# GENCO SHIPPING & TRADING LIMITED


# Q2 2022 Earnings Presentation

## August 4th, 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) 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, including without limitation the ongoing war in Ukraine; (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 are 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, 2022 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 (xxiii) 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, 2021 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, market developments, and the best interests of the Company and its shareholders. 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.

e


# Agenda

- Q2 2022 + YTD Highlights
- Financial Overview
- Industry Overview

# Second Quarter 2022 and Year-to-Date Highlights

# Continued strong financial performance

## Q2 2022 key financial metrics

- **Net income attributable to Genco**
  - Q2 2022: $47.4 million, basic and diluted earnings per share: $1.12 / $1.10, an increase of nearly 50% YOY
- **EBITDA***
  - Q2 2022: $64.2m – 28% higher than Q2 2021
- **Strong liquidity position**
  - Total liquidity of $269.5m, consisting of $50.6m of cash and $218.9m of revolver availability
- **Fleet-wide TCE***
  - $28,756 per day for Q2, an increase of 36% YOY and 19% vs Q1 2022
  - ~79% of Q3 2022 available days booked at $25,059 per day

## Value strategy updates

### Dividends

- Q2 2022: declared a $0.50 per share dividend
  - Annualized dividend yield of 10% based on our closing share price as of August 2, 2022
- We have now paid 12 consecutive quarterly dividends totaling $3.015 per share

### Debt repayments

- Repaid $8.75 million in Q2, to reduce our debt to $188.5 million, in Q2 2022
  - Paid down $260.7m of debt since Jan 2021 or 58%
- Net loan-to-value of 12%** as of August 2, 2022



*We believe the non-GAAP measure presented provides investors with a means of better evaluating and understanding the Company's operating performance. Please see the appendix for a reconciliation.
**Represents the principal amount of our credit facility debt outstanding less our cash and cash equivalents as of June 30, 2022 divided by estimates of the market value of our fleet as of August 2, 2022 from VesselsValue.com. The actual market value of our vessels may vary.

# Genco's 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 |

**$188.5 million** — **Debt outstanding at Jun 30, 2022** *(~45% of fleet's current scrap value)*

**58%** — **Paid down $261m of debt since 2021**

**12%** — **Net LTV***

**Strategy closely integrates with our barbell approach to fleet composition** in which our minor bulk fleet provides more stable cash flows, while our Capesize vessels provide meaningful upside potential and operating leverage



*Net LTV is based on VesselsValue.com estimates from August 2, 2022 and cash and debt balances as of June 30, 2022.

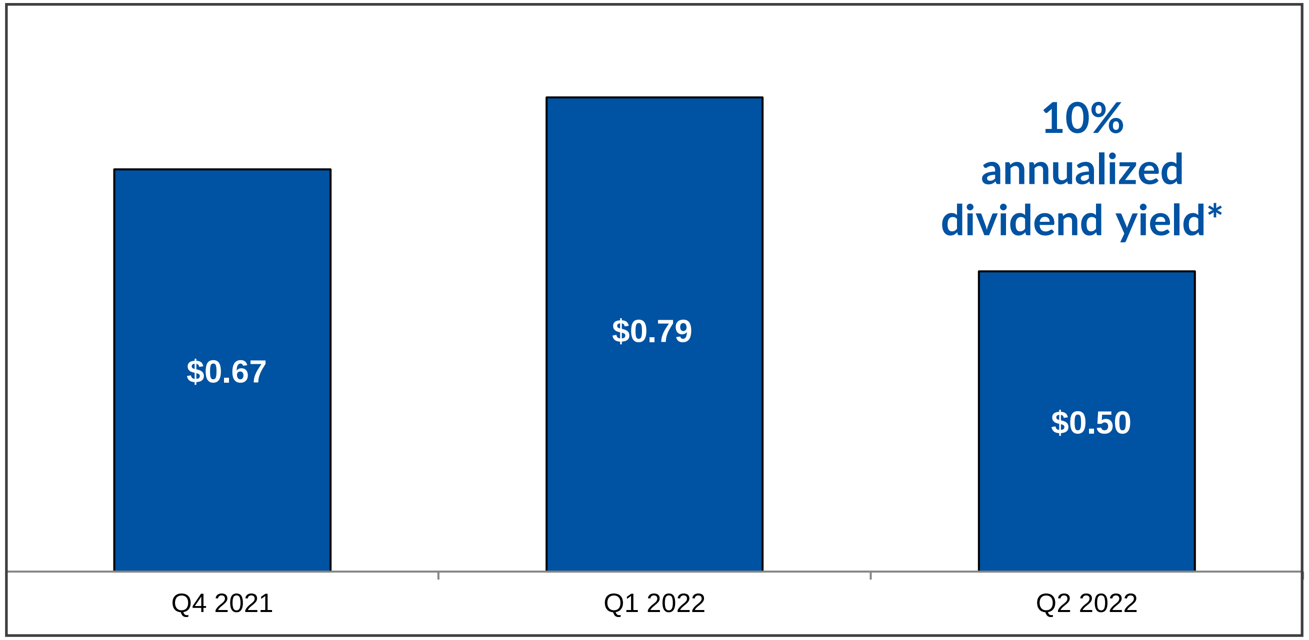
# Dividends declared under our value strategy…

**$1.96 per share**
Declared under value strategy in last 3Qs

**10%**
Last 3 dividends declared as a % of Aug 2, 2022 GNK share price

**12 quarters**
Declared 12 consecutive quarterly dividends since Q3 2019

**$3.015/share**
Declared dividends in aggregate since Q3 2019




**Q3 2022 dividend is expected to increase vs Q2 2022**

**Dividend under value strategy:**

**1** — *Paid down $59m of debt in Q4*

**2** — *First dividend using run rate debt prepayment of $8.75m*

**3** — *Frontloaded Q2 drydock schedule*

*Q2 2022 annualized dividend yield based on Aug 2, 2022 share price

# Quarterly dividend calculation / framework

Straight-forward and transparent dividend formula – Genco plans to provide TCE, expense and reserve estimates in advance

