Genco Shipping & Trading Limited



Stifel 2022 Virtual Transportation & Logistics Conference

NYSE:GNK

February 2022

Forward Looking Statements

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

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as “anticipate,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on our management’s current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance, general and administrative expenses, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company’s acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete maintenance, repairs, and installation of equipment to comply with applicable regulations on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and freight and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the relative cost and availability of low sulfur and high sulfur fuel, worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020 and our ability to realize the economic benefits or recover the cost of the scrubbers we have installed.; (xix) our financial results for the year ending December 31, 2021 and other factors relating to determination of the tax treatment of dividends we have declared; (xx) the financial results we achieve for each quarter that apply to the formula under our new dividend policy, including without limitation the actual amounts earned by our vessels and the amounts of various expenses we incur, as a significant decrease in such earnings or a significant increase in such expenses may affect our ability to carry out our new value strategy; (xxi) the exercise of the discretion of our Board regarding the declaration of dividends, including without limitation the amount that our Board determines to set aside for reserves under our dividend policy; (xxii) the duration and impact of the COVID-19 novel coronavirus epidemic, which may negatively affect general global and regional economic conditions; our ability to charter our vessels at all and the rates at which are able to do so; our ability to call on or depart from ports on a timely basis or at all; our ability to crew, maintain, and repair our vessels, including without limitation the impact diversion of our vessels to perform crew rotations may have on our revenues, expenses, and ability to consummate vessel sales, expense and disruption to our operations that may arise from the inability to rotate crews on schedule, and delay and added expense we may incur in rotating crews in the current environment; our ability to staff and maintain our headquarters and administrative operations; sources of cash and liquidity; our ability to sell vessels in the secondary market, including without limitation the compliance of purchasers and us with the terms of vessel sale contracts, and the prices at which vessels are sold; and other factors relevant to our business described from time to time in our filings with the Securities and Exchange Commission; and (xxiv) other factors listed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent reports on Form 8-K and Form 10-Q. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Presenters

John C. Wobensmith
Chief Executive Officer

- Over 25 years of experience in the shipping industry
- Strong background 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, S&P, 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
- Focused on the **global transportation of commodities** providing a full-service logistics solution to our customers
- We **transport raw materials** such as iron ore, grain, bauxite, cement, nickel ore across world-wide shipping routes
- We are headquartered in **New York** with global offices in **Singapore** and **Copenhagen**
- Our fleet consists of **44 modern, high quality** drybulk vessels
- Our large and scalable fleet consists of both **major** and **minor** bulk vessels – direct exposure to all drybulk commodities
- Transparent US filer with no related party transactions – **rated #1** in the Webber Research **2021 ESG scorecard**
- **NYSE listed** under ticker symbol **GNK**







Current drybulk market snapshot

Drybulk market catalysts

1. Historically low orderbook as a percentage of the fleet to limit net fleet growth
2. Strong 2022 and 2023 global GDP growth forecast
3. China to potentially shift to more accommodative policies to defend economic growth targets in 2022
4. ROW continues economic improvement
5. Recovery and growth of Brazilian iron ore exports

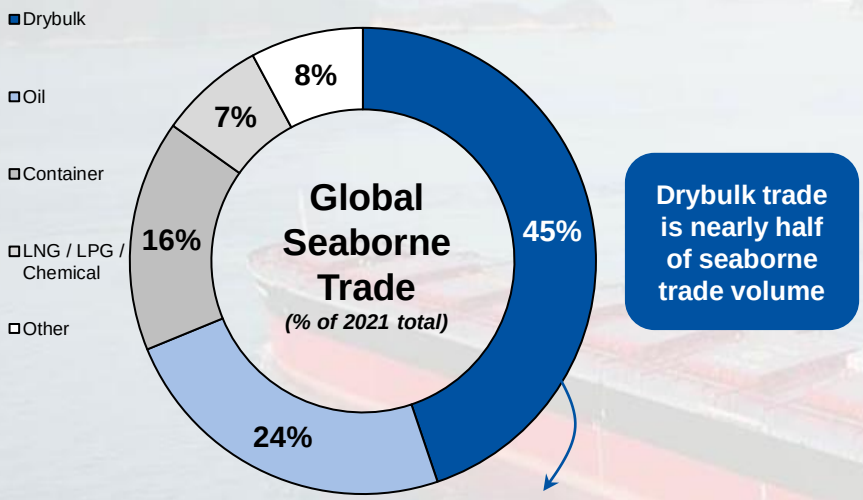
Current drybulk market Q1 seasonality

1. Weather related cargo disruptions in Brazil and Australia
2. Frontloaded nature of drybulk orderbook
3. Timing of the Lunar New Year in China + Beijing Olympics
4. Temporary Indonesian coal export ban in January

Genco transported 25 mdwt of drybulk commodities in 2021

We employ a diversified asset base consisting of the larger Capesize vessels and medium sized Ultramax / Supramax vessels enabling us to carry a wide range of cargoes worldwide providing a full-service logistics solution to customers through our in-house commercial operating platform

~90% of global trade is carried by the international shipping industry



Drybulk trade is nearly half of seaborne trade volume

Commodity	% of drybulk trade	Primary use
Iron ore	30%	Steel production
Met / thermal coal	17%	Steel production + power generation
Grain	14%	Human consumption + feed livestock
Minor bulks	39%	Various uses, linked to global GDP growth

Genco's commodities carried

- Iron ore: 51%
- Met / thermal coal: 15%
- Grains: 12%
- Cement: 6%
- Potash/Fertilizer: 5%
- Steel/Pig Iron: 2%
- Alumina/Bauxite: 2%
- Limestone: 1%
- Miscellaneous: 7%

Genco's "barbell" approach to fleet composition…

…combines upside potential of Capesize vessels with the more stable earnings stream of minor bulk vessels

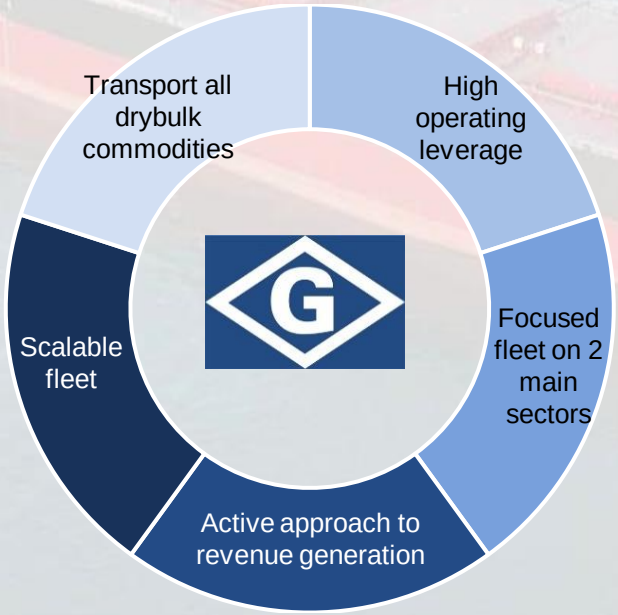
Major bulk Capesize

17 vessels



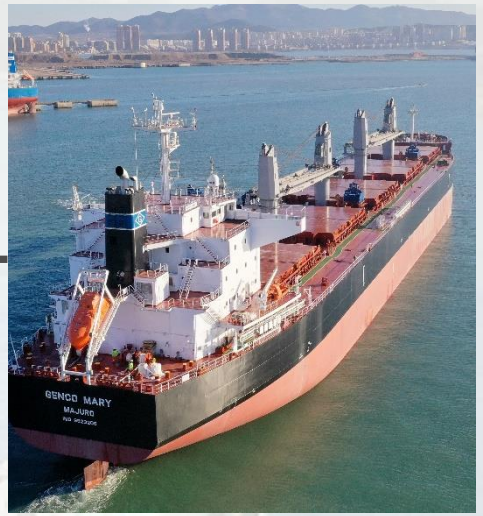
- Higher industry beta leading to greater upside potential
- Focused on iron ore trade
- Driven by world-wide steel production

