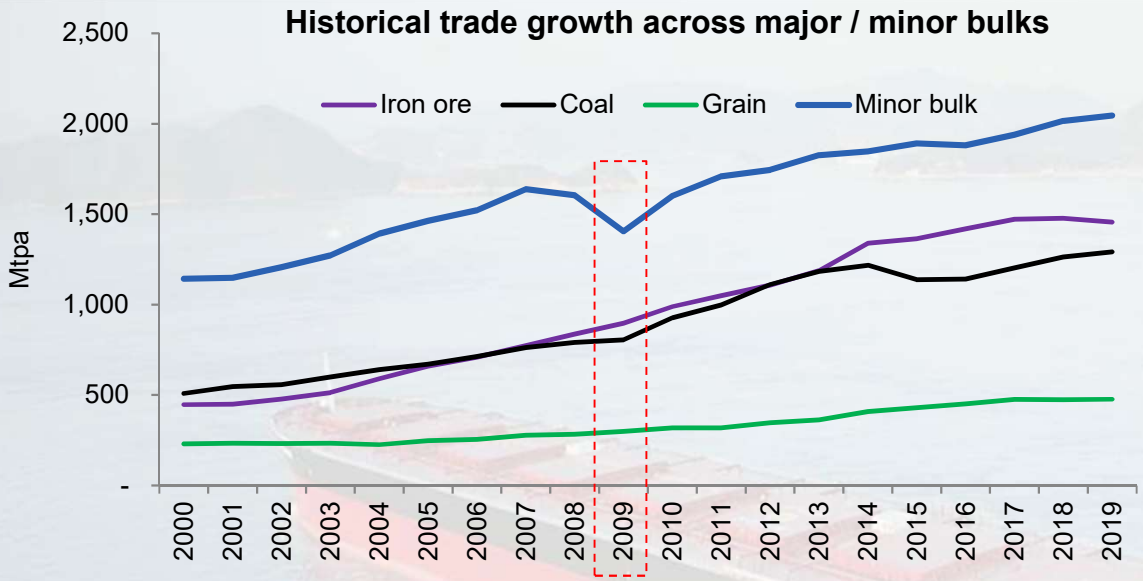
Avg 2H vs. 1H decline in Cape N/B deliveries of *23%* since 2010



Source: Clarkson Research Services Limited 2020

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

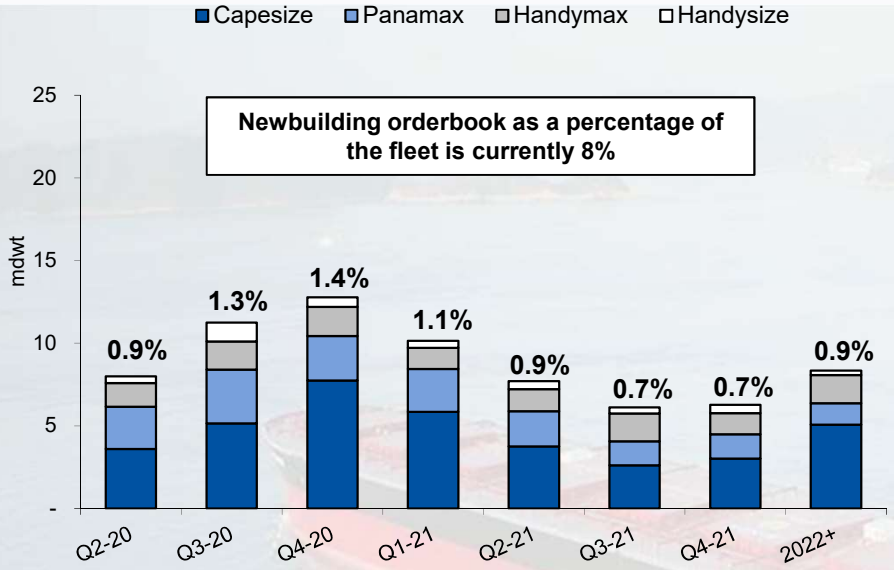
In 2009, trade flows improved mid-year into 2H

- The grain trade has been strong as the South American grain season commenced in March with Brazil producing record soybean shipments
- 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

