Genco Shipping & Trading Limited



Company Presentation

NYSE:GNK

April 2021

Forward Looking Statements

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

This release 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 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 (xxii) 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.

Presenters

John C. Wobensmith
Chief Executive Officer

- Over 25 years of experience in the shipping industry
- Significant experience in managing all aspects of a drybulk shipping company including commercial, technical and finance
- Holds CFA designation

Apostolos Zafolias
Chief Financial Officer

- 15 years of experience in the shipping industry
- Significant experience in M&A, commercial bank financing and capital market transactions
- Holds CFA designation

Peter Allen
Senior Vice President, Strategy & Finance

- 13 years of experience in the shipping industry
- Also serves as the Company's drybulk market analyst
- Holds CFA designation



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**
- Our fleet pro forma for vessel sales consists of **40 modern, high quality** drybulk vessels*
- Our large and scalable fleet consists of both **major** and **minor** bulk vessels
- We **transport raw materials** such as iron ore, grain, bauxite, cement, nickel ore, among other commodities
- **NYSE listed** under ticker symbol **GNK**





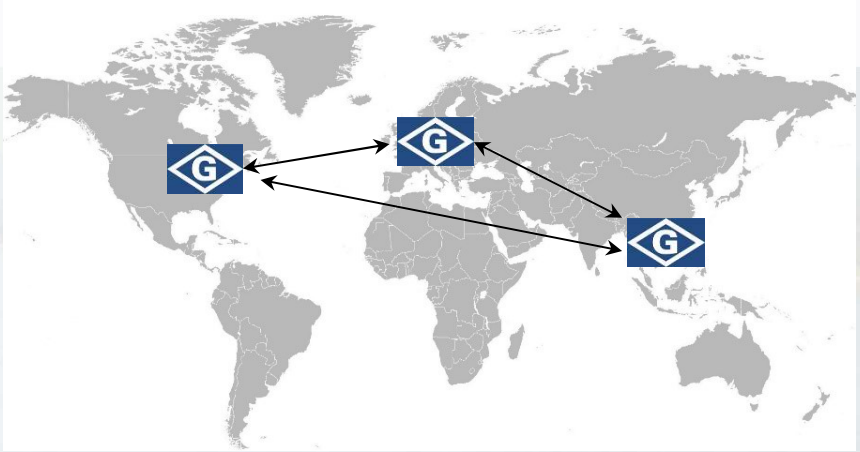


Note: Pro forma fleet is based upon agreed upon vessel sales (Baltic Leopard and Genco Lorraine). Also includes the agreed upon purchase of the Genco Enterprise.

Genco's differentiated approach

Strong financial position

- Cash position: $164.0 million, including $40.5 million of restricted cash related to vessel sales, as of March 31, 2021
- Strongest balance sheet among the peer group together with a simplified and flexible debt structure
- Paid a total of $0.755 per share in dividends over the past 6Q's[1]



Capital allocation strategy focused on…

- Low leverage
- Compelling dividend yield
- Growth through accretive vessel acquisitions

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.

Genco transported 30 mdwt of drybulk commodities in 2020

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

40 *vessels* — **Genco's owned fleet post agreed vessel sales and purchases**

4.4 *mdwt* — **Of cargo carrying capacity**

~400 — **Fixtures booked by our in-house commercial team across 3 global offices**

~20 — **New customers that we conducted business with in 2020**

Commodities carried


Iron ore: 48%


Grains: 15%


Coal: 14%


Cement: 4%


Potash/Fertilizer: 4%


Steel/Pig Iron: 3%

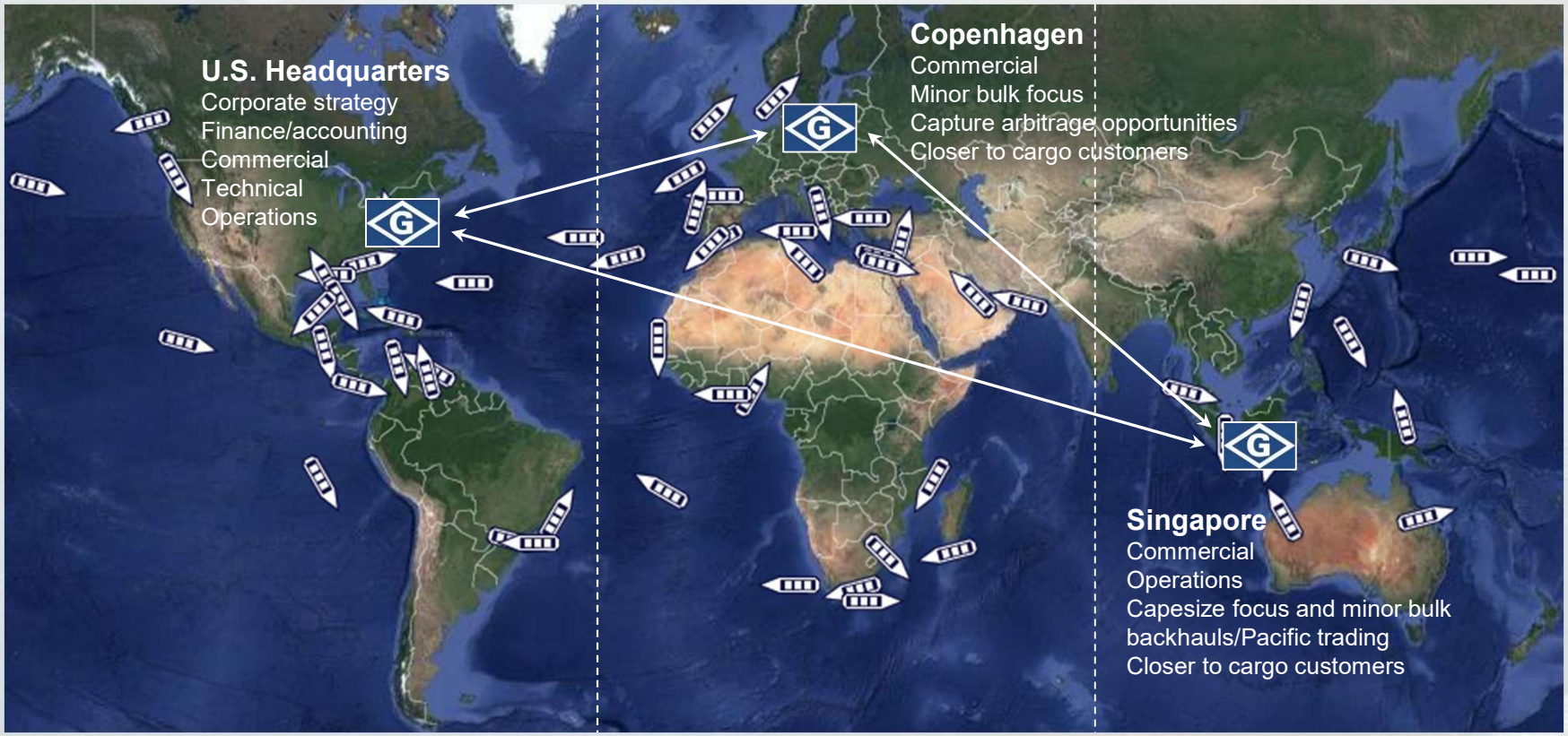

Alumina/Bauxite: 2%


Limestone: 2%


Miscellaneous: 8%

Genco's global footprint – active, real-time commercial management

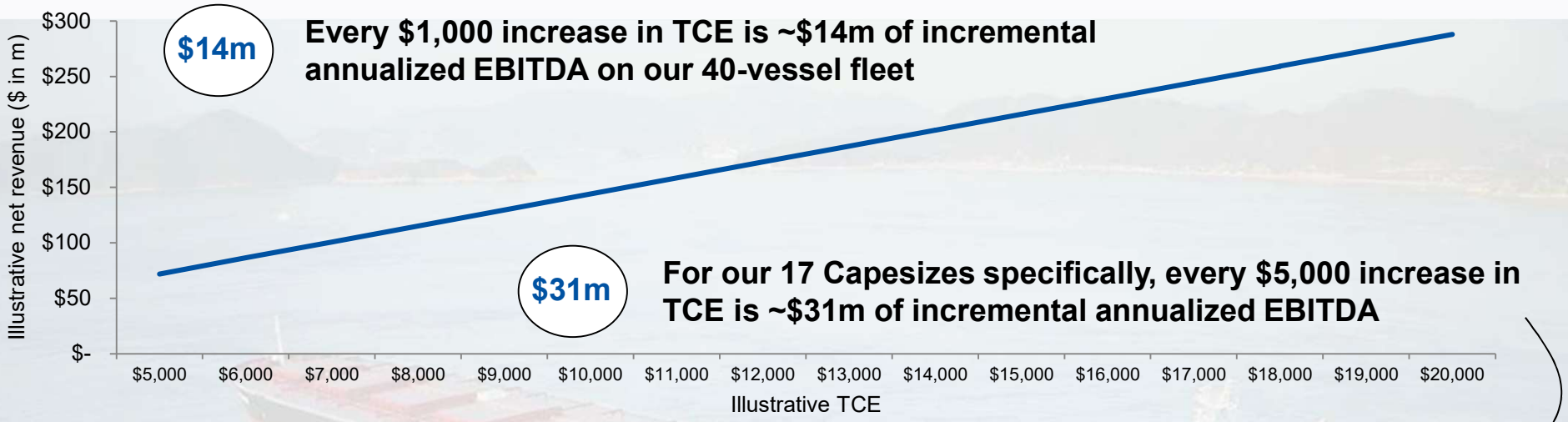
Genco has vessels trading all over the world – our global presence enables us to capture market trends to enhance revenue generation