These two sectors provide complementary characteristics ideal for Genco's value strategy…



Minor bulk Ultra/Supra

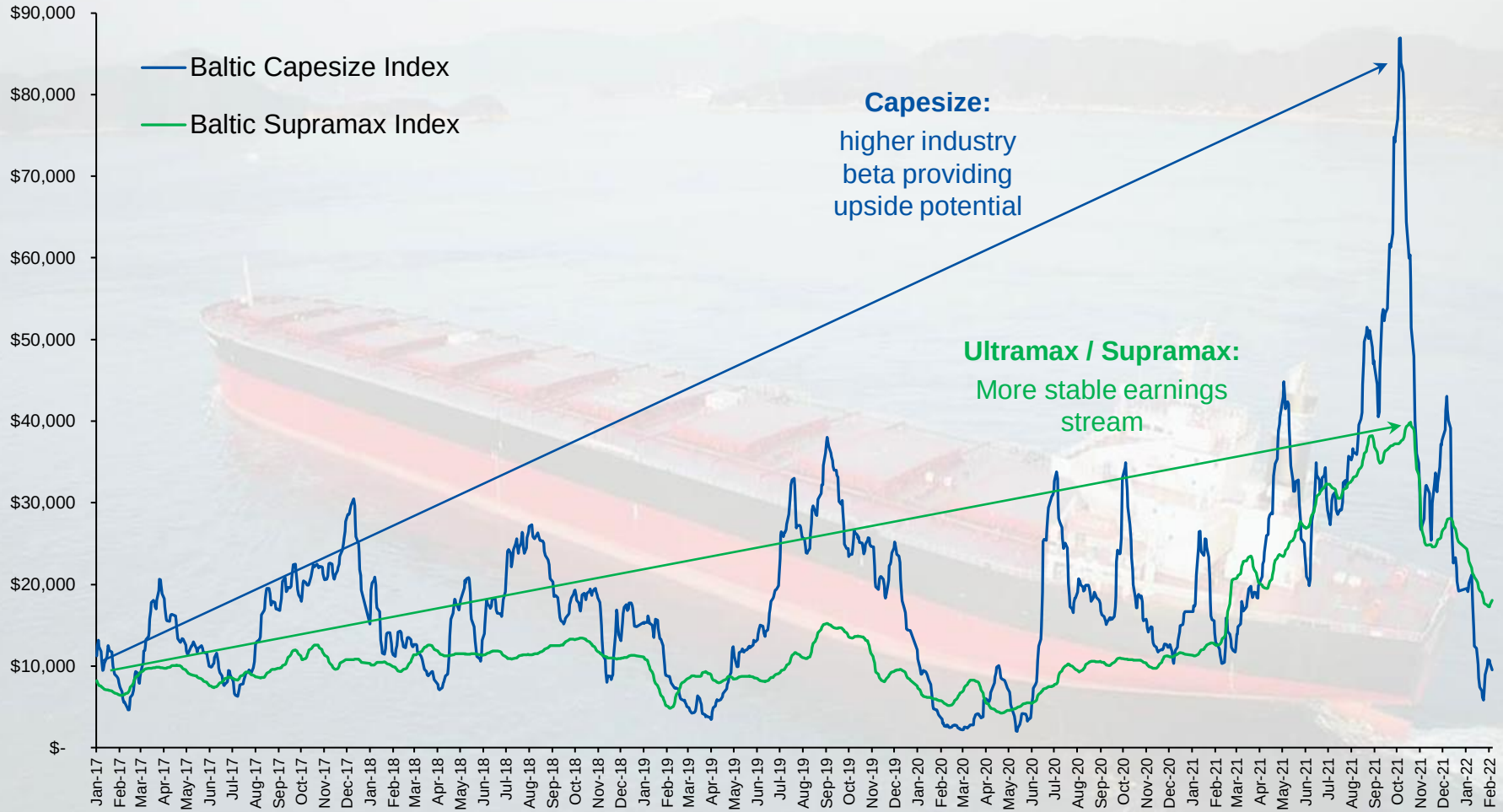
27 vessels



- More stable earnings
- Diverse trade routes
- Linked to global GDP
- Cargo arbitrage opportunities

Freight rates development and earnings…

…highlight the importance of owning larger Capesize vessels together with minor bulk



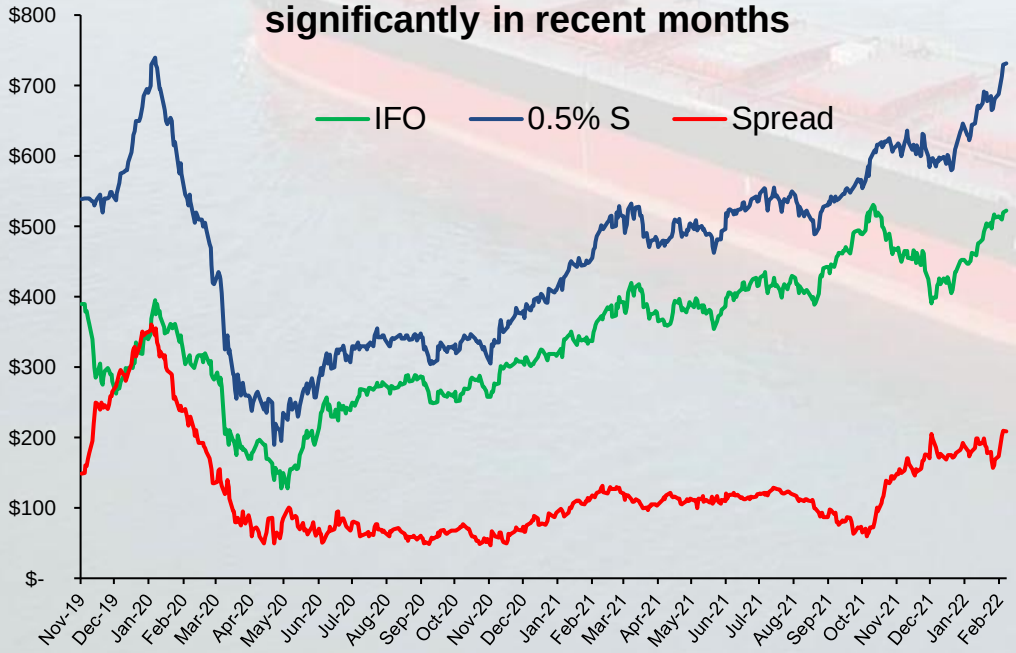
Source: Clarksons Research Services Limited 2022

Genco's portfolio approach to scrubber installation

- Genco is capturing the widening fuel spreads through scrubbers installed on our 17 Capesize vessels
- Genco implemented a portfolio approach towards IMO 2020 compliance electing to install scrubbers on our Capesize vessels while consuming VLSFO on our minor bulk vessels
  - Equipment + installation cost of our Capesize scrubbers has been paid off
- Scrubbers on Capesize vessels are a lower risk, higher return investment as these vessels…

1. Consume the most fuel
2. Spend the most time at sea
3. Bunker at main ports

Singapore fuel spread has widened significantly in recent months



Illustrative fuel spread sensitivity

Fuel spread ($/ton)	Scrubber benefit ($ in m)
$ 125	$ 23.4
$ 150	$ 28.1
$ 175	$ 32.7
$ 200	$ 37.4

Note: illustrative fuel spread sensitivity assumes 40mt of fuel consumed per day and 275 sailing days per year. Shown for Genco's 17 Capesize vessels which have scrubbers installed.