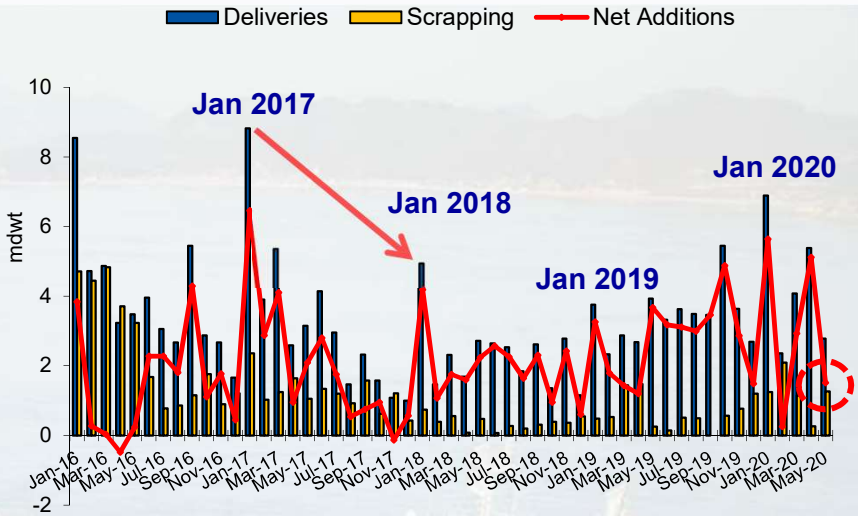
Source: Clarkson Research Services Limited 2020