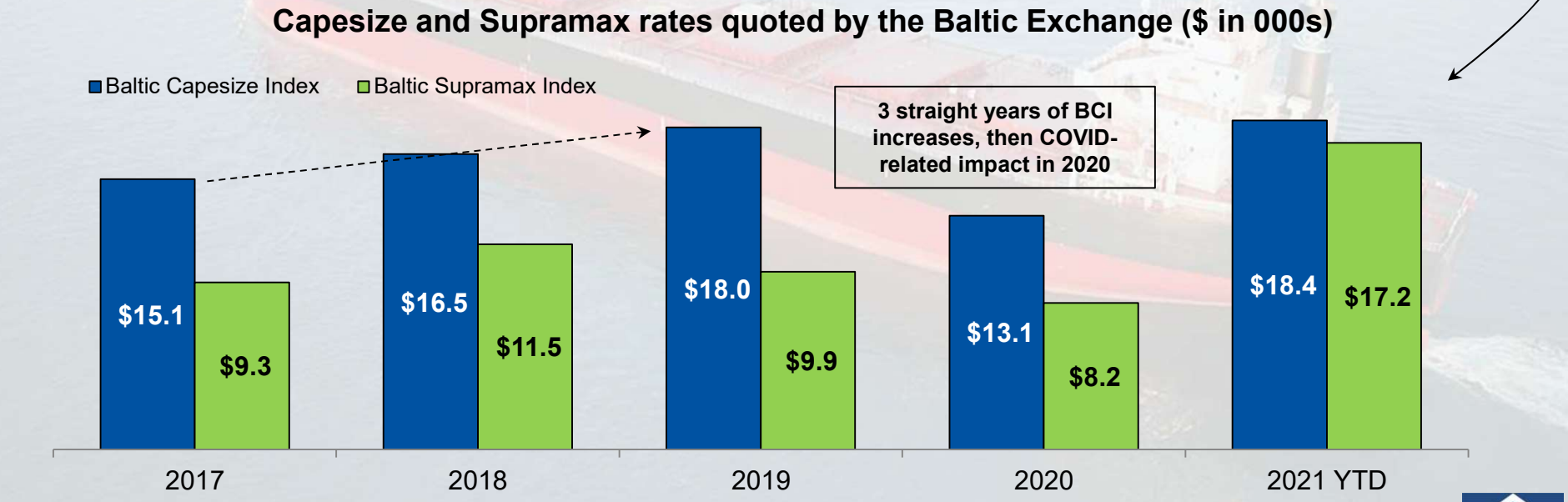


Time difference to US:		**+6 hours**	**+12/13 hours**

Source: VesselsValue.com

Fleet-wide operating leverage





Sources: Clarksons Research Services 2021, Baltic Exchange
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

- We believe large stock sales have contributed to GNK trading at a discount to net asset value
- Total value of GNK shares traded: $738 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 17% 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 April 20, 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.



Comprehensive capital allocation strategy

Genco's new comprehensive value strategy

We have formulated this new corporate strategy utilizing Genco's strong balance sheet and our already low leverage position together with positive drybulk market fundamentals

Objective

- Transform Genco into a low leverage, attractive dividend yield company
- Maintain significant flexibility to grow the fleet
- Target paying a quarterly dividend based on cash flows less a reserve consistently

Strong starting point

- We believe Genco is the best positioned company within its drybulk peer group to accomplish this objective
- Genco's cash and debt balances of approximately $164m and $401m as of March 31, 2021 provide a solid foundation

Roadmap to year-end

- For the balance of 2021, we plan to take advantage of the strong market to continue to pay down debt through a combination of cash flow generation and cash on the balance sheet, while opportunistically growing our fleet utilizing proceeds from previous vessel sales
- We plan to deploy cash towards the acquisition of new assets on a lowly levered basis
- Further debt repayments and a refinancing of our credit facilities will continue to strengthen the Company's balance sheet and reduce cash flow breakeven levels

Timeline

- We are targeting Q4 2021 (payable in Q1 2022) for the first dividend under the new corporate strategy
- We plan to continue to pay the current $0.02/share quarterly dividend, subject to Board approval, in the interim

Our new corporate strategy…

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

Our roadmap to year-end and implementation…

Where we currently stand – March 31, 2021 balances

$164m Cash balance, including restricted cash

$401m Debt outstanding

$237m Net debt

28% 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 estimated from April 2021 and assume the sale of the two remaining agreed upon 53,000 dwt Supramax vessels and are shown for illustrative purposes. Actual results will vary.

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

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

$164m **Cash, including restricted cash, as of March 31, 2021**

$75m **Plan to pay down debt to achieve a cash balance of ~$75m to reduce our cash flow breakeven rate**

2022 illustrative analysis based on cash flow sensitivity

Fleet-wide net TCE - 2022	**$ 15,000**	**$ 17,500**	**$ 20,000**
Net revenue	$ 211	$ 246	$ 281
Vessel operating expenses	(71)	(71)	(71)
G&A (ex-non cash restricted stock)	(20)	(20)	(20)
Technical management fees	(5)	(5)	(5)
Interest exp. (ex-deferred financing costs)	(7)	(6)	(6)
Operating cash flow	$ 107	$ 143	$ 179
Quarterly debt amortization	(21)	(16)	(11)
Drydocking / BWTS capex	(11)	(11)	(11)
Cash flow after debt repayments / drydocking capex	$ 74	$ 116	$ 157
Cash flow distributable as dividends (after reserve)	**$ 46**	**$ 93**	**$ 140**
Illustrative dividend per share	**$ 1.10**	**$ 2.22**	**$ 3.34**

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

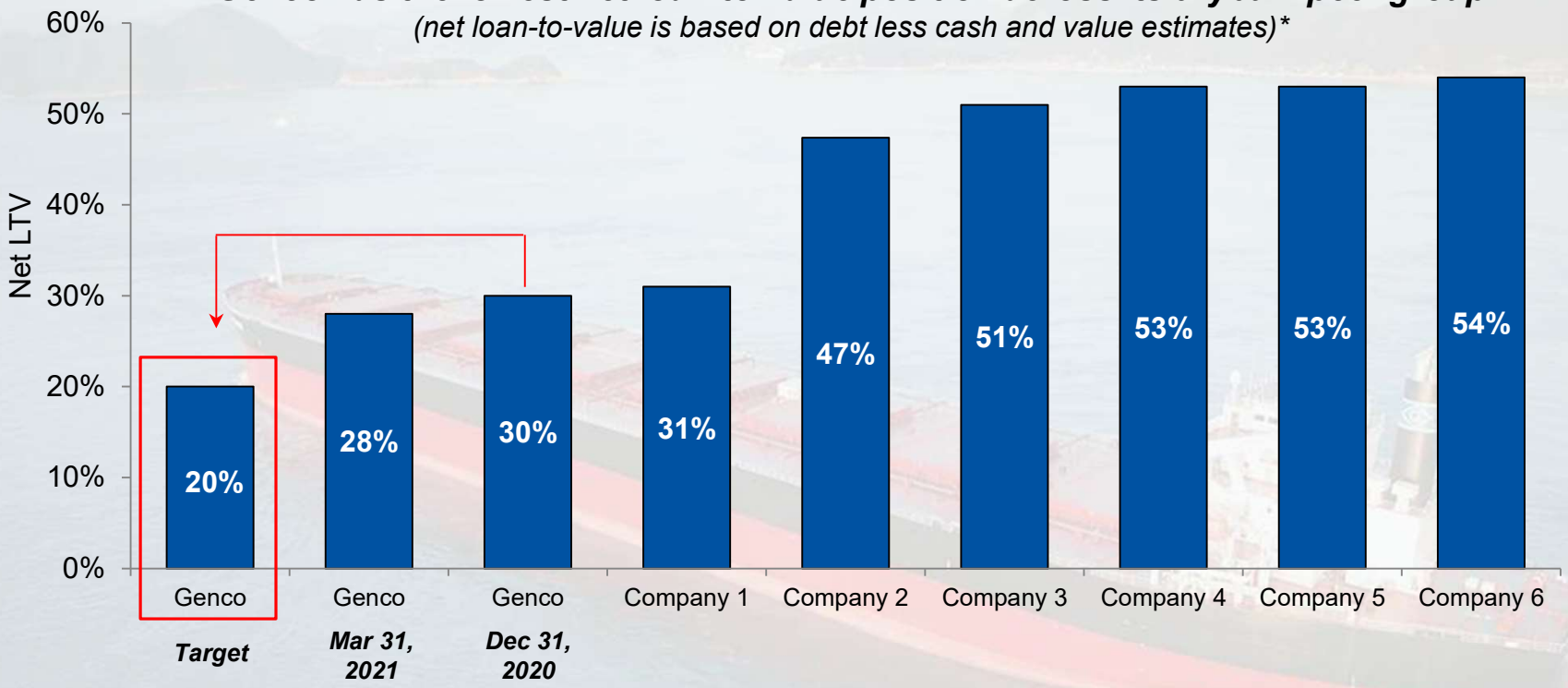
Note: The amounts set forth above are for illustrative purposes only, and actual amounts will vary. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands 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. Accordingly, we are unable to provide, without unreasonable efforts, a reconciliation of TCE to the most comparable financial measure presented in accordance with GAAP.