Comprehensive value strategy

Genco's differentiated comprehensive value strategy

Focused on 3 key elements…

Significant dividends	Deleveraging	Growth
Cash flow generation	Debt repayments	Use shares as a currency to grow
Reduced cash flow breakeven rate	Debt prepayments utilizing cash on the balance sheet + operating cash flow	Utilize reserve + revolver
		Opportunistically sell older ships + redeploy

YE 2021

$246m **Reached target debt outstanding at December 31, 2021**
(debt represents ~60% of the current scrap value of our fleet)

45% **Paid down $203m in 2021 or 45% of our beginning of the year balance**

15% **Net LTV at year-end 2021** *(based on VesselsValue.com estimates)*

Genco's quarterly dividend framework / calculation

Straight-forward and transparent dividend formula

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

Genco to provide guidance in advance of each quarter for all categories in our dividend calculation

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

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. Data to be provided in advance is based on management estimates in our quarterly breakeven rates and TCE guidance.

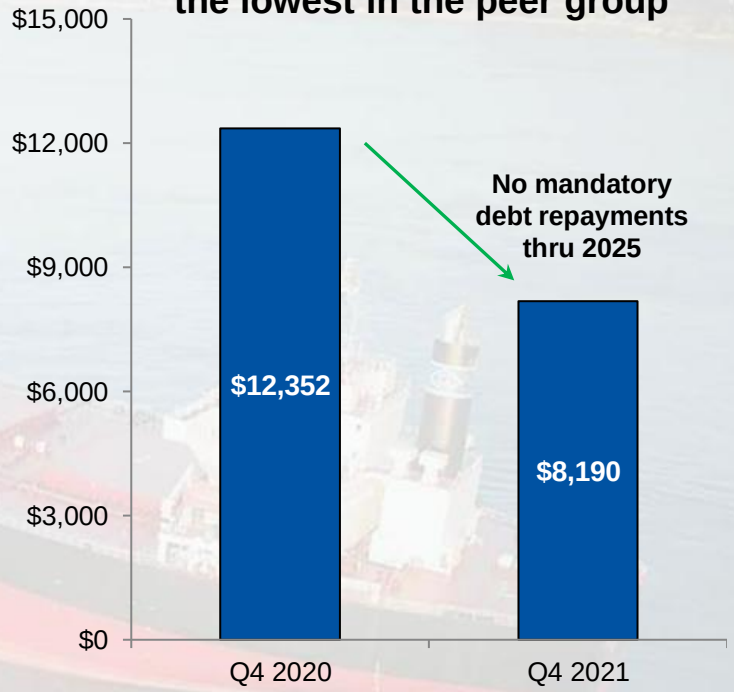
Genco's industry low cash flow breakeven rate

Genco has accentuated its financial de-leveraging thru large scale debt paydowns (in addition to asset value appreciation) creating the strongest balance sheet among its peer group

Meaningful reduction in debt outstanding thru large-scale debt paydowns in 2021…



…significantly reduced our cash flow breakeven rate to the lowest in the peer group

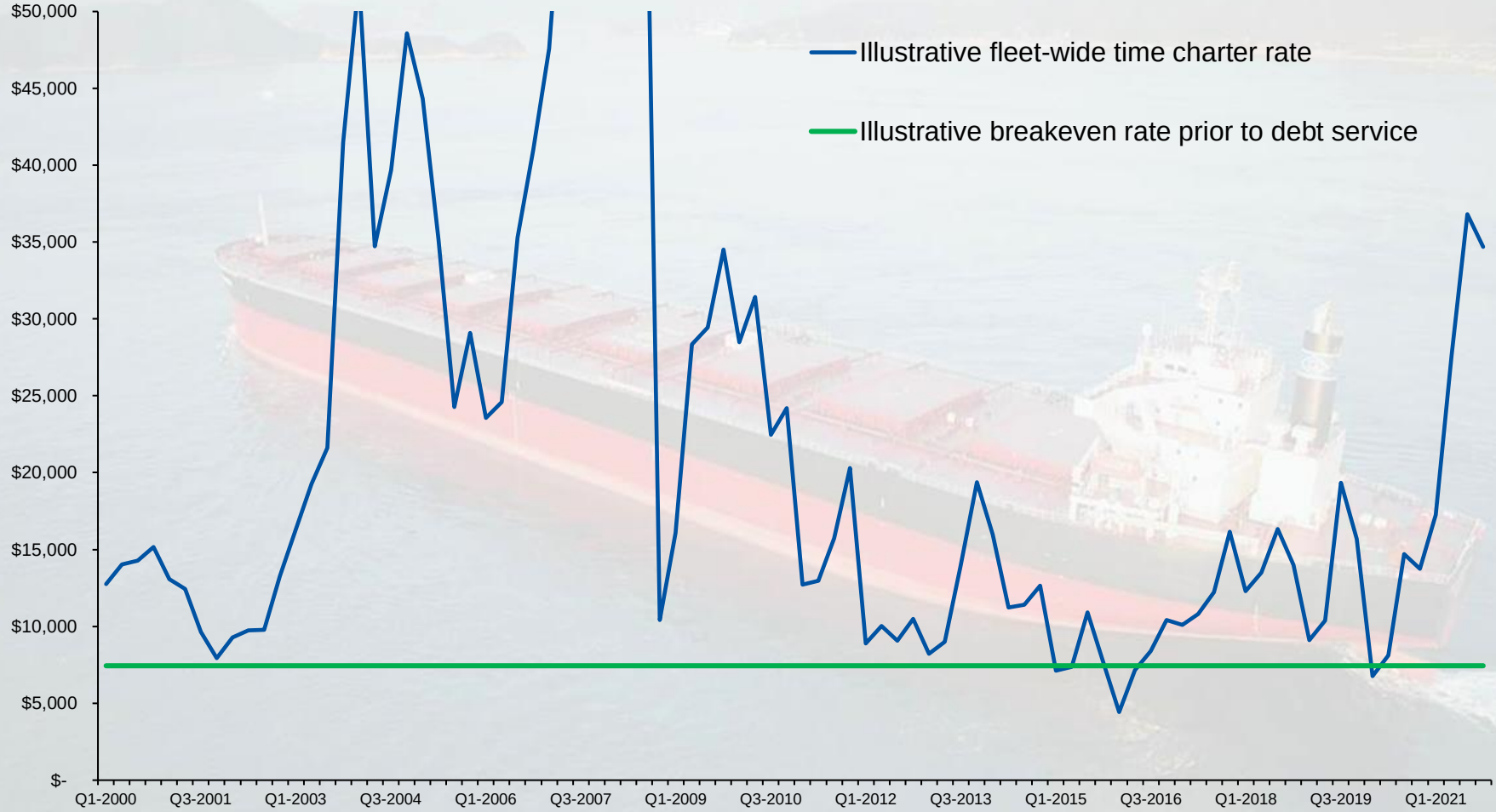


- While we have no mandatory debt repayments due in 2022, Genco will voluntarily pay down debt during the year – anticipate paying down $8.75m in Q1 2022

Note: cash flow breakeven figures shown are based on estimates provides in the Q3 2020 and Q3 2021 Genco earnings presentations, actual results to differ. Please see the appendix for further detail.