Supply side fundamentals

Current Drybulk Vessel Orderbook by Type

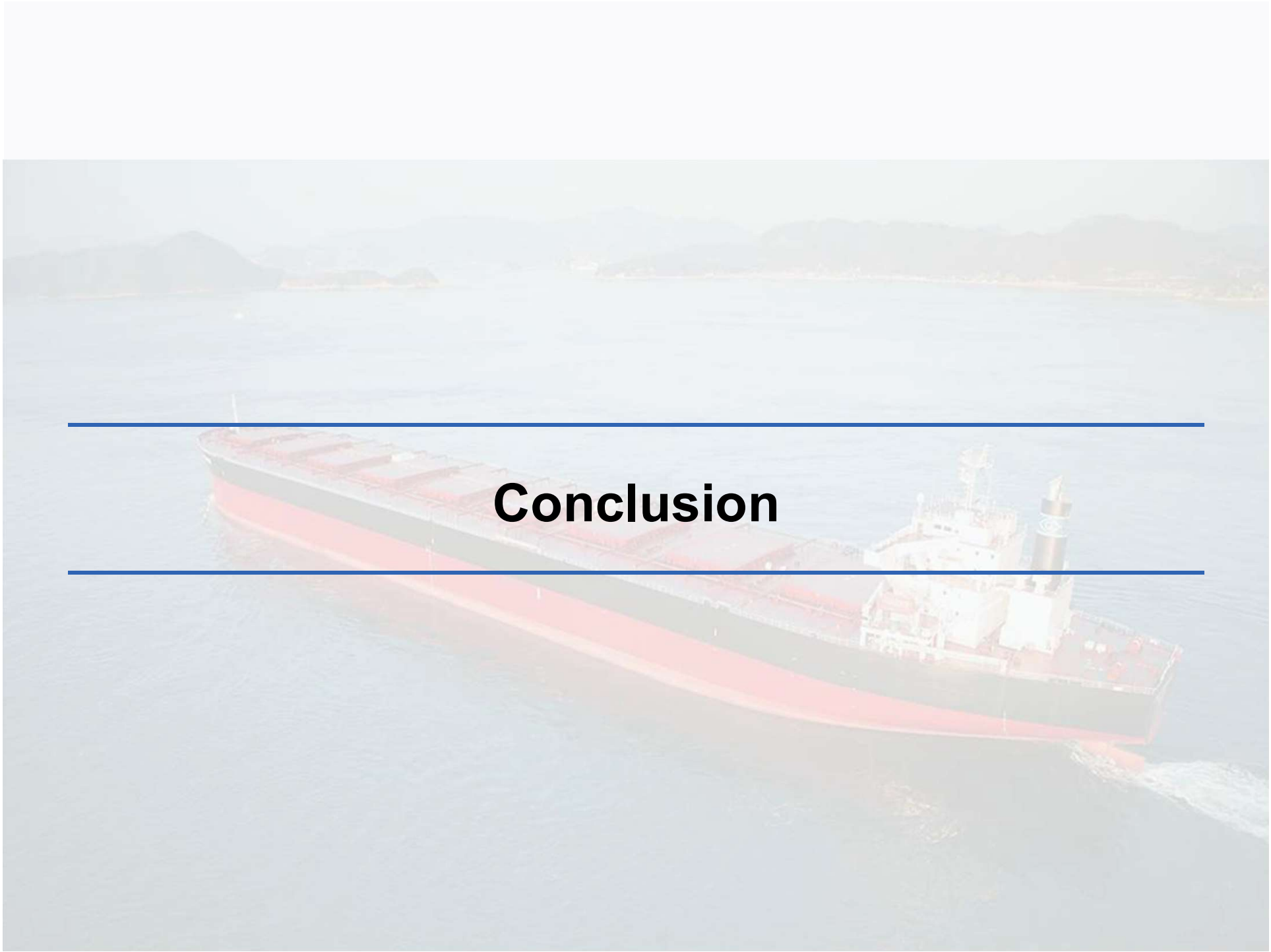


Drybulk Vessel Deliveries vs. Scrapping



- Scrapping levels in 2020 have been strong in the YTD, with 29 reported Capesize demolitions (including 10 VLOCs), already matching the 29 reported in all of 2019
- 2020 VLOC newbuilding deliveries have been nearly fully offset by VLOC scrapping to date
- 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 while Vale is to phase out the use of 25 VLOCs
- Plenty of Capesize scrap potential remains on the water with approximately 85 Capesizes >=18 years old
- Orderbook as a percentage of the fleet is currently ~8% - 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 $149.5m as of Mar 31, 2020
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

First Quarter Earnings

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
	(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:		
Revenues:		
Voyage revenues	$ 98,336	$ 93,464
Total revenues	98,336	93,464
Operating expenses:		
Voyage expenses	48,368	43,022
Vessel operating expenses	21,813	23,190
Charter hire expenses	3,075	2,419
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million and $0.5 million, respectively)	5,767	6,310
Technical management fees	1,854	1,940
Depreciation and amortization	17,574	18,076
Impairment of vessel assets	112,814	-
Loss (gain) on sale of vessels	486	(611)
Total operating expenses	211,751	94,346
Operating loss	(113,415)	(882)
Other (expense) income:		
Other (expense) income	(584)	329
Interest income	594	1,327
Interest expense	(6,945)	(8,575)
Other expense	(6,935)	(6,919)
Net loss	$ (120,350)	$ (7,801)
Net loss per share - basic	$ (2.87)	$ (0.19)
Net loss per share - diluted	$ (2.87)	$ (0.19)
Weighted average common shares outstanding - basic	41,866,357	41,726,106
Weighted average common shares outstanding - diluted	41,866,357	41,726,106

March 31, 2020 Balance Sheet

	March 31, 2020 (unaudited)	December 31, 2019
	(Dollars in thousands)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 149,508	$ 162,249
Current assets	227,533	223,195
Total assets	1,380,966	1,528,892
Current liabilities (excluding current portion of long-term debt)	43,686	57,908
Current portion of long-term debt	72,962	69,747
Long-term debt (net of $12.1 million and $13.1 million of unamortized debt issuance costs at March 31, 2020 and December 31, 2019, respectively)	403,729	412,983
Shareholders' equity	851,196	978,428

	Three Months Ended March 31, 2020	March 31, 2019
	(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:		
Net cash (used in) provided by operating activities	$ (4,038)	$ 11,612
Net cash provided by (used in) investing activities	5,577	(4,122)
Net cash used in financing activities	(14,280)	(17,276)
	(unaudited)	
EBITDA Reconciliation:		
Net loss	$ (120,350)	$ (7,801)
+ Net interest expense	6,351	7,248
+ Depreciation and amortization	17,574	18,076
EBITDA[(1)]	$ (96,425)	$ 17,523
+ Impairment of vessel assets	112,814	-
+ Loss (gain) on sale of vessels	486	(611)
Adjusted EBITDA	$ 16,875	$ 16,912

(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.