Genco's low net leverage position is a clear differentiator

Our strong balance sheet uniquely positions Genco relative to the peer group to effectively deliver on the low leverage, attractive dividend yield strategy

Genco has the lowest net loan-to-value position across its drybulk peer group

*(net loan-to-value is based on debt less cash and value estimates)**



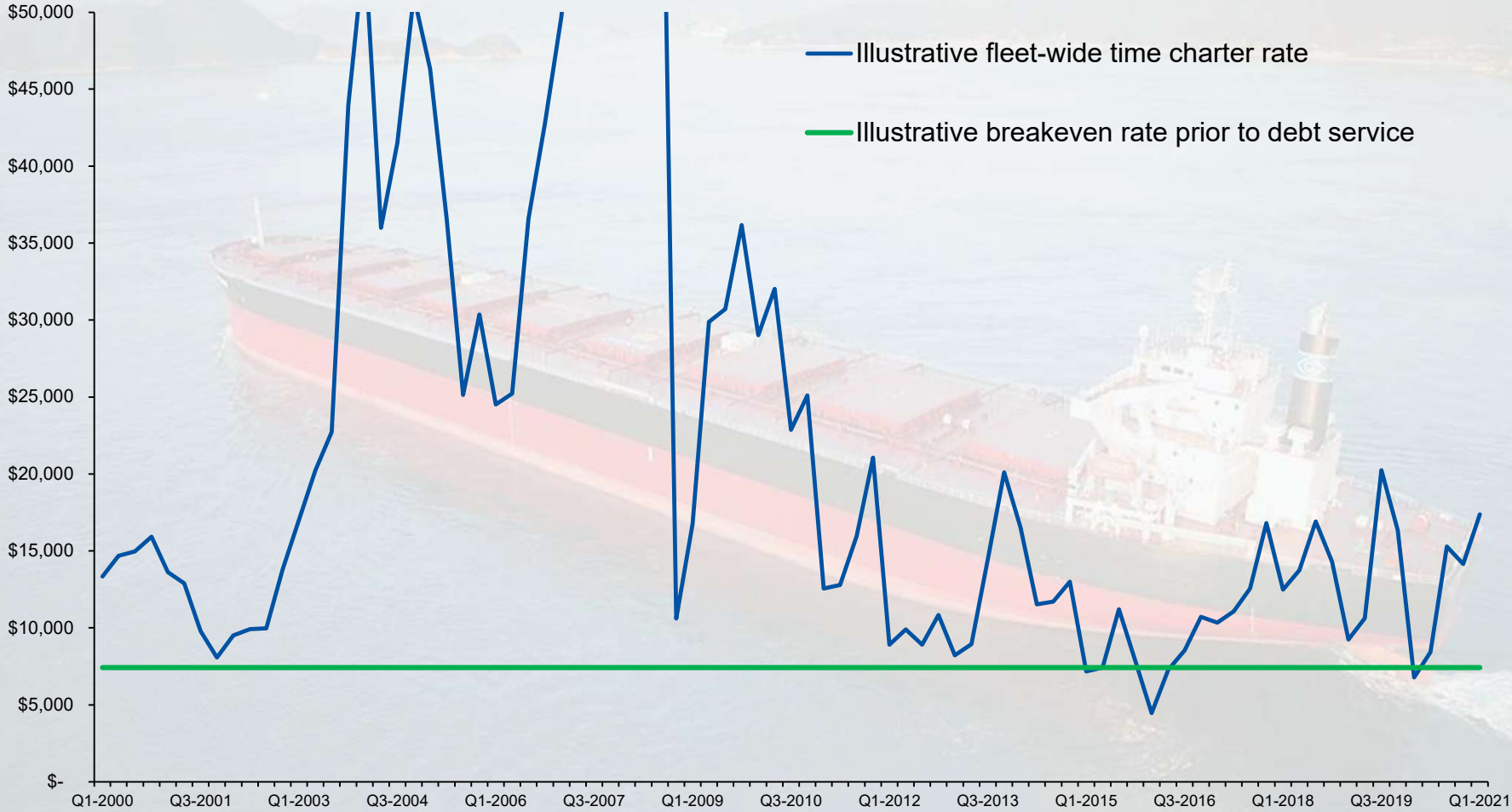
- Our substantial liquidity position + operating cash flow in the current rate environment provide Genco with significant flexibility and optionality to both grow the fleet at an opportunistic point in the cycle as well as further de-lever the balance sheet

Sources: public company filings, VesselsValue.com

*Fleet values are based on VesselsValue.com estimates from April 2021. Cash and debt figures are presented as reported by the above companies as of December 31, 2020 adjusted for vessel sale and purchase activity that has been announced in 2021 to date by the respective companies. Genco's March 31, 2021 figures are pro forma for the two remaining agreed upon vessel sales scheduled to take place in Q2 2021. Actual results will vary.

Breakeven rate prior to debt service is covered…

…in nearly every rate environment over the last two decades, highlighting the importance of the quarter dividend reserve to be targeted off debt and interest payments – a prudent approach to protect the balance sheet during volatile market periods



Assumptions: Illustrative fleet-wide time charter rate is based on the quarterly averages of the Baltic Capesize Index and Baltic Supramax Index since 2000 weighted based on Genco's pro forma fleet composition of 39 vessels. An assumed scrubber premium is included together with a target minor bulk outperformance figure. Illustrative breakeven rate prior to debt service is based on our 2021 expense budgets across a fleet of 39 vessels.

Now is an opportune time to execute this strategy…

…due to Genco's strong financial position and platform + positive market fundamentals

Genco's differentiated position

- Best in class company in the peer group to execute a low leverage + attractive dividend strategy
- Cash position of $164m as of March 31, 2021
- Low existing leverage leads to a strong starting point
- Strong commercial operating platform in place with a track record of benchmark outperformance
- Barbell approach to fleet composition through the ownership of Capesize and Ultramax / Supramax vessels allows for further upside and operating leverage