Operating cash flow

| Dividend calculation (numbers in m except per share amounts) | Q2 2022 actual | | Q3 2022 estimates | | |
|---|---|---|---|---|---|
| Net revenue | $ | 100.93 | Fixtures to date + market | | |
| Operating expenses | $ | (37.63) | $ | (28.58) | |
| Less: debt repayments | $ | (8.75) | $ | (8.75) | |
| Less: drydocking/BWTS/ESD upgrades | $ | (22.56) | $ | (6.81) | |
| Less: reserve | $ | (10.75) | $ | (10.75) | |
| **Cash flow distributable as dividends** | **$** | **21.24** | **Sum of the above output** | | (A) |
| Number of shares to be paid dividends | | 42.6 | | 42.6 | (B) |
| **Dividend per share** | **$** | **0.50** | **A ÷ B** | | |

**$25,059** Estimate of Q3 2022 days fixed to date

**79%** Percentage of Q3 2022 days fixed to date

**3,889** Q3 2022 owned available days for the full quarter

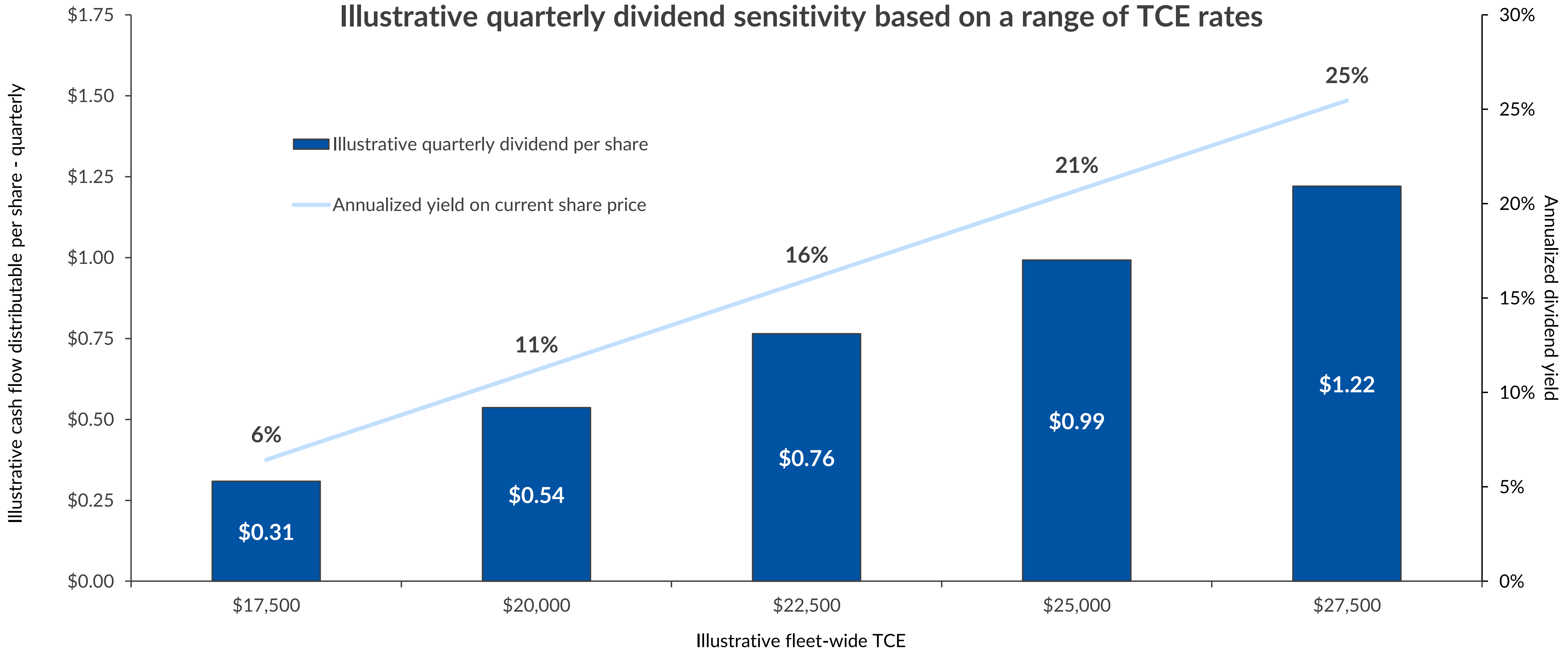
**+$0.37** *per share* Per share estimated drydocking capex variance from Q2 to Q3 2022

**Q3 2022 dividend is expected to increase vs Q2 2022**

Note: Operating expenses, debt repayments, and drydocking/BWTS/ESD upgrades for Q3 2022 are estimates presented for illustrative purposes. The amounts shown will vary based on actual results. 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. Please see the Appendix for a reconciliation of the above figures. We plan to base the quarterly reserve on the next quarter's debt repayments and interest expense. Reserve optionality: uses include debt prepayments, vessel acquisitions, and general corporate purposes.

# Illustrative quarterly dividend sensitivity…

## …points to significant operating leverage




Note: based on GNK's share price as of August 2, 2022. Illustrative cash flow distributable per share is based on sensitized TCE rates shown above less Q3 2022 expense levels and reserve. 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. Operating cash flow and TCE are non-GAAP financial measures. For further details and 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 "barbell" approach to fleet composition