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 44 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 Q4 2021 expense budget.

Significant fleet-wide operating leverage

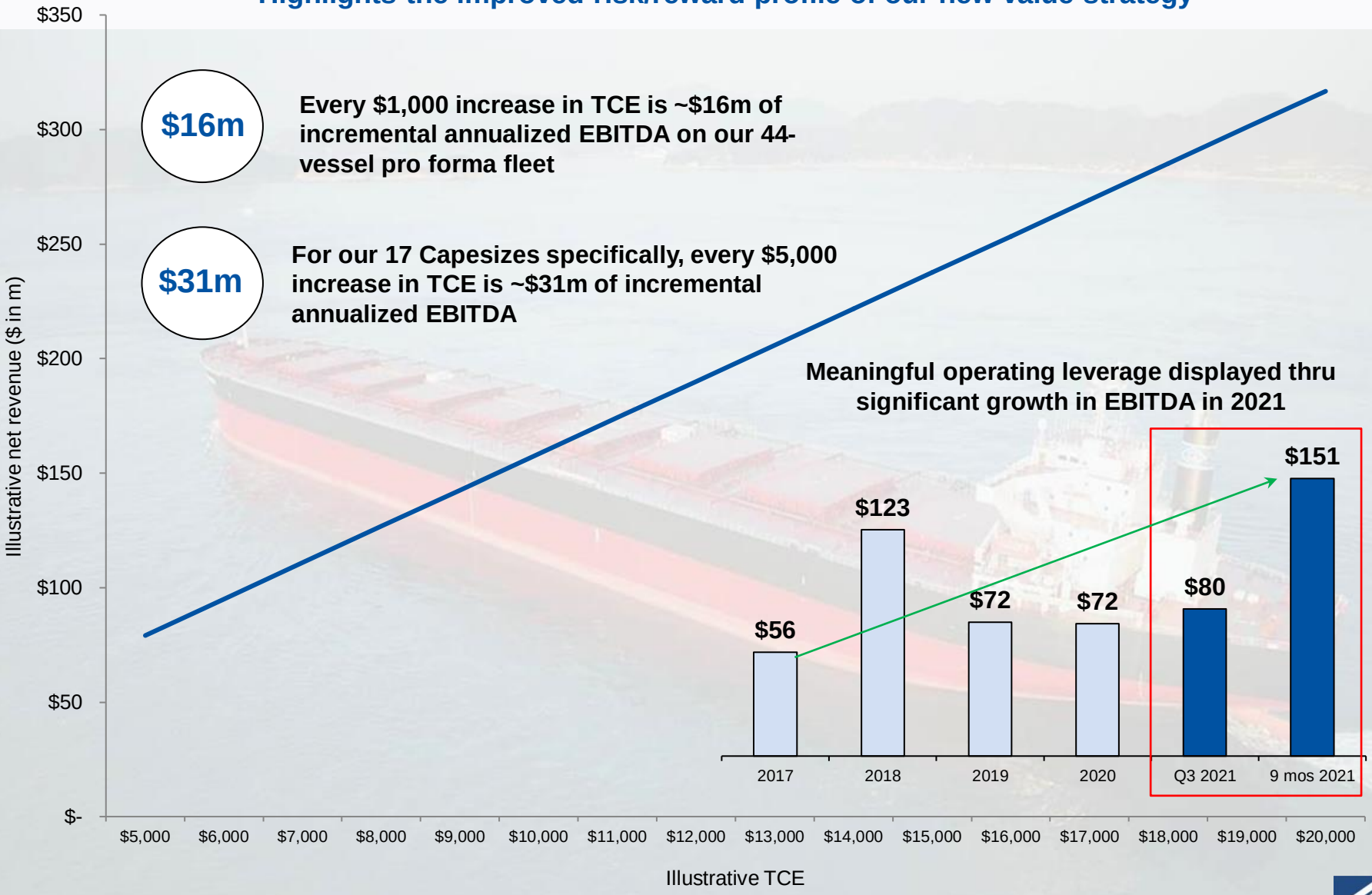
Highlights the improved risk/reward profile of our new value strategy

$16m

Every $1,000 increase in TCE is ~$16m of incremental annualized EBITDA on our 44-vessel pro forma fleet

$31m

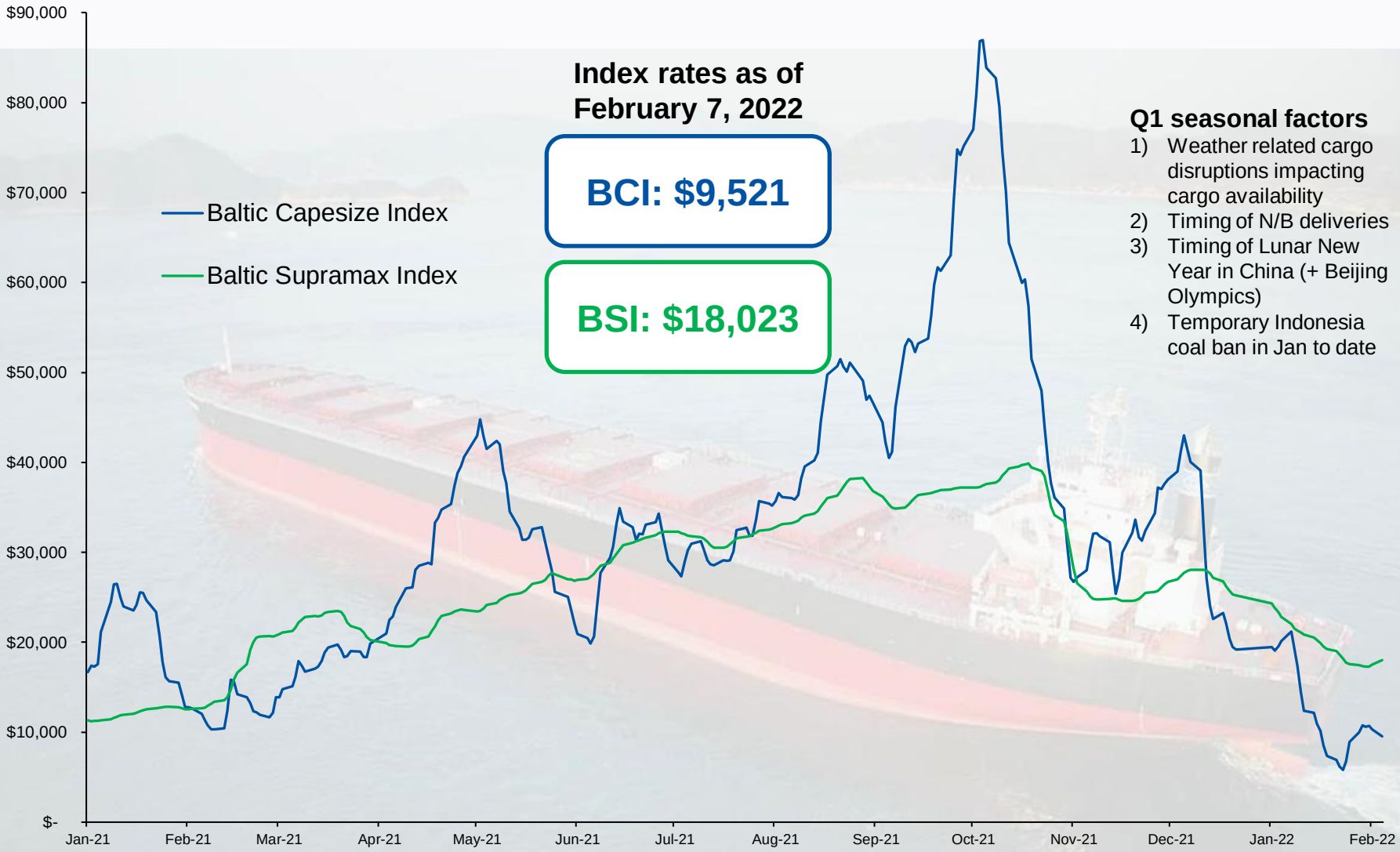
For our 17 Capesizes specifically, every $5,000 increase in TCE is ~$31m of incremental annualized EBITDA