First Quarter Highlights

	Three Months Ended March 31, 2020 (unaudited)	Three Months Ended March 31, 2019 (unaudited)
FLEET DATA:		
Total number of vessels at end of period	53	58
Average number of vessels (1)	54.3	58.3
Total ownership days for fleet (2)	4,942	5,247
Total chartered-in days (3)	422	293
Total available days (4)	5,229	5,496
Total available days for owned fleet (5)	4,807	5,203
Total operating days for fleet (6)	5,126	5,383
Fleet utilization (7)	97.8%	97.4%
AVERAGE DAILY RESULTS:		
Time charter equivalent (8)	$ 9,755	$ 9,230
Daily vessel operating expenses per vessel (9)	4,413	4,420

(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)]

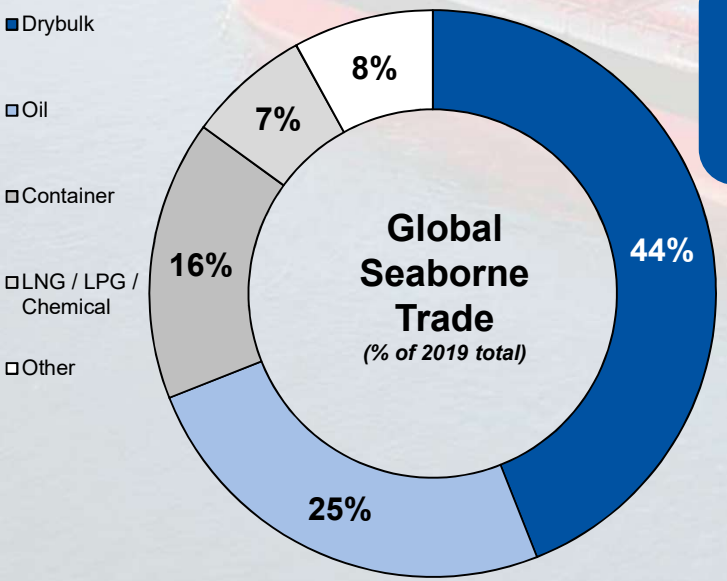
	Three Months Ended	
	March 31, 2020	March 31, 2019
	(unaudited)	
Total Fleet		
Voyage revenues (in thousands)	$ 98,336	$ 93,464
Voyage expenses (in thousands)	48,368	43,022
Charter hire expenses (in thousands)	3,075	2,419
	46,893	48,023
Total available days for owned fleet	4,807	5,203
Total TCE rate	$ 9,755	$ 9,230

	Three Months Ended		
	June 30, 2019	September 30, 2019	December 31, 2019
	(unaudited)		
Total Fleet			
Voyage revenues (in thousands)	$ 83,550	$ 103,776	$ 108,705
Voyage expenses (in thousands)	41,800	42,967	45,254
Charter hire expenses (in thousands)	4,849	5,475	3,436
	36,901	55,334	60,015
Total available days for owned fleet	4,978	4,735	4,756
Total TCE rate	$ 7,412	$ 11,687	$ 12,619

(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.

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

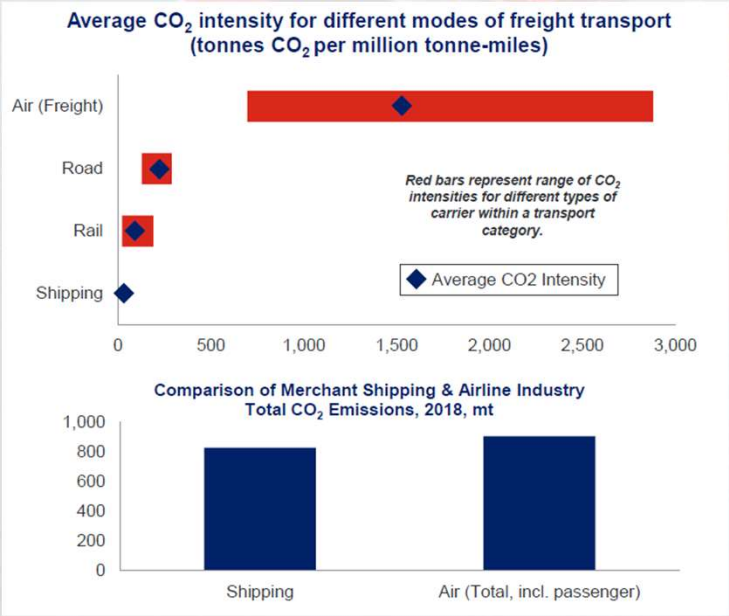
Shipping is a highly efficient mode of freight transport