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

**Major bulk**
**Capesize**

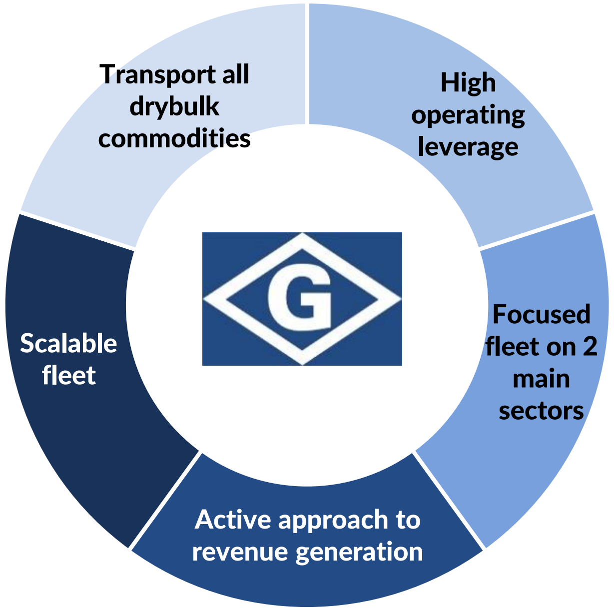
**17** vessels


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


**Minor bulk**
**Ultra/Supra**

**27** vessels

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

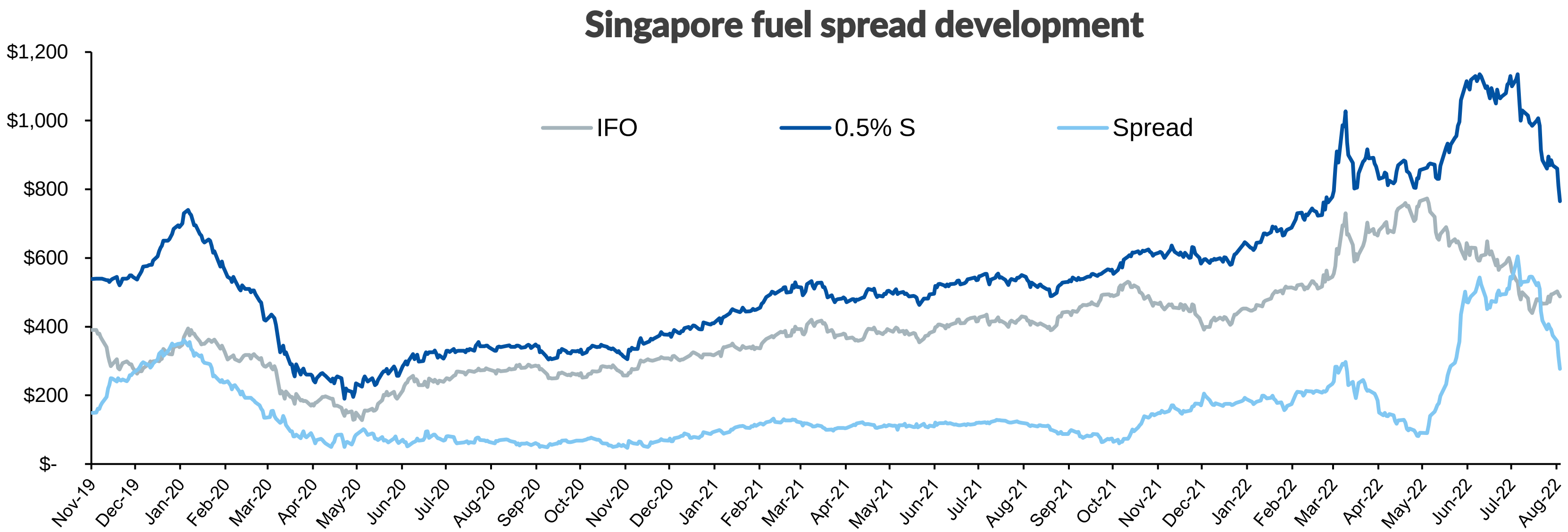



- More stable earnings
- Diverse trade routes
- Linked to global GDP
- Cargo arbitrage opportunities

# Portfolio approach to scrubber installation

## Genco is capturing the widening fuel spreads thru scrubbers installed on 17 Capesize vessels

- Genco implemented a portfolio approach for IMO 2020 compliance
- Installed scrubbers on Capesize vessels + consuming VLSFO on our minor bulk vessels
- Equipment + installation cost of our Capesize scrubbers has been paid off since end 2021
- 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


**Illustrative fuel spread sensitivity**

| Fuel spread ($/ton) | | Scrubber benefit ($ in m) | | Illustrative IRR |
|---|---|---|---|---|
| $ | 150 | $ | 28.1 | 54% |
| $ | 200 | $ | 37.4 | 56% |
| $ | 250 | $ | 46.8 | 58% |
| $ | 300 | $ | 56.1 | 60% |



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. Illustrative IRR is based on the cost of Genco's scrubbers and actual fuel spreads realized to date plus the sensitized fuel spreads as listed in the chart. The calculation period is over three years starting on Jan 1, 2020.

# Financial Overview

# Second quarter earnings

| | Three Months Ended June 30, 2022 | Three Months Ended June 30, 2021 | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|---|---|
| | (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 | $ 137,764 | $ 121,008 | $ 273,991 | $ 208,599 |
| Total revenues | 137,764 | 121,008 | 273,991 | 208,599 |
| Operating expenses: | | | | |
| Voyage expenses | 32,460 | 36,702 | 70,924 | 71,775 |
| Vessel operating expenses | 29,463 | 18,789 | 56,477 | 37,834 |
| Charter hire expenses | 5,044 | 8,325 | 12,682 | 13,761 |
| General and administrative expenses (inclusive of nonvested stock amortization expense of $0.8 million, $0.6 million, $1.5 million and $1.1 million respectively) | 6,381 | 5,854 | 12,424 | 11,957 |
| Technical management fees | 700 | 1,305 | 1,617 | 2,769 |
| Depreciation and amortization | 14,521 | 13,769 | 28,579 | 27,209 |
| Loss on sale of vessels | - | 15 | - | 735 |
| Total operating expenses | 88,569 | 84,759 | 182,703 | 166,040 |
| Operating income | 49,195 | 36,249 | 91,288 | 42,559 |
| Other income (expense): | | | | |
| Other income | 767 | 210 | 2,764 | 356 |
| Interest income | 68 | 48 | 85 | 119 |
| Interest expense | (2,405) | (4,470) | (4,647) | (9,012) |
| Other expense, net | (1,570) | (4,212) | (1,798) | (8,537) |
| Net income | $ 47,625 | $ 32,037 | $ 89,490 | $ 34,022 |
| Less: Net income attributable to noncontrolling interest | 243 | - | 419 | - |
| Net income attributable to Genco Shipping & Trading Limited | $ 47,382 | $ 32,037 | $ 89,071 | $ 34,022 |
| Earnings per share - basic | $ 1.12 | $ 0.76 | $ 2.11 | $ 0.81 |
| Earnings per share - diluted | $ 1.10 | $ 0.75 | $ 2.07 | $ 0.80 |
| Weighted average common shares outstanding - basic | 42,385,423 | 42,071,019 | 42,276,371 | 42,022,669 |
| Weighted average common shares outstanding - diluted | 42,996,676 | 42,612,132 | 42,932,370 | 42,445,184 |