Drybulk market outlook

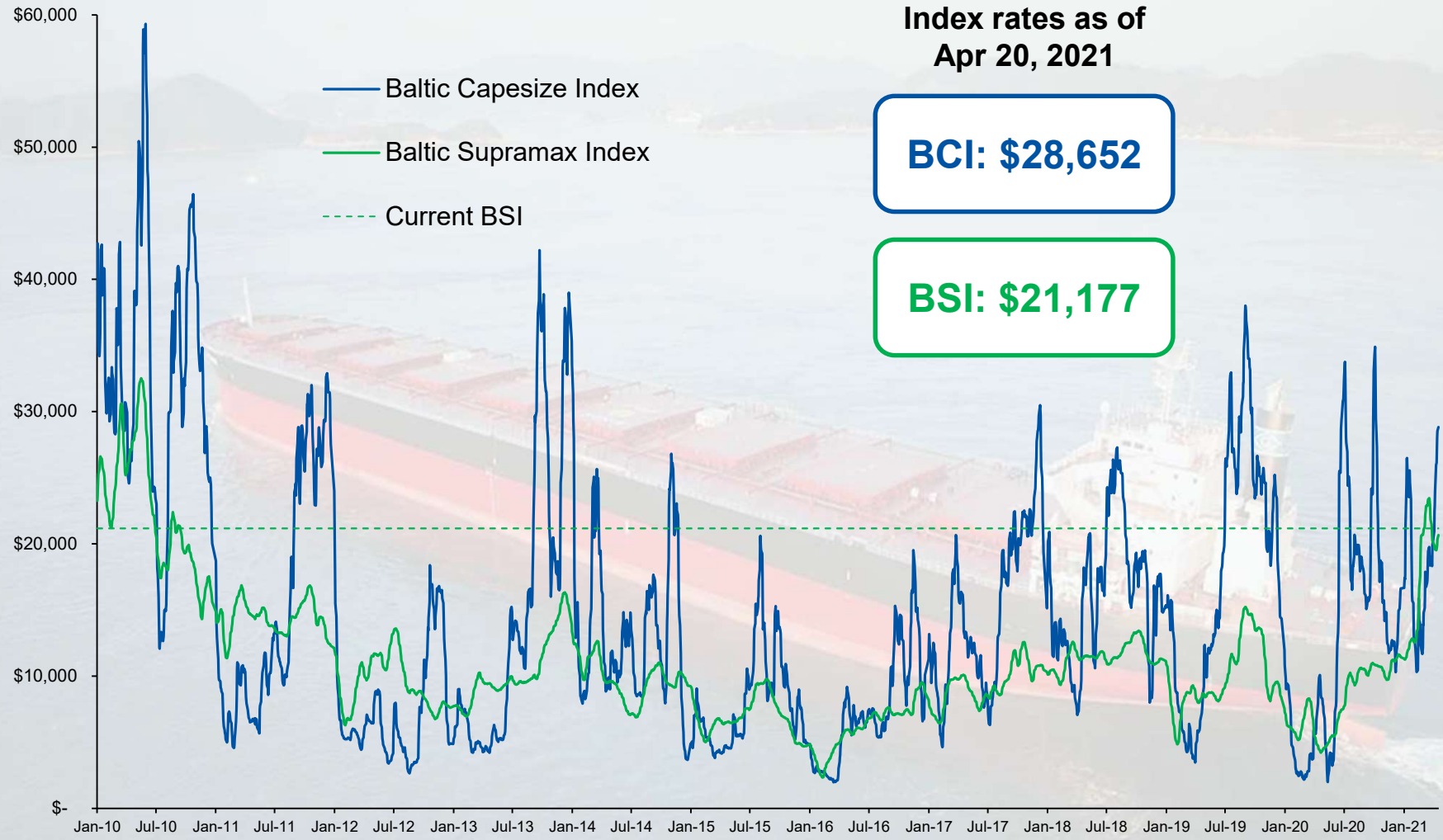
- Record low orderbook as a percentage of the fleet to limit net fleet growth and visibility well into 2023
- Unprecedented levels of global stimulus
- Global GDP forecast to rise by 6% in 2021
- China's economy leads while the rest of the world continues economic improvement
- Recovery and growth of Brazilian iron ore exports
- India's coal imports and steel production to continue their rebound



Market update and industry overview

Freight rates have started 2021 off strong…

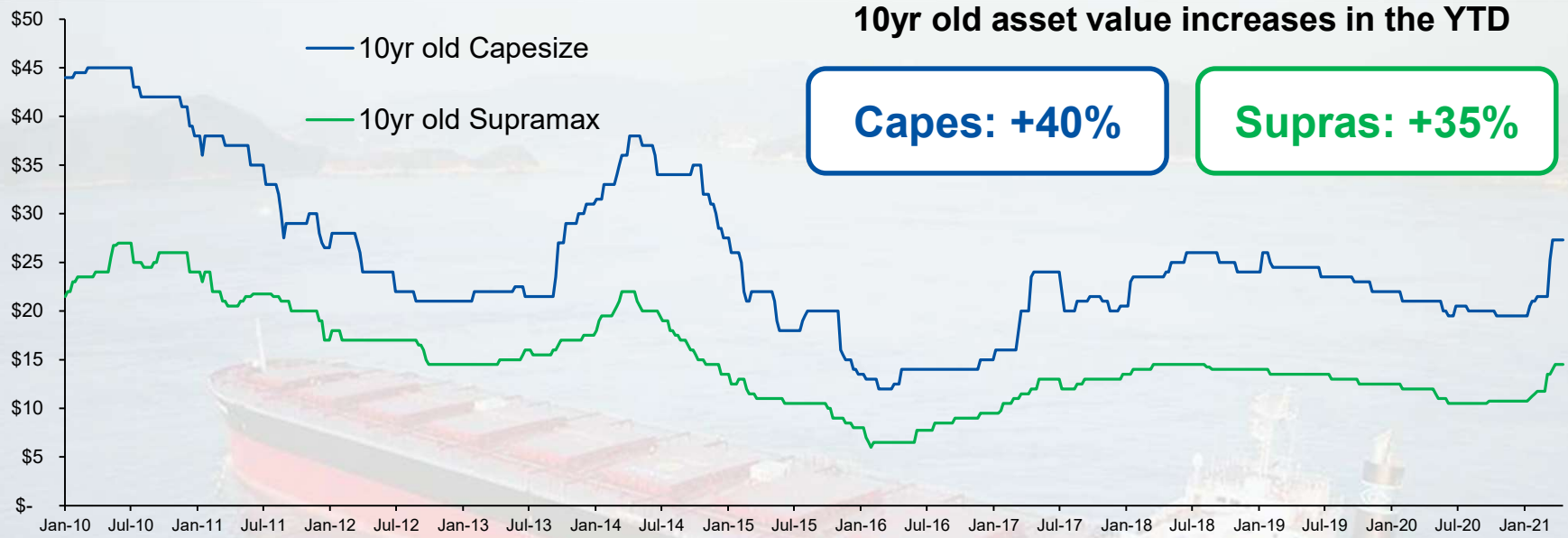
…with the BSI at ~$20,000 for the first time since 2010 and the BCI recording its best Q1 since 2014



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: +40%

Supras: +35%

- 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)
Jul-10	$ 21,293	$ 27.00
Apr-21	$ 21,177	$ 14.50
% Variance	**1%**	**86%**