Note: based on a fleet of 44 ships, for illustrative purposes only Note: We believe the non-GAAP measure presented provides investors with a means of better evaluating and understanding the Company's operating performance

Market update and industry overview

Freight rate development: strong 2021, Q1 seasonal decline



Index rates as of February 7, 2022

BCI: $9,521

BSI: $18,023

Q1 seasonal factors

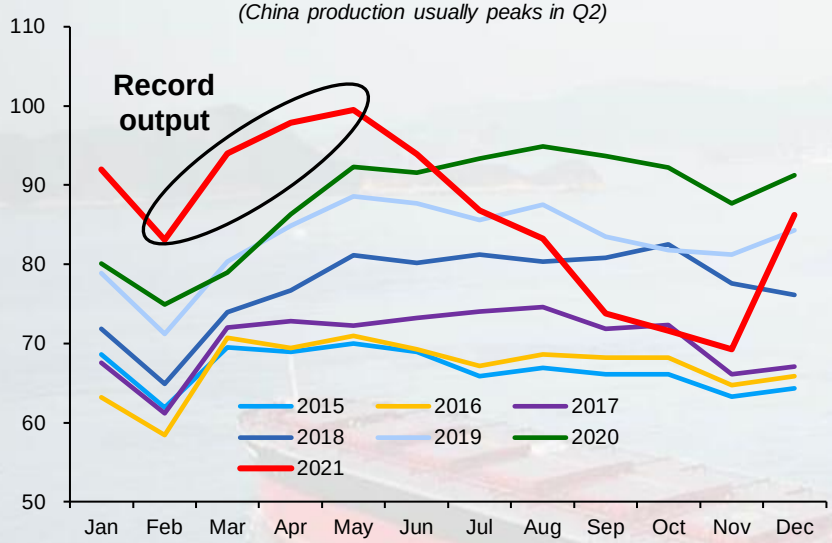
1) Weather related cargo disruptions impacting cargo availability
2) Timing of N/B deliveries
3) Timing of Lunar New Year in China (+ Beijing Olympics)
4) Temporary Indonesia coal ban in Jan to date

Source: Clarksons Research Services Limited 2022

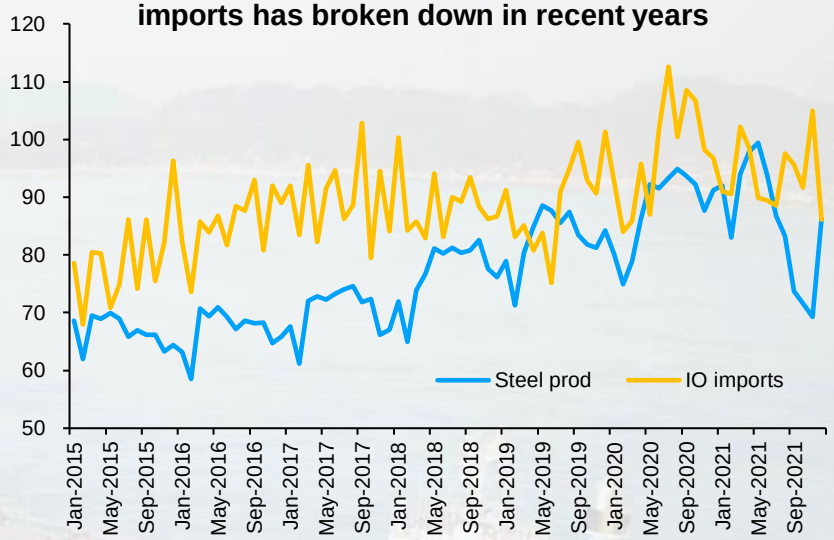
China steel production / iron ore imports

China's steel output has declined from record levels

(China production usually peaks in Q2)



Correlation of China's steel output and iron ore imports has broken down in recent years



- China's steel output is expected to improve in late Q1 / early Q2 2022 from current levels during peak spring construction season
- China's steel output and iron ore import correlation has been firm since 2010, however, has broken down in recent years
- Seaborne iron ore exports historically peak in 2H and decline in Q1 due to weather factors and maintenance

Source: Clarksons Research Services Limited 2022

China's policies becoming more accommodative in 2022…

China GDP growth per quarter in 2021 vs target



Key targets / dates

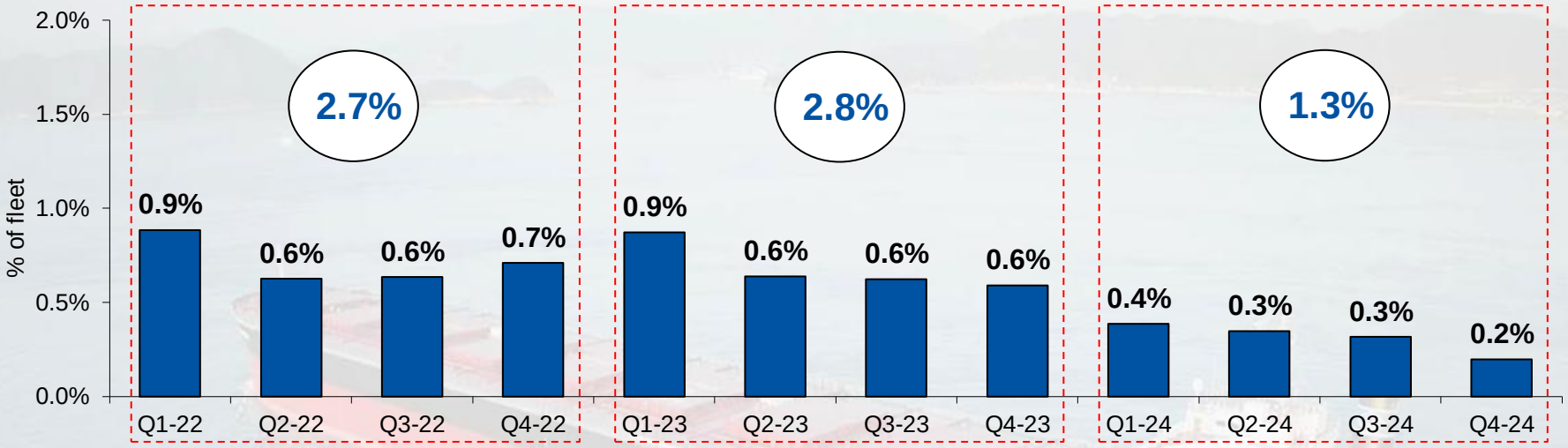
>6%	China's 2021 GDP growth target
8%	China's 2021 actual GDP growth
Feb 2022	Beijing Olympics + Lunar New Year
Mar 2022	China to set 2022 GDP growth target