# June 30, 2022 balance sheet

|  | June 30, 2022 (unaudited) | December 31, 2021 |
|---|---|---|
|  | (Dollars in thousands) |  |
| **BALANCE SHEET DATA:** |  |  |
| Cash (including restricted cash) | $ 50,627 | $ 120,531 |
| Current assets | 120,146 | 174,830 |
| Total assets | 1,186,143 | 1,203,002 |
| Current liabilities (excluding current portion of long-term debt) | 48,916 | 41,895 |
| Current portion of long-term debt | - | - |
| Long-term debt (net of $6.9 million and $7.8 million of unamortized debt issuance costs at June 30, 2022 and December 31, 2021, respectively) | 181,568 | 238,229 |
| Shareholders' equity | 950,459 | 916,675 |

|  | Three Months Ended June 30, 2022 | Three Months Ended June 30, 2021 | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|---|---|
|  | (Dollars in thousands) (unaudited) |  | (Dollars in thousands) (unaudited) |  |
| **OTHER FINANCIAL DATA:** |  |  |  |  |
| Net cash provided by operating activities | N/A |  | $ 99,159 | $ 62,552 |
| Net cash (used in) provided by investing activities |  |  | (49,980) | 4,156 |
| Net cash used in financing activities |  |  | (119,083) | (85,186) |
|  | (unaudited) |  | (unaudited) |  |
| **EBITDA Reconciliation:** |  |  |  |  |
| **Net income attributable to Genco Shipping & Trading Limited** | $ 47,382 | $ 32,037 | $ 89,071 | $ 34,022 |
| + Net interest expense | 2,337 | 4,422 | 4,562 | 8,893 |
| + Depreciation and amortization | 14,521 | 13,769 | 28,579 | 27,209 |
| **EBITDA**(1) | $ 64,240 | $ 50,228 | $ 122,212 | $ 70,124 |
| + Loss on sale of vessels | - | 15 | - | 735 |
| **Adjusted EBITDA** | $ 64,240 | $ 50,243 | $ 122,212 | $ 70,859 |

(1) EBITDA represents net income attributable to Genco Shipping & Trading Limited 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.

# Second quarter highlights

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| | (unaudited) | | (unaudited) | |
| **FLEET DATA:** | | | | |
| Total number of vessels at end of period | 44 | 40 | 44 | 40 |
| Average number of vessels (1) | 44.0 | 40.1 | 43.9 | 41.7 |
| Total ownership days for fleet (2) | 4,004 | 3,648 | 7,954 | 7,545 |
| Total chartered-in days (3) | 146 | 446 | 457 | 787 |
| Total available days (4) | 3,656 | 4,041 | 7,730 | 8,242 |
| Total available days for owned fleet (5) | 3,510 | 3,595 | 7,273 | 7,455 |
| Total operating days for fleet (6) | 3,611 | 3,998 | 7,568 | 8,120 |
| Fleet utilization (7) | 97.2% | 98.3% | 95.6% | 98.1% |
| **AVERAGE DAILY RESULTS:** | | | | |
| Time charter equivalent (8) | $ 28,756 | $ 21,137 | $ 26,354 | $ 16,508 |
| Daily vessel operating expenses per vessel (9) | 7,358 | 5,151 | 7,100 | 5,015 |

(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.

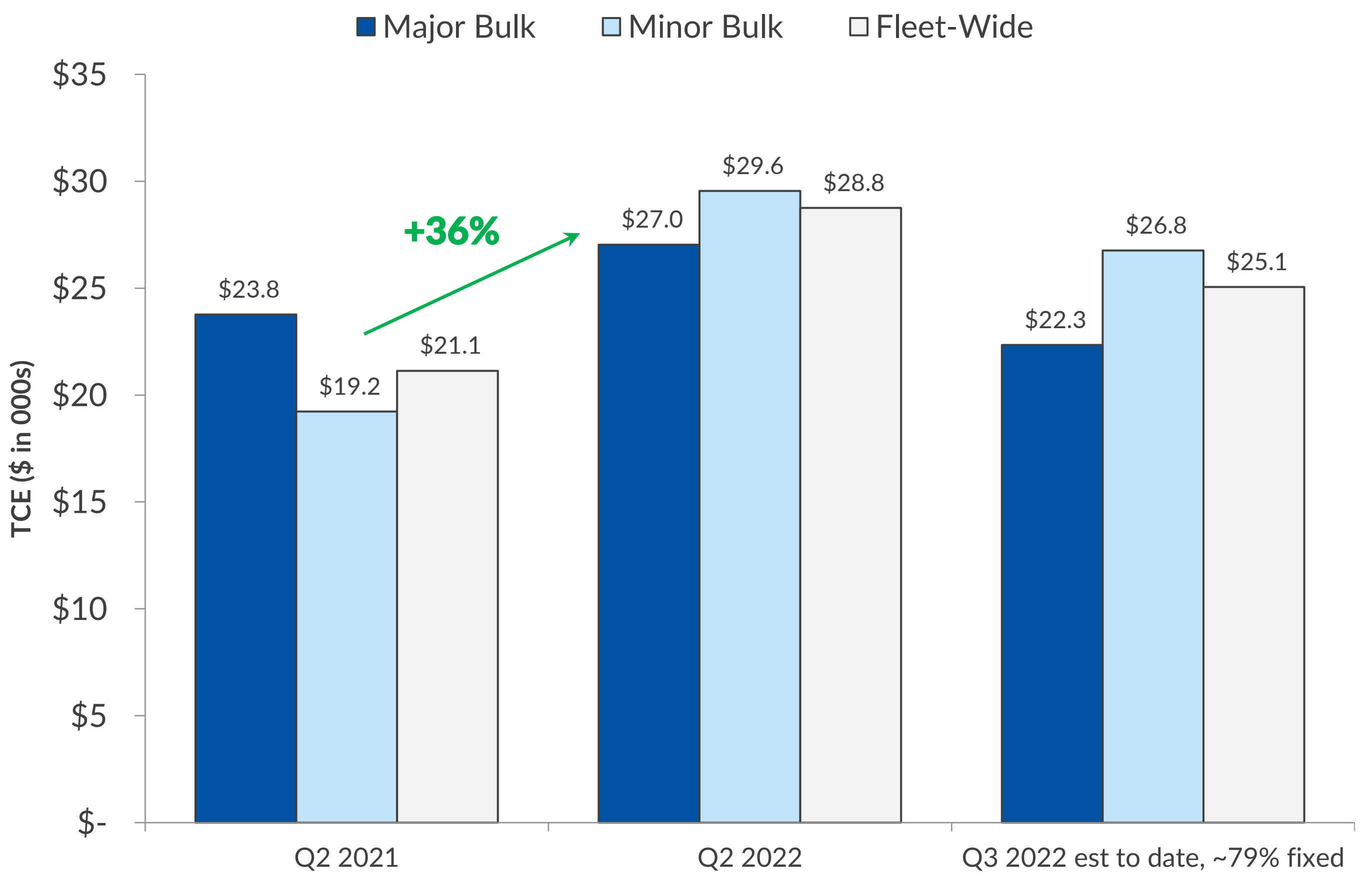
(7) We calculate fleet utilization as the number of our operating days during a period divided by the number of ownership days plus time charter-in days less days our vessels spend in drydocking.