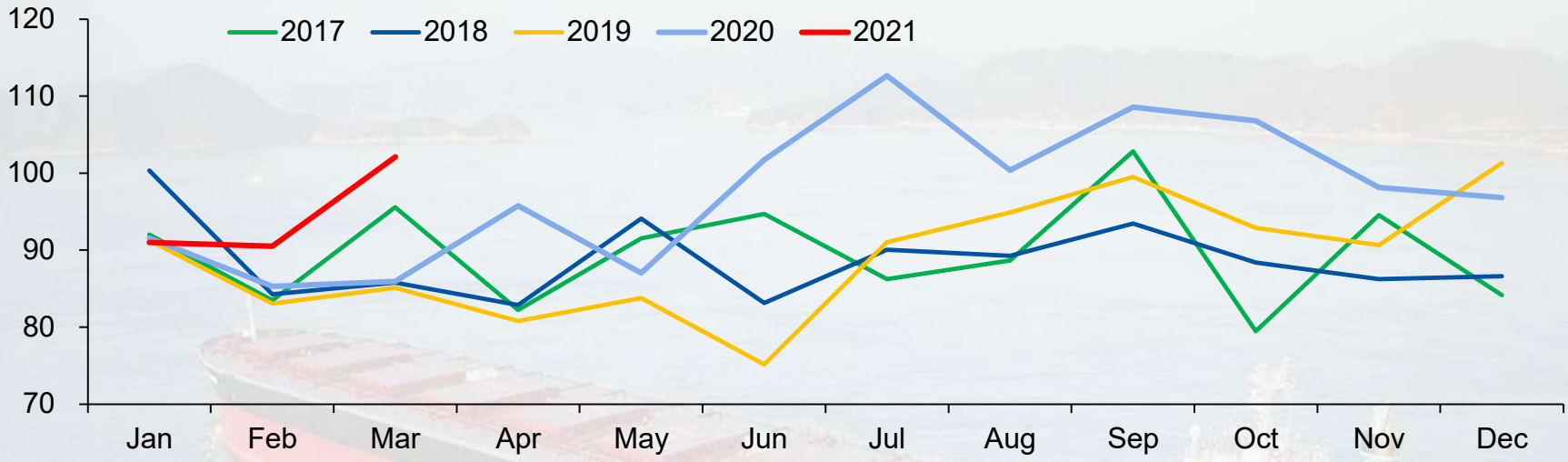
>20%

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

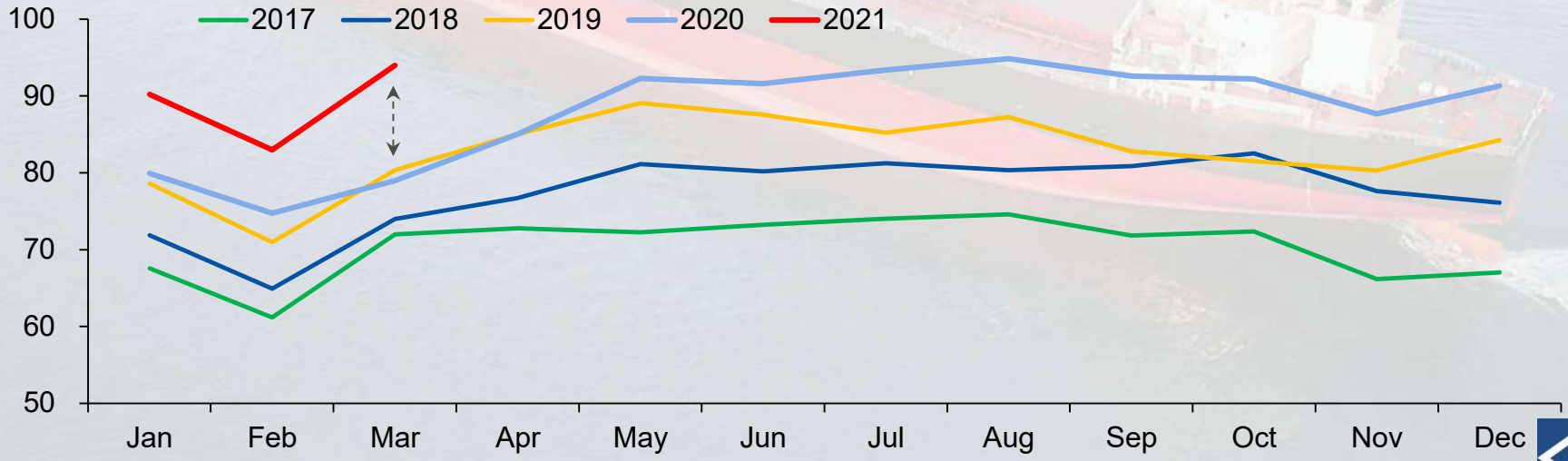
Source: Clarksons Research Services Limited 2021

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



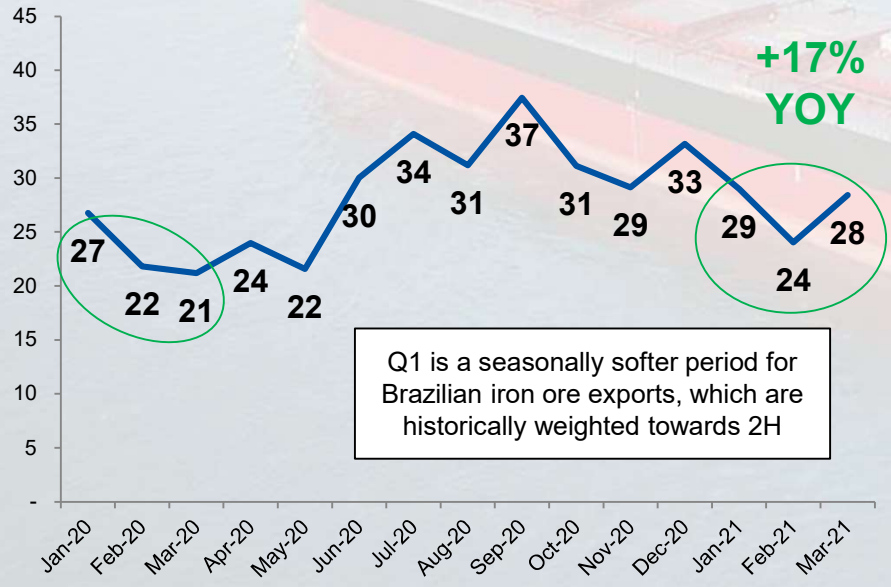
Source: Clarksons Research Services Limited 2021, World Steel

Brazilian iron ore exports have recovered…

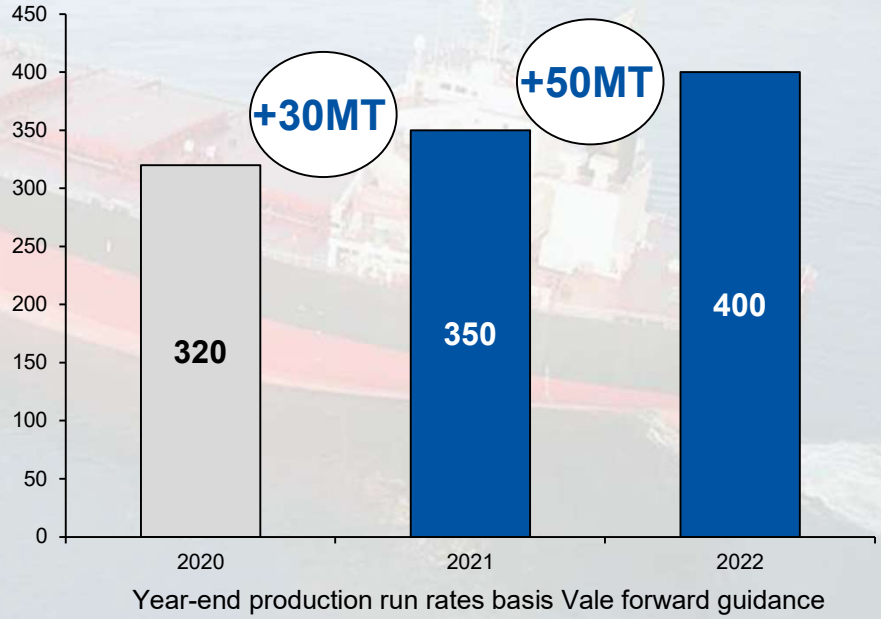
…following poor weather conditions and operational challenges that disrupted production and shipments during most of 1H 2020

- 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

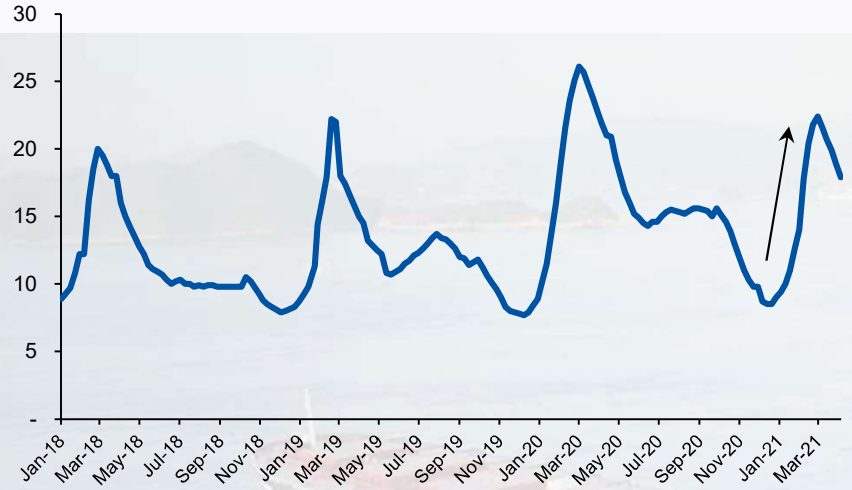


Year-end production run rates basis Vale forward guidance

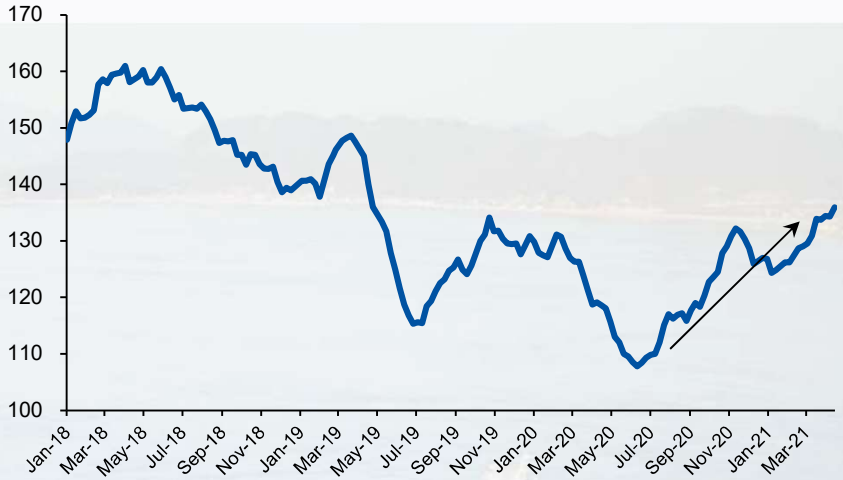
Source: Clarksons Research Services Limited 2021, Vale