~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)*

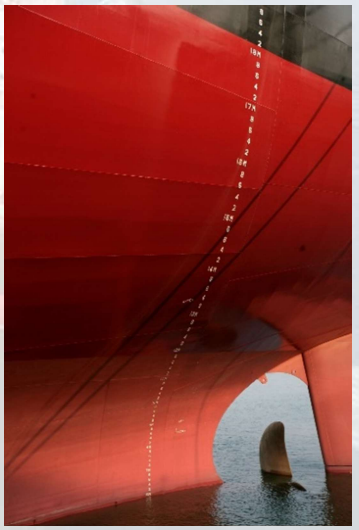
-18% **Global fuel consumption of the world shipping fleet has declined by 18% from 2008 levels, despite a…**

+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 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 (on 19 vessels or 36% of our fleet) + EPLs
- ✓ Real-time fuel consumption analysis to optimize voyages
- ✓ Installing Ballast Water Treatment Systems (32 vessels or 60% of our fleet installed to date)

…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

Working towards reducing emissions and protecting the environment

Environmental | Social | Governance

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

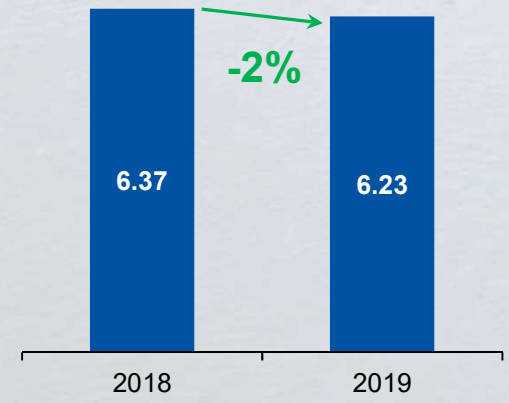
- **841k** CO_2 emissions *(metric tons CO_2)*
- **3.37** Average Efficiency Ratio – *(g CO_2 / dwt x NM)*
- **6.23** Energy Efficiency Operational Indicator *(g CO_2 / t x NM)*

Data presented verified by DNV GL Maritime Advisory

DNV·GL

Energy Efficiency Operational Indicator (EEOI)*

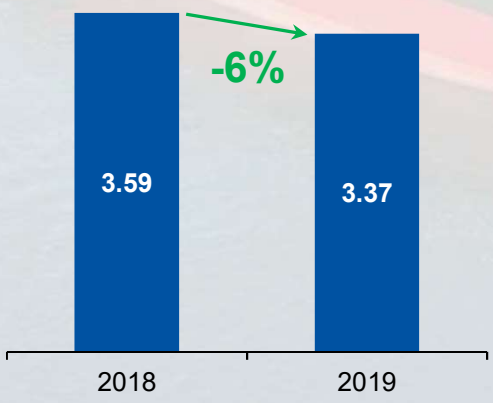
(measured in g CO_2 / t x NM)



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

Average Efficiency Ratio (AER)**

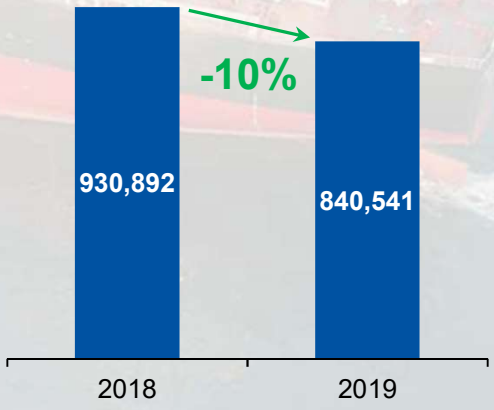
(measured in g CO_2 / dwt x NM)



**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