(8) We define TCE rates as our voyage revenues less voyage expenses, charter-hire expenses, and realized gains or losses on fuel hedges, 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.

# Q2 2022 TCE is our strongest Q2 since 2010

Firm earnings in midst of the geopolitical headwinds, with a strong TCE estimate for Q3 to date




**$25.1k** Q3 2022 TCE estimate to date is fixed for ~79% of the quarter's available days

**+36%** Q2 2022 is 36% higher vs Q2 2021

- Significant operating leverage
- Sizeable fleet
- Major + minor bulk exposure

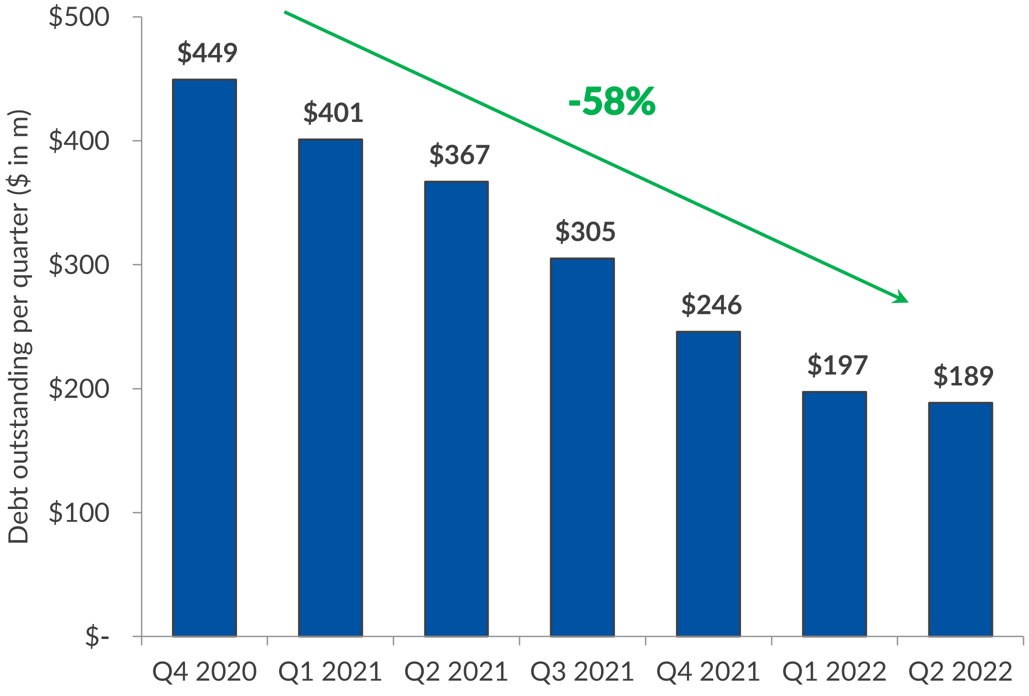


Note: our Capesize vessels are considered major bulk vessels, while Ultramax and Supramax vessels are considered minor bulk.

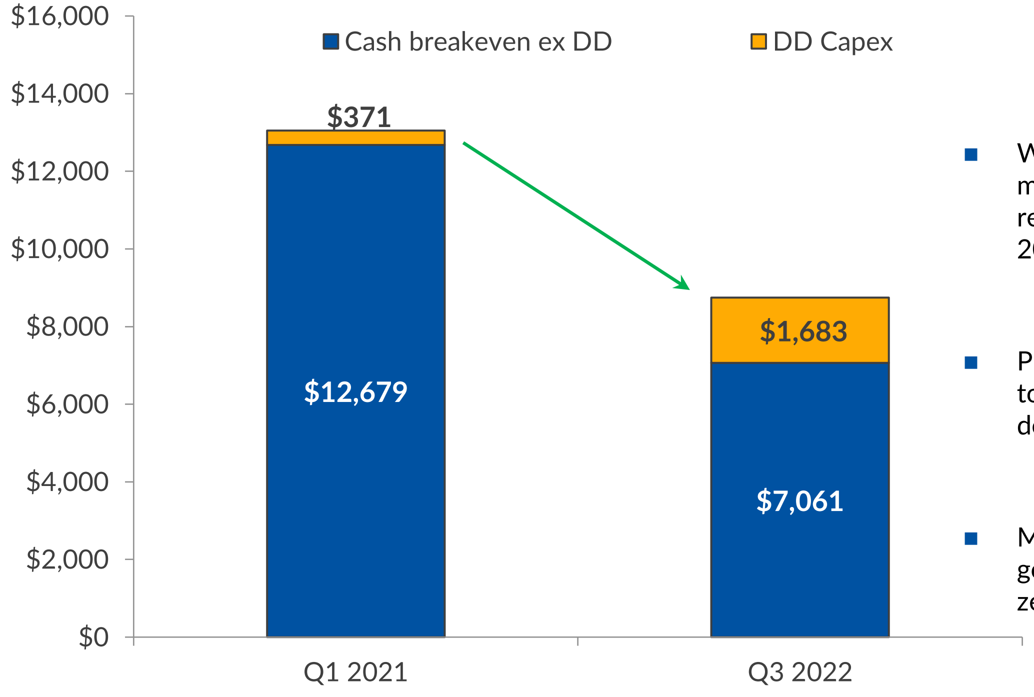
# Genco’s industry low cash flow breakeven rate

## Genco 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 since 2020…**




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




*Breakeven rate prior to implementation of value strategy*

- We have no mandatory debt repayments until 2026
- Plan to continue to voluntarily pay down debt
- Medium term goal of net debt zero