- Following a sharp recovery from the onset of COVID-19 in early 2020, 2021 was a year of regulatory tightening in China to cool down the economy from over heating with a focus on the property sector
- With China setting a low bar for growth in 2021, the gov't was afforded room to crack down on certain parts of the economy for the balance of the year before the focus shifts back to growth
- At the Dec 2021 Poltiburo meeting policy priority changed from regulatory tightening to supporting growth
  - In December 2021, the PBOC reduced the RRR for banks
  - In January 2022, the PBOC cut its policy rate for the first time since April 2020
- China is expected to target 5% growth in 2022

Historically low orderbook + decline in fleet-wide productivity

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

(does not take into account slippage or scrapping)

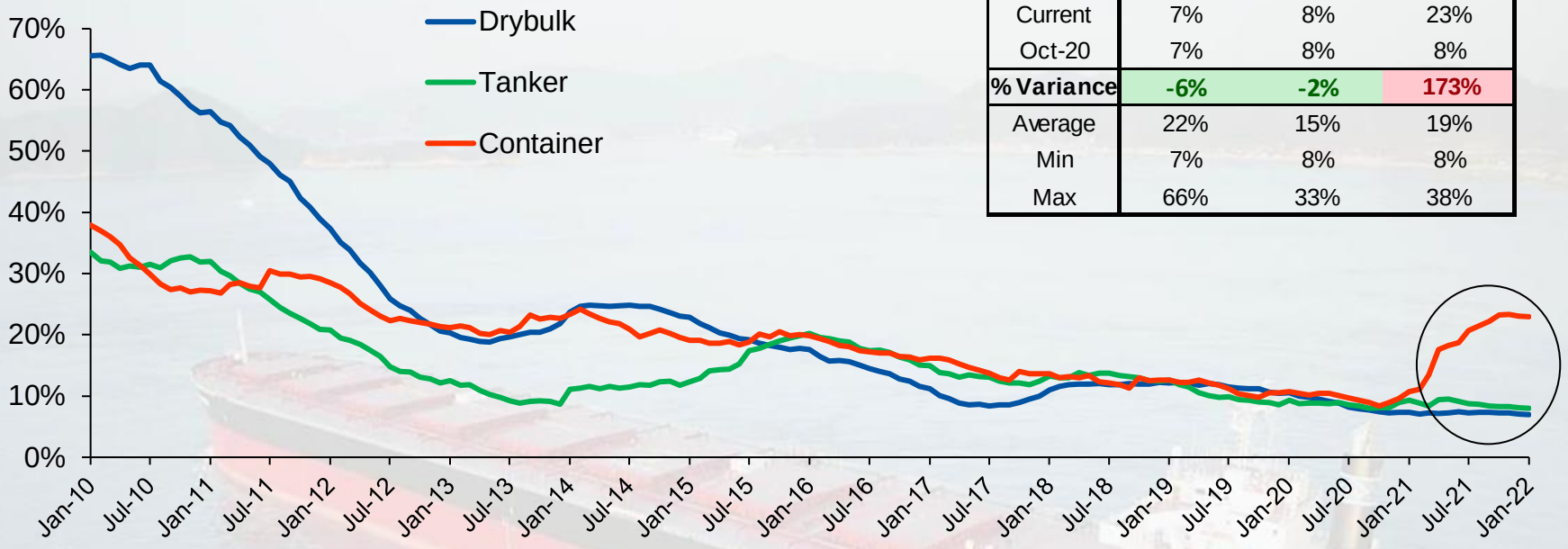


- Orderbook as a % of the total drybulk fleet is currently 7%
- 7% of the fleet that is 20 years or older and 17% of the fleet 15 years or older
- In 2021, newbuilding vessel deliveries were down by 22% YOY

Source: Clarksons Research Services Limited 2022

Global ordering trends focusing on containerships

	Drybulk	Tanker	Container
Current	7%	8%	23%
Oct-20	7%	8%	8%
% Variance	-6%	-2%	173%
Average	22%	15%	19%
Min	7%	8%	8%
Max	66%	33%	38%

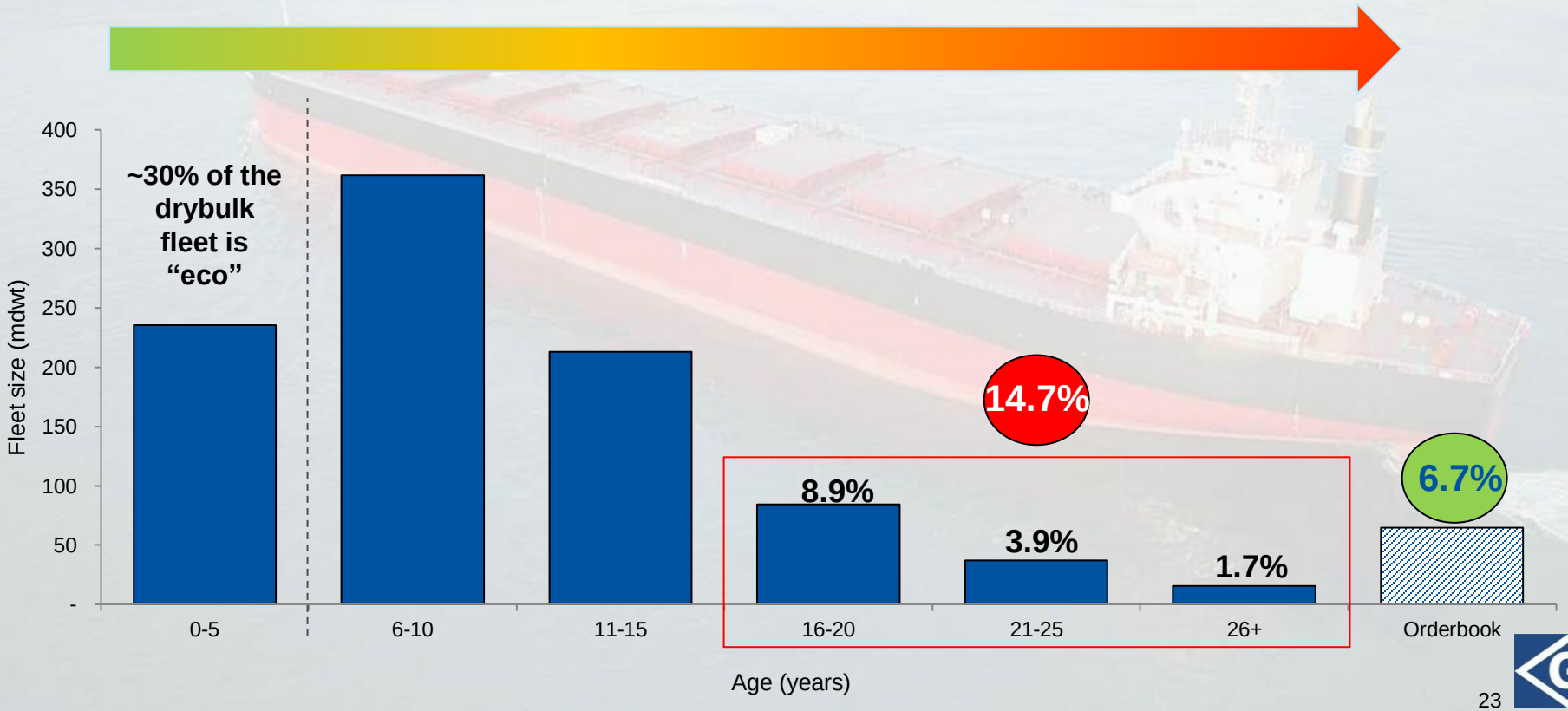


- Global newbuild ordering has been focused on the containership sector
  - Orderbook has increased to over 20% of the fleet from 8% in Oct 2020 – more than doubling
- Order volumes have increased significantly in the containership sector, where extremely firm market conditions have supported a surge in newbuild contracts
- Availability remains tight for newbuilding slots with new orders likely to be set for 2024 delivery