Inventory levels for key major bulk trades

China's steel inventories

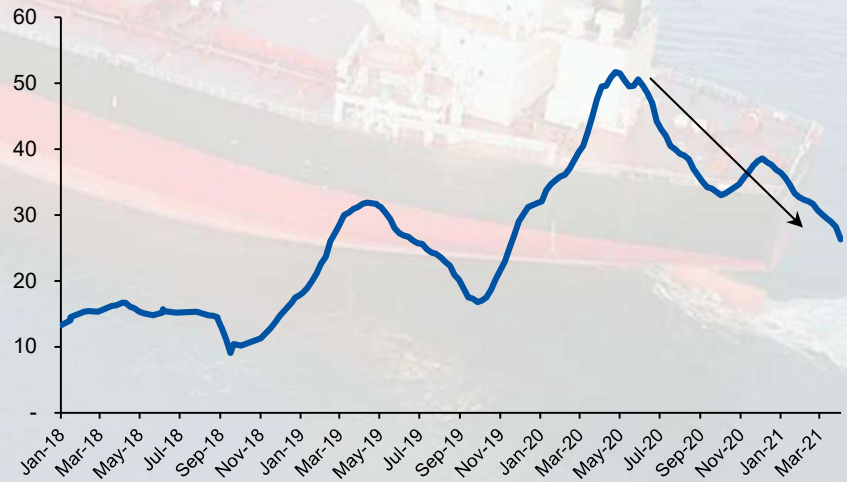


China's iron ore port inventories



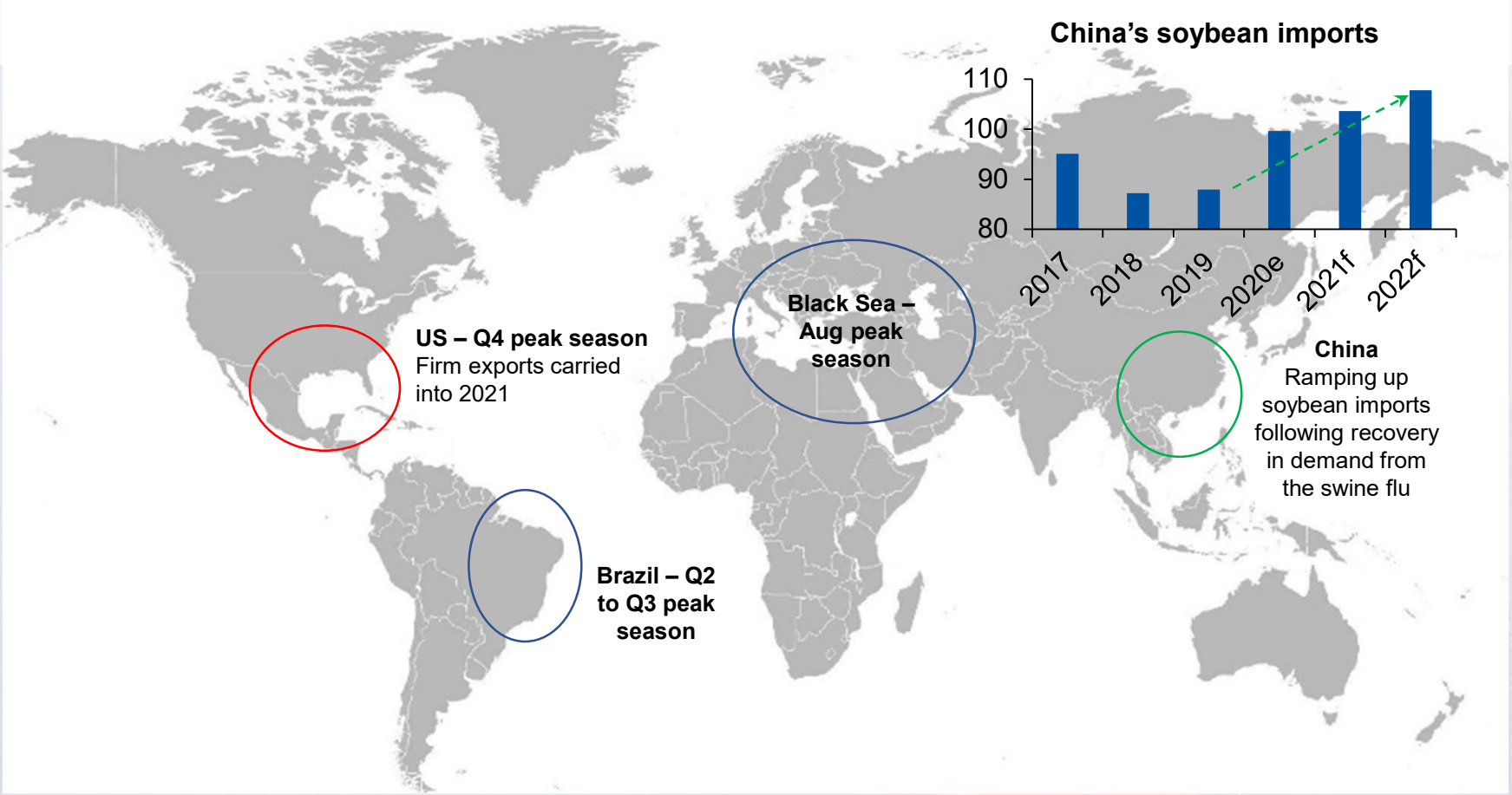
- China's steel inventories experienced seasonal restocking in Q1, but have now seen multiple weeks of drawn downs
- China's iron ore port inventories have increased off mid-2020 lows, but remain well below the multi-year highs seen in 2018
- India's coal powerplant stockpiles have continued to decline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

India's coal powerplant stockpiles



Source: Commodore Research

Strong grain trade + improvement in other minor bulk trades



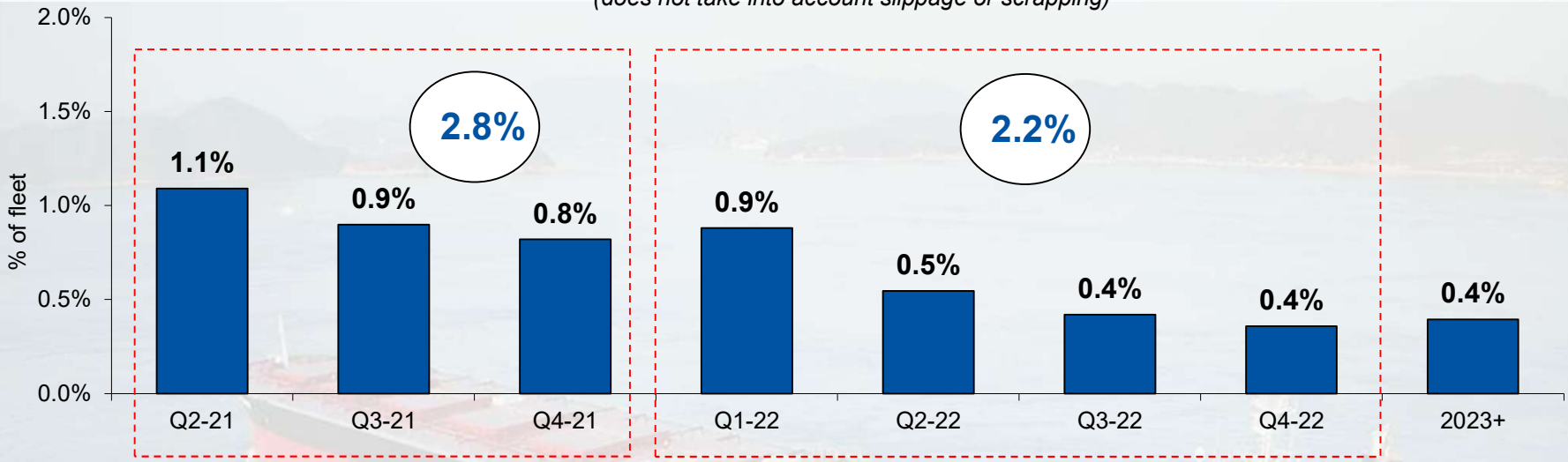
- **Minor bulk trades** are expected to further improved in 2021 given IMF's forecast of 6% global GDP growth
- **Grain trade** has been resilient as China recovers from the swine fever outbreak in 2019 + strong Brazil crop
- Large scale purchases of US agricultural products have been made by China in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