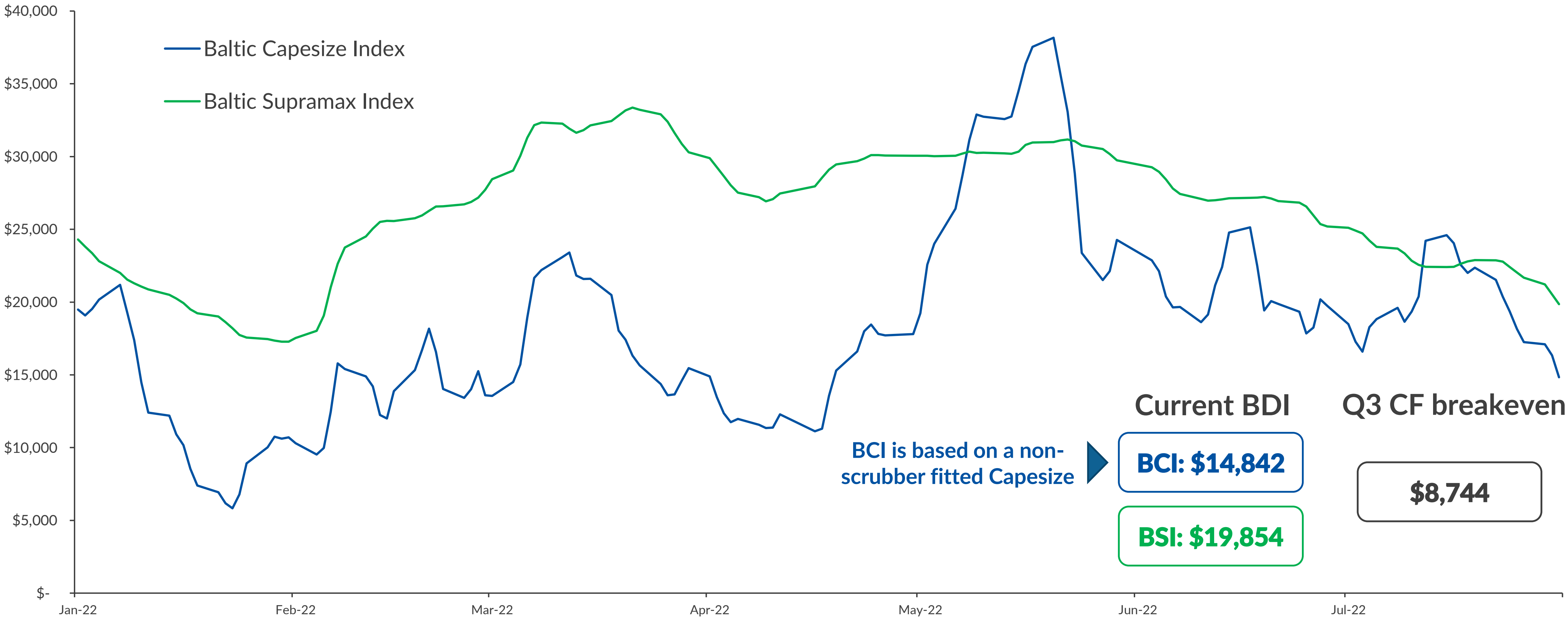


Note: cash flow breakeven figures shown are based on actual figures for Q1 2021 and estimates that are subject to change for Q3 2022. Peer group is US listed public drybulk companies.

# Industry Overview

# Freight rate development

## Capes rangebound after May rally + Supras remain firm despite decline




BCI is based on a non-scrubber fitted Capesize

**Current BDI**

**BCI: $14,842**

**BSI: $19,854**

**Q3 CF breakeven**

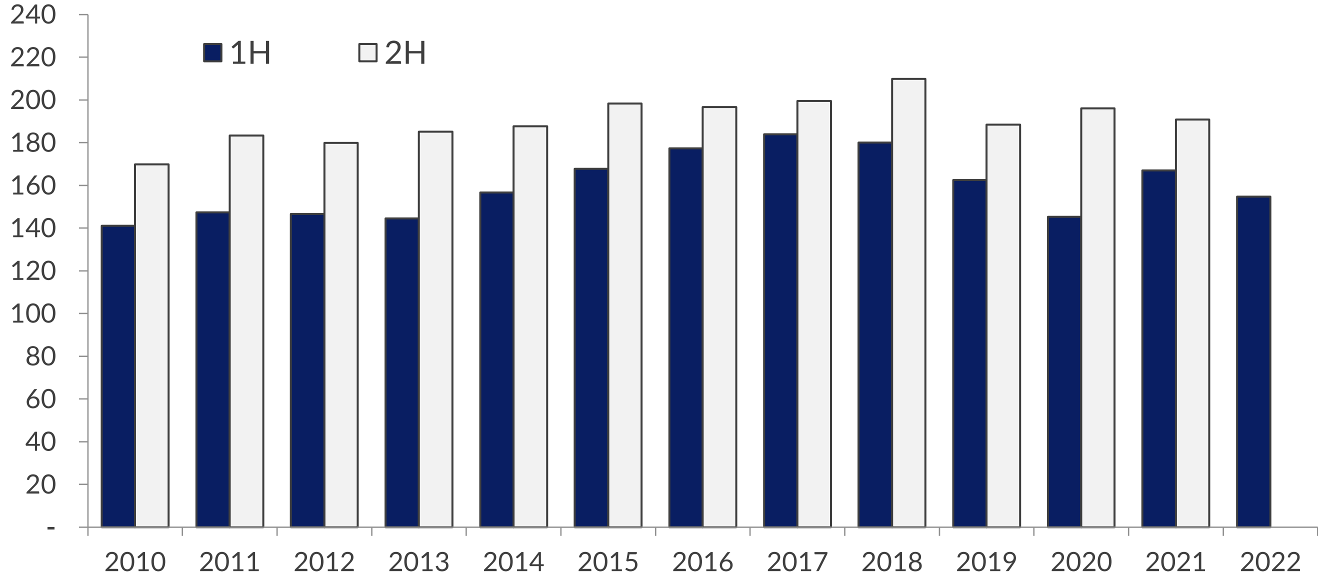
**$8,744**



Source: Clarksons Research Services Limited 2022

# Brazilian IO exports near 2013/2020 1H lows

Brazilian IO exports are 7% below 1H 2021 levels




**+19%** Avg increase of Br IO exports in 2H vs 1H since 2010

**<160** 6 of the last 12 years to 2021 have seen Br IO exports below 160MT in 1H, with 5 of those years occurring from 2010 to 2014 and the other being in 2020 (Covid)