Source: Clarksons Research Services Limited 2022

Global fleet-wide impact of environmental regulations

- **Slower maximum speeds** due to EPL installations + CII compliance
- **Older ships becoming less competitive**, possibly increased scrapping
- **Longer times in drydocking** for installation of energy saving devices (think scrubbers, but to a lesser extent)
- **Chartering impact:** large charterers could “force” owners into compliance by not fixing certain vessels



Freight rate catalysts and drybulk outlook

Marsoft 2022 to 2023 S&D growth estimates

	Vessel*	2022	2023
Iron Ore 	Capesize	+3.9%	+3.2%
Coal 	Capesize Panamax	+3.2%	+0.0%
Grain 	Panamax Supramax Handysize	+3.5%	+2.4%
Minor Bulk 	Supramax Handysize	+4.6%	+3.3%
Total Demand		+3.9%	+2.4%
Net fleet Growth		+1.7%	+1.4%

*Indicates the primary vessel type that carries the respective commodities. Supply and demand forecasts are based on Marsoft's base case from January 2022

Drybulk market catalysts

1. Record low orderbook as a percentage of the fleet to limit net fleet growth
2. Strong 2022 global GDP growth forecast
3. China to potentially shift to more accommodative policies to defend economic growth targets in 2022
4. ROW continues economic improvement
5. Recovery and growth of Brazilian iron ore exports

Sources: Marsoft, Clarksons, IMF

Conclusion

Genco is attractively positioned to capture market upside

Leadership	■ Experienced US-based management team ■ US-filer with high corporate governance standards
Drybulk Market	■ Demand and supply dynamics forecast to continue to improve in 2022
Best-in-Class Commercial Platform	■ Active management through global commercial platform and full-service logistics solution with a track record of benchmark outperformance
Fleet Modernization	■ Expanded in Ultramax sector with nine acquisitions since Dec 2020
Genco's Fleet	■ Barbell approach to fleet composition
Capital Structure	■ Strong balance sheet + meaningful cash position + value strategy

Appendix

Third Quarter Earnings

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	(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	$ 155,252	$ 87,524	$ 363,851	$ 260,066
Total revenues	155,252	87,524	363,851	260,066
Operating expenses:				
Voyage expenses	37,797	33,487	109,572	123,550
Vessel operating expenses	21,788	23,460	59,622	66,332
Charter hire expenses	8,644	1,020	22,405	5,527
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.6 million, $0.5 million, $1.7 million and $1.5 million , respectively)	5,659	5,115	17,616	16,353
Technical management fees	1,631	1,739	4,400	5,316
Depreciation and amortization	14,200	16,115	41,409	49,619
Impairment of vessel assets	-	21,896	-	134,710
Loss on sale of vessels	159	358	894	844
Total operating expenses	89,878	103,190	255,918	402,251
Operating income (loss)	65,374	(15,666)	107,933	(142,185)
Other income (expense):				
Other income (expense)	84	(436)	440	(900)
Interest income	25	101	144	948
Interest expense	(3,943)	(5,097)	(12,955)	(17,515)
Loss on debt extinguishment	(4,408)	-	(4,408)	-
Other expense, net	(8,242)	(5,432)	(16,779)	(17,467)
Net income (loss)	$ 57,132	$ (21,098)	$ 91,154	$ (159,652)
Net earnings (loss) per share - basic	$ 1.36	$ (0.50)	$ 2.17	$ (3.81)
Net earnings (loss) per share - diluted	$ 1.34	$ (0.50)	$ 2.14	$ (3.81)
Weighted average common shares outstanding - basic	42,095,211	41,928,682	42,047,115	41,898,756
Weighted average common shares outstanding - diluted	42,750,836	41,928,682	42,548,187	41,898,756

September 30, 2021 Balance Sheet

BALANCE SHEET DATA:	September 30, 2021 (unaudited)	December 31, 2020
	(Dollars in thousands)	
Cash (including restricted cash)	$ 80,487	$ 179,679
Current assets	142,471	247,202
Total assets	1,176,765	1,232,809
Current liabilities (excluding current portion of long-term debt)	42,634	32,979
Current portion of long-term debt	-	80,642
Long-term debt (net of $8.3 million and $9.7 million of unamortized debt issuance costs at September 30, 2021 and December 31, 2020, respectively)	296,771	358,933
Shareholders' equity	830,683	744,994

OTHER FINANCIAL DATA:	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
Net cash provided by operating activities	N/A		$ 134,987	$ 16,015
Net cash (used in) provided by investing activities			(77,302)	12,327
Net cash used in financing activities			(156,877)	(29,816)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net income (loss)	$ 57,132	$ (21,098)	$ 91,154	$ (159,652)
+ Net interest expense	3,918	4,996	12,811	16,567
+ Depreciation and amortization	14,200	16,115	41,409	49,619
EBITDA[(1)]	$ 75,250	$ 13	$ 145,374	$ (93,466)
+ Impairment of vessel assets	-	21,896	-	134,710
+ Loss on sale of vessels	159	358	894	844
+ Loss on debt extinguishment	4,408	-	4,408	-
Adjusted EBITDA	$ 79,817	$ 22,267	$ 150,676	$ 42,088

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

Third Quarter Highlights

	Three Months Ended (unaudited)		Nine Months Ended (unaudited)	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
FLEET DATA:				
Total number of vessels at end of period	43	51	43	51
Average number of vessels (1)	40.6	51.4	41.3	52.9
Total ownership days for fleet (2)	3,735	4,729	11,280	14,495
Total chartered-in days (3)	333	145	1,120	816
Total available days (4)	4,048	4,773	12,289	14,891
Total available days for owned fleet (5)	3,715	4,628	11,169	14,075
Total operating days for fleet (6)	3,990	4,626	12,108	14,576
Fleet utilization (7)	98.1%	96.2%	98.1%	97.3%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 29,287	$ 11,456	$ 20,761	$ 9,307
Daily vessel operating expenses per vessel (9)	5,833	4,961	5,286	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.