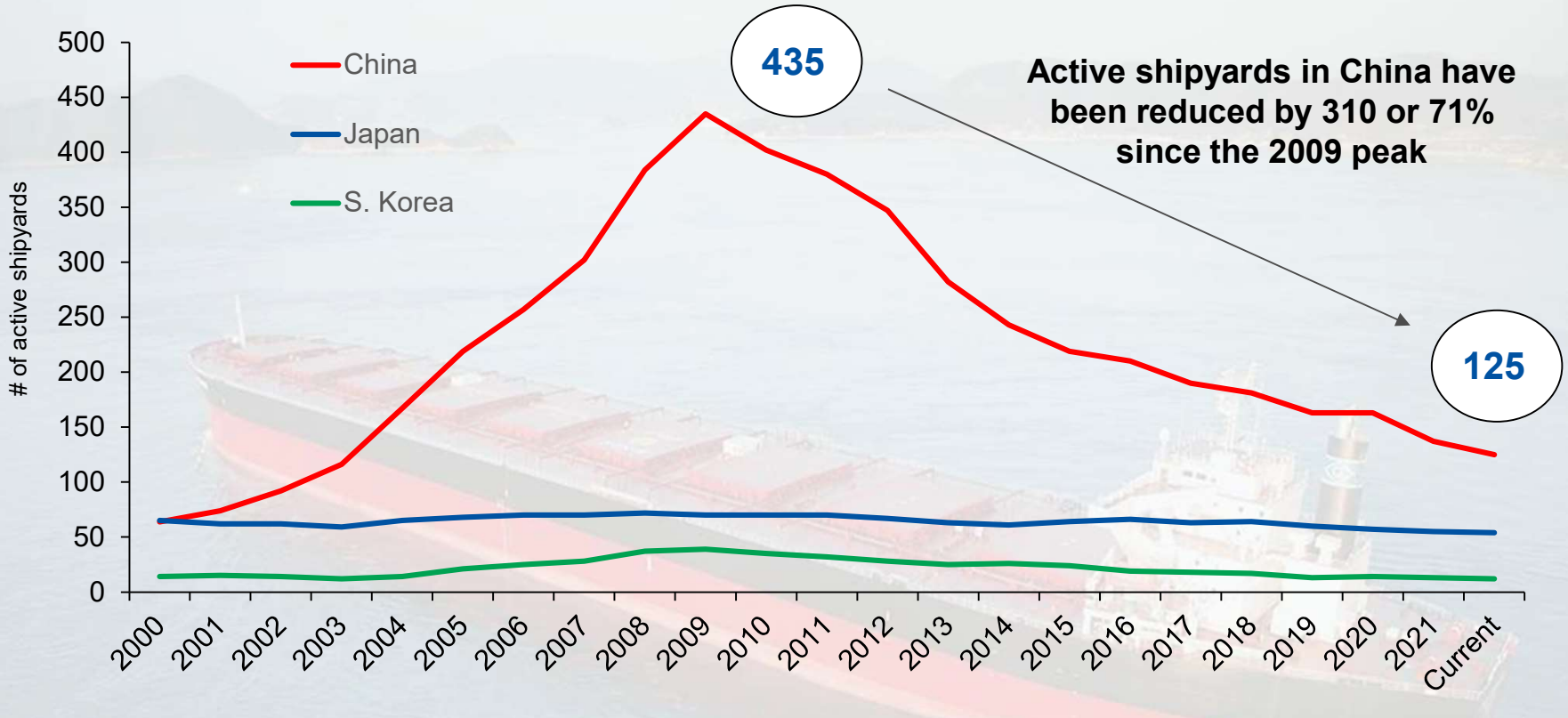


- Orderbook as a % of the total drybulk fleet is currently 6%
- 6% of the fleet that is 20 years or older and 16% of the fleet 15 years or older
- 9% of the Capesize fleet is 15 years or older compared to 6% on order
- From 2022 onwards, the orderbook is 2.6% of the fleet
- N/B ordering in 2020 was the lowest total since 2016 at just 16mdwt - since 2015, average ordering has been 29mdwt per year

Source: Clarksons Research Services Limited 2021

Active shipyards per country

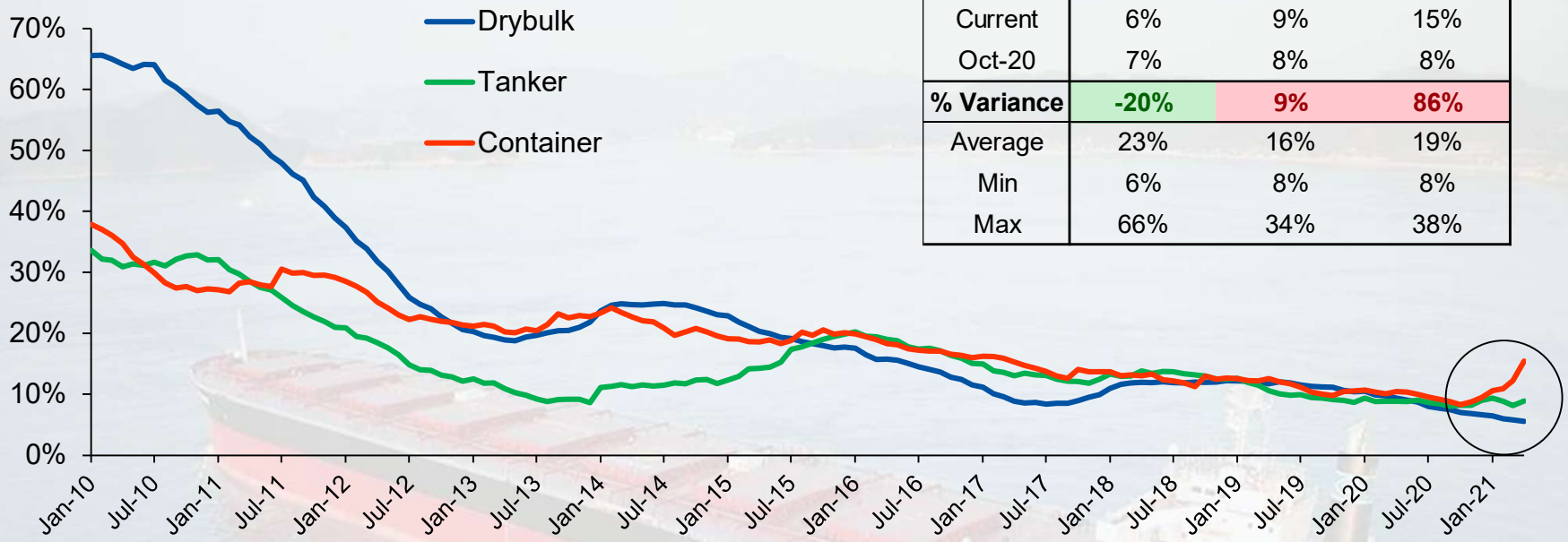
of active shipyards across the three largest shipbuilding countries



- Japan's # of shipyards has declined at a much lower rate (-23%) vs China's (-71%) since the 2009 peak
- The two main builders of drybulk vessels are China and Japan as S. Korea has focused on other sectors
- In 2007, 259 shipyards received an order vs just 37 in 2020

Source: Clarksons Research Services Limited 2021

Global ordering trends focusing on containerships



	Drybulk	Tanker	Container
Current	6%	9%	15%
Oct-20	7%	8%	8%
% Variance	**-20%**	**9%**	**86%**
Average	23%	16%	19%
Min	6%	8%	8%
Max	66%	34%	38%

- Global newbuild ordering has been focused on the containership sector
  - Orderbook has increased to over 15% of the fleet from 8% in Oct 2020 – nearly doubling
- Order volumes have increased significantly in the containership sector in recent months, where extremely firm market conditions have supported a surge in newbuild contracts
- Availability remains tight for newbuilding slots with new orders likely to be set for 2023 delivery

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 ROW 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



Conclusion

Genco is attractively positioned to capture market upside

Leadership	■ Experienced US-based management team
Drybulk Market	■ Demand and supply dynamics forecast to improve in 2021
Capital Structure	■ Strong balance sheet + meaningful cash position + new value strategy
Fleet Modernization	■ Opportunistically divested of older, less fuel-efficient assets and expanded in Ultramax sector
Commercial Platform	■ Active management through global commercial platform and full-service logistics solution
Genco's Fleet	■ Barbell approach to fleet composition



Appendix

Assumptions to illustrative cash flow sensitivity

- **Fleet size:** Based on a fleet of 39 vessels pro forma for the agreed upon sale of two 53,000 dwt Supramaxes.
- **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. The same TCE rates used in the three columns presented for 2022 are used for the equivalent Q2 to Q4 2021 period.
- **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 $9.9m 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 following the sale of our two remaining 53,000 dwt Supramaxes. 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 $11m to $21m. 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	$ 211	$ 246	$ 281
Vessel operating expenses	(71)	(71)	(71)
General & administrative expenses	(20)	(20)	(20)
Technical management fees	(5)	(5)	(5)
Interest expense	(7)	(6)	(6)
Operating cash flow	**$ 107**	**$ 143**	**$ 179**

Adjustment to GAAP measure
$ -
-
(2)
-
(4)

Illustrative net income equivalent figures		
$ 211	$ 246	$ 281
(71)	(71)	(71)
(22)	(22)	(22)
(5)	(5)	(5)
(11)	(10)	(10)