**+25%** In years with <160MT of Br IO exports in 1H, the 2H volumes have been at least 25% higher (in 2020 it was +35%)

**155** 1H 2022 Br IO exports, ex 2020, was the lowest 1H since 2013

**Brazilian iron ore exports since 2010 by 1H / 2H**

| MT | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Avg |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1H | 141 | 147 | 147 | 145 | 157 | 168 | 177 | 184 | 180 | 162 | 145 | 167 | 155 | 160 |
| 2H | 170 | 183 | 180 | 185 | 188 | 198 | 197 | 200 | 210 | 188 | 196 | 191 | | 190 |
| **MT Variance** | **29** | **36** | **33** | **41** | **31** | **31** | **19** | **16** | **30** | **26** | **51** | **24** | | **30** |
| **% Variance** | **20%** | **24%** | **23%** | **28%** | **20%** | **18%** | **11%** | **8%** | **17%** | **16%** | **35%** | **14%** | | **19%** |

Source: Clarksons Research Services Limited 2022

# China's series of accommodative policies since Q4

| Date | China's stimulus measures since shift to accommodation in Q4 2021 |
|---|---|
| Dec-21 | PBoC cuts RRR by 50bps |
| Dec-21 | PBoC cuts the 1-year Loan Prime Rate by 5bps |
| Jan-22 | PBoC cuts the 1-year Loan Prime Rate by 10bps, cuts 5-year rate by 5bps |
| Feb-22 | Delay carbon peak for steel industry from 2025 to 2030, rental housing is not subject to restriction for property loans |
| Mar-22 | “5% growth bottom line” becomes official |
| Apr-22 | PBoC cuts RRR by 25bps |
| Apr-22 | Xi calls for “all-out effort to boost infrastructure construction” |
| May-22 | PBoC reduces mortgage rate floor for first-time homebuyers to 20bp below the 5-year LPR, which is 4.6%. |
| May-22 | Cuts 5-year Loan Prime Rate by 15bps |
| May-22 | Premier Li calls on local governments to implement stimulus measures as China begins to normalize in June |
| Jun-22 | Increase loan quota for banks by $120 billion to support infrastructure investment |
| Jun-22 | Xi reiterates call for China to "strive to meet the economic and social targets for this year" |
| Jul-22 | China will set up a state infrastructure investment fund worth $75 billion to spur infrastructure spending |
| Jul-22 | China considering allowing local govs to issue $220 billion of special bonds in 2H to spur infrastructure spending |
| Jul-22 | China announces launch of $44 billion real estate fund to help resolve debt issues for developers |

- July 2022 Politburo meeting:
  - Growth target now focused on “striving to achieve the best result”
  - Macro policy to be proactive in boosting demand
  - Infrastructure investment to accelerate in 2H vs 1H
  - Zero-Covid policy likely to remain in place ahead of Party Congress in Oct/Nov
- Full scale stimulus (ie 2008-09 or Q2 2020 levels) have not yet been implemented, but various measures have been taken to date
- Strong credit growth in June
- China to support property sector

Sources: Macquarie, Mysteel

# Russia's war in Ukraine continues to impact the global coal and grain trades – recent developments include…

## Grain

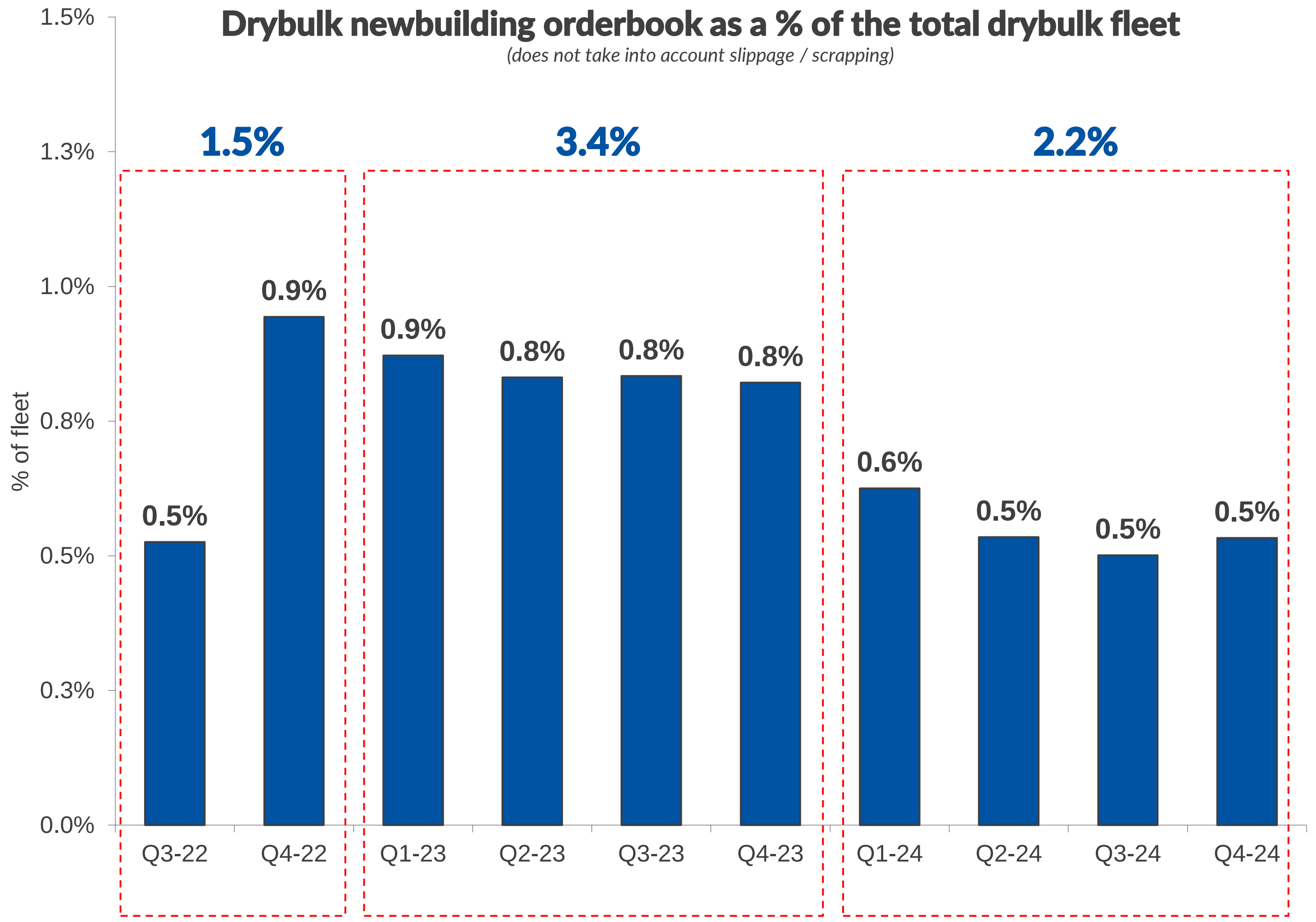
- Russia and Ukraine sign a deal to reopen Ukrainian ports for grain exports
  - Wheat and corn prices have softened leading up to and on the announcement
  - The next day Russia attacked Odessa, large Ukrainian grain port, compromising the deal
  - 20MT reportedly stored in Ukrainian grain silos
  - Potential improvement in shipments in the coming weeks
- Brazil to export corn to China by year end increasing ton miles in what would be a new trade
  - Strong Brazilian corn crop this year to help offset lost Ukrainian volumes