EBITDA Reconciliation[(1)]

Adjusted EBITDA 2017 to 9 mos 2021						
	2017	2018	2019	2020	Q3 2021	9 mos 2021
Net (loss) income	$ (58,725)	$ (32,940)	$ (55,985)	$ (225,573)	$ 57,132	$ 91,154
Net interest expense	28,946	29,290	27,860	21,385	3,918	12,811
Income tax (benefit) expense	-	-	-	-	-	-
Depreciation/amortization	71,776	68,976	72,824	65,168	14,200	41,409
EBITDA	**$ 41,997**	**$ 65,326**	**$ 44,699**	**$ (139,020)**	**$ 75,250**	**$ 145,374**
Impairment of vessels	$ 21,993	$ 56,586	$ 27,393	$ 208,935	$ -	$ -
(Gain) loss on vessel sales	(7,712)	(3,513)	168	1,855	159	894
Loss on debt extinguishment	-	4,533	-	-	4,408	4,408
Impairment of right of use asset	-	-	223	-	-	-
Adjusted EBITDA	**$ 56,278**	**$ 122,932**	**$ 72,483**	**$ 71,770**	**$ 79,817**	**$ 150,676**

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

Global debt refinancing provides further optionality…

…and flexibility within our capital structure as we continue to implement our comprehensive value strategy, key terms include:

Credit facility capacity: $450 million, consisting of a $150m term loan and revolver up to $300m

Debt outstanding at Dec 31, 2021: $246 million

Debt Amortization: No mandatory debt amortization thru 2025

- We plan to continue to voluntarily pay down debt with the medium term objective of zero net debt

Pricing: L + 2.15% to 2.75% basis a net debt to EBITDA measurement

Minimum liquidity: greater of $500,000 per vessel or 5% of total indebtedness (unused revolver commitments can be used against this measurement)

Dividends: no restrictions other than customary event of default and pro forma financial covenant compliance provisions

Tenor / maturity: 5 years / Q3 2026

Additional features: Vessel replacement feature and non-committed accordion term loan facility of up to $150 million

- 5 of our vessels remain unencumbered and not pledged as collateral for this new facility

Securing cash flows in this strong earnings environment

Vessel	Type	Rate	Duration	Min Expiration
Genco Liberty	Capesize	$ 31,000	10-13 months	Feb-22
Baltic Bear	Capesize	$ 32,000	10-14 months	Mar-22
Baltic Wolf	Capesize	$ 30,250	22-28 months	Jun-23
Genco Maximus	Capesize	$ 27,500	24-30 months	Sep-23
Genco Vigilant	Ultramax	$ 17,750	11-13 months	Sep-22
Genco Freedom	Ultramax	$ 23,375	20-23 months	Mar-23
Baltic Hornet	Ultramax	$ 24,000	20-23 months	Apr-23
Baltic Wasp	Ultramax	$ 25,500	23-25 months	Jun-23

- We continue to utilize a portfolio approach to fixture activity to capture this strong earnings environment
- Our Ultramax fixtures have been concluded to lock in returns on acquisition vessels – most notably, with the last 3 time charters above, we were able to book an unlevered cash-on-cash return of ~50% over 2 years
- The above represents period time charters we have entered into to date, of which we have fixed 7 vessels on period TCs for ~1 to ~2 years at rates between $23,375 and $32,000 per day
- We continue to evaluate a variety of fixture options to optimize revenue generation including further longer term coverage on an opportunistic basis

Genco fleet list

Major Bulk			Minor Bulk					
Vessel Name	Year Built	Dwt	Vessel Name	Year Built	Dwt	Vessel Name	Year Built	Dwt
Capesize			**Ultramax**			**Supramax**		
Genco Resolute	2015	181,060	Genco Freedom	2015	63,671	Genco Hunter	2007	58,729
Genco Endeavour	2015	181,060	Genco Vigilant	2015	63,671	Genco Auvergne	2009	58,020
Genco Liberty	2016	180,387	Baltic Hornet	2014	63,574	Genco Ardennes	2009	58,018
Genco Defender	2016	180,377	Genco Enterprise	2016	63,473	Genco Bourgogne	2010	58,018
Genco Constantine	2008	180,183	Baltic Mantis	2015	63,470	Genco Brittany	2010	58,018
Genco Augustus	2007	180,151	Baltic Scorpion	2015	63,462	Genco Languedoc	2010	58,018
Genco Tiger	2011	179,185	Genco Magic	2014	63,446	Genco Pyrenees	2010	58,018
Baltic Lion	2012	179,185	Baltic Wasp	2015	63,389	Genco Rhone	2011	58,018
Genco London	2007	177,833	Genco Mayflower	2017	63,304	Genco Aquitaine	2009	57,981
Baltic Wolf	2010	177,752	Genco Constellation	2017	63,304	Genco Warrior	2005	55,435
Genco Titus	2007	177,729	Genco Madeleine	2014	63,166	Genco Predator	2005	55,407
Baltic Bear	2010	177,717	Genco Weatherly	2014	61,556	Genco Picardy	2005	55,257
Genco Tiberius	2007	175,874	Genco Mary	2022	61,085			
Genco Commodus	2009	169,098	Genco Laddey	2022	61,085			
Genco Hadrian	2008	169,025	Genco Columbia	2016	60,294			
Genco Maximus	2009	169,025						
Genco Claudius	2010	169,001						

17 *Capesize*

27 *Ultra/Supra*







Q4 2021 estimated fleet-wide expenses(1)

Daily Expenses by Category	Free Cash Flow(2)	Net Income
Direct Vessel Operating(3)	$5,100	$5,100
G&A Expenses(4)	1,338	1,467
Technical Management Fees(5)	392	392
Drydocking(6)	558	-
Fuel efficiency upgrade investment / BWTS(7)	198	-
Interest Expense(8)	605	715
Mandatory debt repayments(9)	-	-
Depreciation(10)	-	3,800
Total	**$8,190**	**$11,473**
Number of Vessels(11)	42.35	42.35

- Our year-end debt is $246m following targeted voluntary debt paydowns totaling $59 million in Q4 2021
- With this paydown, we will have no mandatory debt amortizations payments thru 2025, or later if we make additional voluntary paydowns
- In Q1 2022, we plan to prepay $8.75 million of debt
- We plan to continue to voluntarily pay down debt

(1) Estimated expenses are presented for illustrative purposes. The amounts shown will vary based on actual results.
(2) Free Cash Flow is defined as net income plus depreciation less capital expenditures, primarily vessel drydockings, plus other non-cash items, namely nonvested stock amortization and deferred financing costs, less fixed debt repayments. However, this does not include any adjustment for accounts payable and accrued expenses incurred in the ordinary course of business. We consider Free Cash Flow to be an important indicator of our ability to service debt.
(3) Direct Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe DVOE are best measured for comparative purposes over a 12-month period.
(4) General & Administrative Expenses are based on a budget set forth at the beginning of the year. Actual results may vary.
(5) Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.
(6) Drydocking expenses represent estimated drydocking expenditures for Q4 2021 and include costs relating to energy saving devices and ballast water treatment systems.
(7) Represents costs associated with fuel efficiency upgrades on select vessels as part of Genco's comprehensive IMO 2023 plan together with regulatory costs related to the installation of ballast water treatment systems.
(8) Interest expense is based on our debt level as of September 30, 2021 less anticipated debt prepayments in Q4 2021. Deferred financing costs are included in calculating net income interest expense. Interest expense is calculated based on an assumed LIBOR rate and margin under our credit facility.
(9) In Q4 2021, Genco has no mandatory debt repayments scheduled. The Company plans to pay down approximately $59 million in Q4 2021.
(10) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $310 per LWT.
(11) Based on a weighted average fleet of 42.35 vessels.


Thank you