Fourth Quarter Earnings

	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
	(Dollars in thousands, except share and per share data) (unaudited)		(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:				
Revenues:				
Voyage revenues	$ 95,495	$ 108,705	$ 355,560	$ 389,496
Total revenues	95,495	108,705	355,560	389,496
Operating expenses:				
Voyage expenses	33,435	45,254	156,985	173,043
Vessel operating expenses	21,088	23,949	87,420	96,209
Charter hire expenses	4,780	3,436	10,307	16,179
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $0.6 million, $2.0 million and $2.1 million, respectively)	4,912	6,263	21,266	24,516
Technical management fees	1,645	1,857	6,961	7,567
Depreciation and amortization	15,549	18,292	65,168	72,824
Impairment of vessel assets	74,225	1,315	208,935	27,393
Loss on sale of vessels	1,012	779	1,855	168
Total operating expenses	156,646	101,145	558,897	417,899
Operating (loss) income	(61,151)	7,560	(203,337)	(28,403)
Other (expense) income:				
Other income (expense)	49	(22)	(851)	501
Interest income	79	803	1,028	4,095
Interest expense	(4,898)	(7,459)	(22,413)	(31,955)
Impairment of right-of-use asset	-	-	-	(223)
Other expense	(4,770)	(6,678)	(22,236)	(27,582)
Net (loss) income	$ (65,921)	$ 882	$ (225,573)	$ (55,985)
Net (loss) earnings per share - basic	$ (1.57)	$ 0.02	$ (5.38)	$ (1.34)
Net (loss) earnings per share - diluted	$ (1.57)	$ 0.02	$ (5.38)	$ (1.34)
Weighted average common shares outstanding - basic	41,933,926	41,832,942	41,907,597	41,762,893
Weighted average common shares outstanding - diluted	41,933,926	41,989,553	41,907,597	41,762,893

December 31, 2020 Balance Sheet

	December 31, 2020	December 31, 2019
	(Dollars in thousands)	
	(unaudited)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 179,679	$ 162,249
Current assets	247,202	223,195
Total assets	1,232,809	1,528,892
Current liabilities (excluding current portion of long-term debt)	32,979	57,908
Current portion of long-term debt	80,642	69,747
Long-term debt (net of $9.7 million and $13.1 million of unamortized debt issuance costs at December 31, 2020 and December 31, 2019, respectively)	358,933	412,983
Shareholders' equity	744,994	978,428

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Dollars in thousands)		(Dollars in thousands)	
	(unaudited)		(unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by operating activities	N/A		$ 36,896	$ 59,526
Net cash provided by (used in) investing activities			37,439	(22,849)
Net cash used in financing activities			(56,905)	(77,189)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net (loss) income	$ (65,921)	$ 882	$ (225,573)	$ (55,985)
+ Net interest expense	4,819	6,656	21,385	27,860
+ Depreciation and amortization	15,549	18,292	65,168	72,824
EBITDA[(1)]	$ (45,553)	$ 25,830	$ (139,020)	$ 44,699
+ Impairment of vessel assets	74,225	1,315	208,935	27,393
+ Impairment of right-of-use asset	-	-	-	223
+ Loss on sale of vessels	1,012	779	1,855	168
Adjusted EBITDA	$ 29,684	$ 27,924	$ 71,770	$ 72,483

(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		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(unaudited)		(unaudited)	
FLEET DATA:				
Total number of vessels at end of period	47	55	47	55
Average number of vessels (1)	48.5	56.1	51.8	57.6
Total ownership days for fleet (2)	4,462	5,161	18,957	21,023
Total chartered-in days (3)	400	255	1,216	1,326
Total available days (4)	4,751	5,011	19,636	20,995
Total available days for owned fleet (5)	4,350	4,756	18,420	19,669
Total operating days for fleet (6)	4,637	4,864	19,204	20,589
Fleet utilization (7)	96.8%	96.4%	97.1%	97.5%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 13,167	$ 12,619	$ 10,221	$ 10,182
Daily vessel operating expenses per vessel (9)	4,726	4,640	4,612	4,576

(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.

Time Charter Equivalent Reconciliation[1]

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 95,495	$ 108,705	$ 355,560	$ 389,496
Voyage expenses (in thousands)	33,435	45,254	156,985	173,043
Charter hire expenses (in thousands)	4,780	3,436	10,307	16,179
	57,280	60,015	188,268	200,274
Total available days for owned fleet	4,350	4,756	18,420	19,669
Total TCE rate	$ 13,167	$ 12,619	$ 10,221	$ 10,182

	Three Months Ended		
	March 31, 2020	June 30, 2020	September 30, 2020
	(unaudited)		
Total Fleet			
Voyage revenues (in thousands)	$ 98,336	$ 74,206	$ 87,524
Voyage expenses (in thousands)	48,368	41,695	33,487
Charter hire expenses (in thousands)	3,075	1,432	1,020
	46,893	31,079	53,017
Total available days for owned fleet	4,807	4,643	4,628
Total TCE rate	$ 9,755	$ 6,693	$ 11,456

(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.

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*





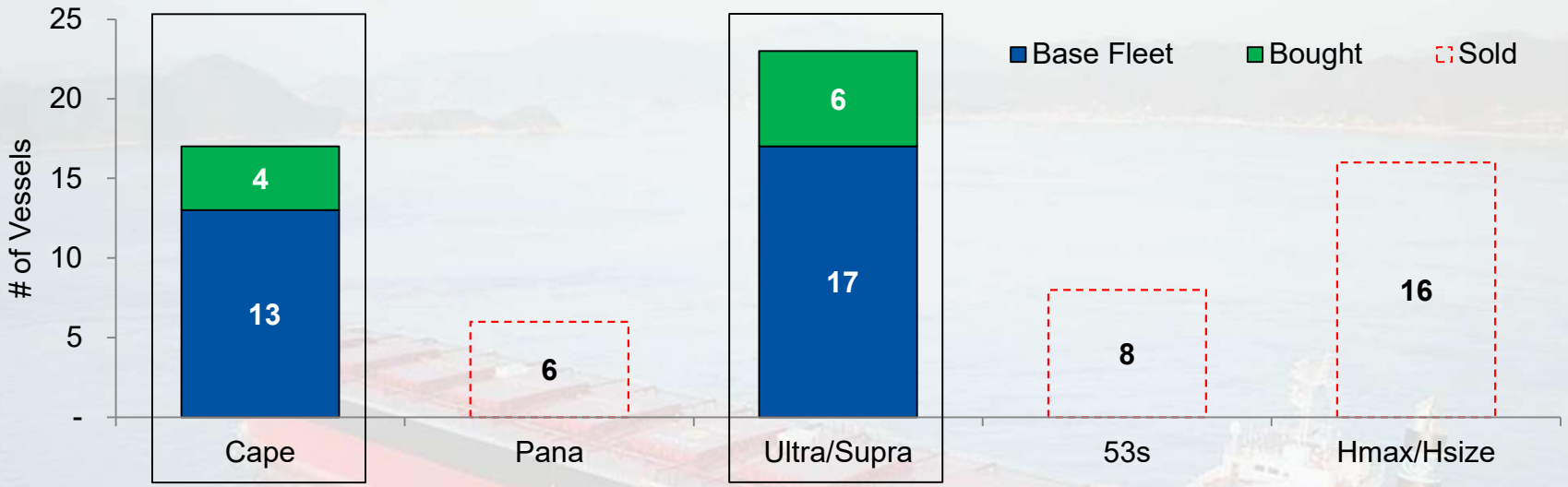


Note: Pro forma fleet is based upon agreed upon vessel sales (Baltic Leopard and Genco Lorraine). Also includes the agreed upon purchase of the Genco Enterprise.

Fleet renewal program: divestiture portion complete

Genco's pro forma fleet composition

(based on sale and purchase activity from 2018 to date)



- **Fleet composition strategy:** "barbell" approach to fleet composition concentrated on the ownership of Capesize and Ultramax/Supramax vessels
- **Completed vessel swap transaction:** acquired 3 modern, eco Ultramaxes in exchange for 6 older, non-core Handysize vessels – grew in the core Ultramax sector while completing our exit of Handysizes
- **Expand in the Ultramax sector** – looking to further expand in the Ultramax sector utilizing proceeds from recent minor bulk vessel sales

Note: Pro forma fleet is based upon agreed upon vessel sales (Baltic Leopard and Genco Lorraine). Also includes the agreed upon purchase of the Genco Enterprise.

3-year track record of Ultra/Supra benchmark outperformance

Ultra / Supra TCE outperformance - incremental TCE per day



- Genco's minor bulk fleet is fully concentrated on Ultramax and Supramax vessels following recent vessel sales of non-core assets
- TCEs for 2018, 2019 and 2020 for the Ultramax and Supramax sectors were: $10,786, $9,408 and $8,515, respectively

*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 (BSI 58) 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.


Thank you