## Coal

- Continued re-routing of cargo flows
- Tightness in energy markets
- Potential easing of China's unofficial ban on Australian coal imports
- China's coal imports from Russia rose by 22% in June vs May
  - China continues to ramp up domestic output
- India coal demand post monsoon season
- Europe continues its shift back towards coal use given power shortages and pricing

Source: Clarksons Research Services Limited 2022

# Historically low newbuilding orderbook




**7.0%** Orderbook as a % of the total drybulk fleet

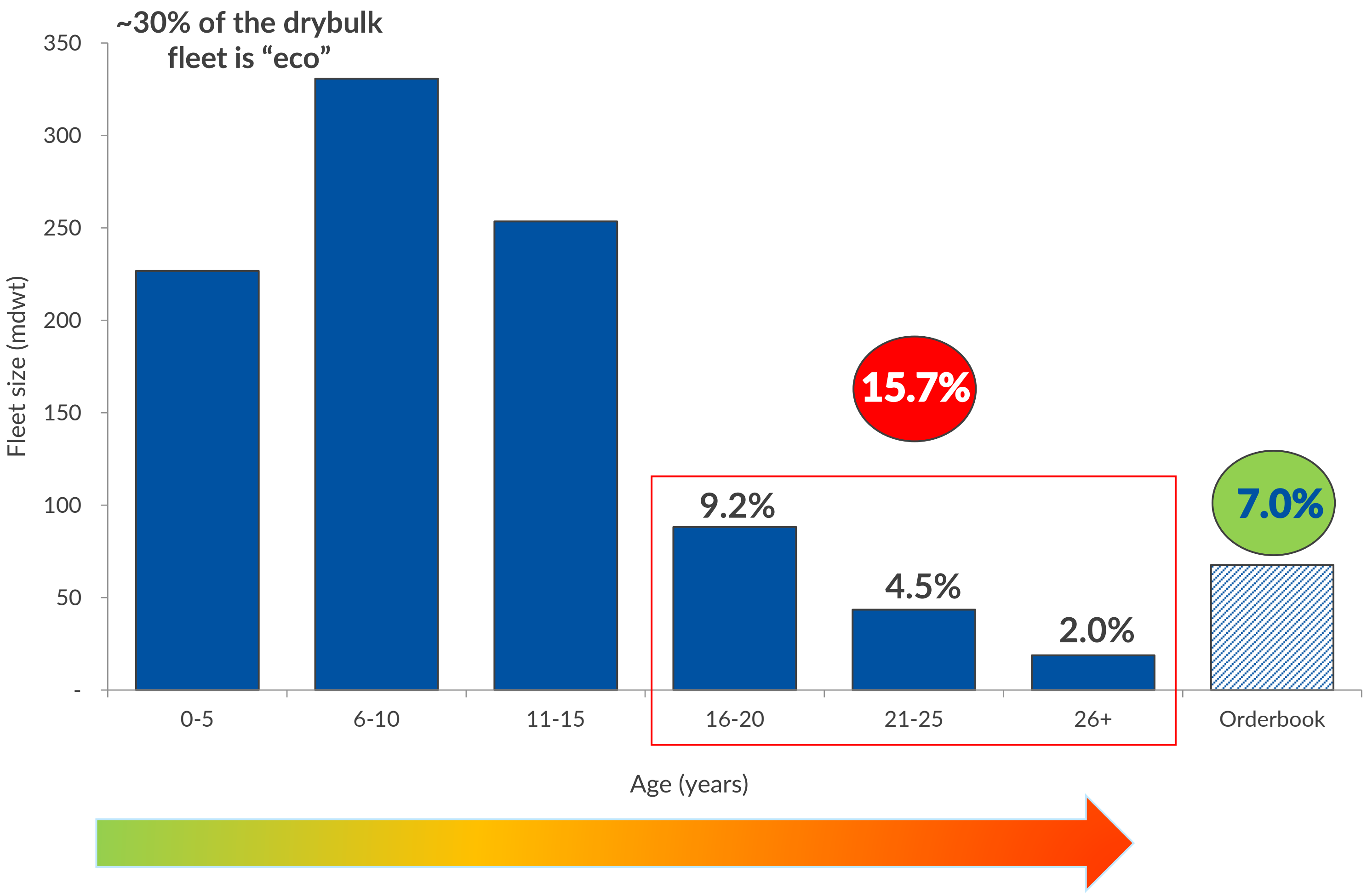
**7.9%** % of the total drybulk fleet >=20 years old

**-28%** Newbuilding deliveries down 28% through July



Source: Clarksons Research Services Limited 2022

# Fleet-wide impact of environmental regulations




- **Slower maximum speeds** due to engine power limitation installations + Carbon Intensity Indicator 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



Source: Clarksons Research Services Limited 2022

# Freight rate catalysts and drybulk outlook

## Marsoft 2H 2022 to 2024 S&D growth estimates

| | Vessel* | 2H 2022 vs 1H 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Iron Ore | Capesize | +8.2% | +3.8% | +1.6% |
| Coal | Capesize<br>Panamax | +5.0% | +2.2% | -0.6% |
| Grain | Panamax<br>Supramax<br>Handysize | -1.9% | +0.8% | +3.1% |
| Minor Bulk | Supramax<br>Handysize | 0.0% | +3.3% | +2.1% |
| **Total Demand** | | +3.5% | +2.8% | +1.5% |
| **Net Fleet Growth** | | +0.9% | +1.5% | +1.2% |

## Drybulk market catalysts

1. Record low orderbook as a percentage of the fleet to limit net fleet growth
2. Fleet-wide inefficiencies created by re-routing of cargo flows due to Russia's war in Ukraine
3. China's shift to more accommodative policies
4. Recovery and growth of Brazilian iron ore exports

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

Sources: Marsoft, Clarksons, IMF

# Q&A

# Appendix

# Genco's 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 |
| Genco 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*

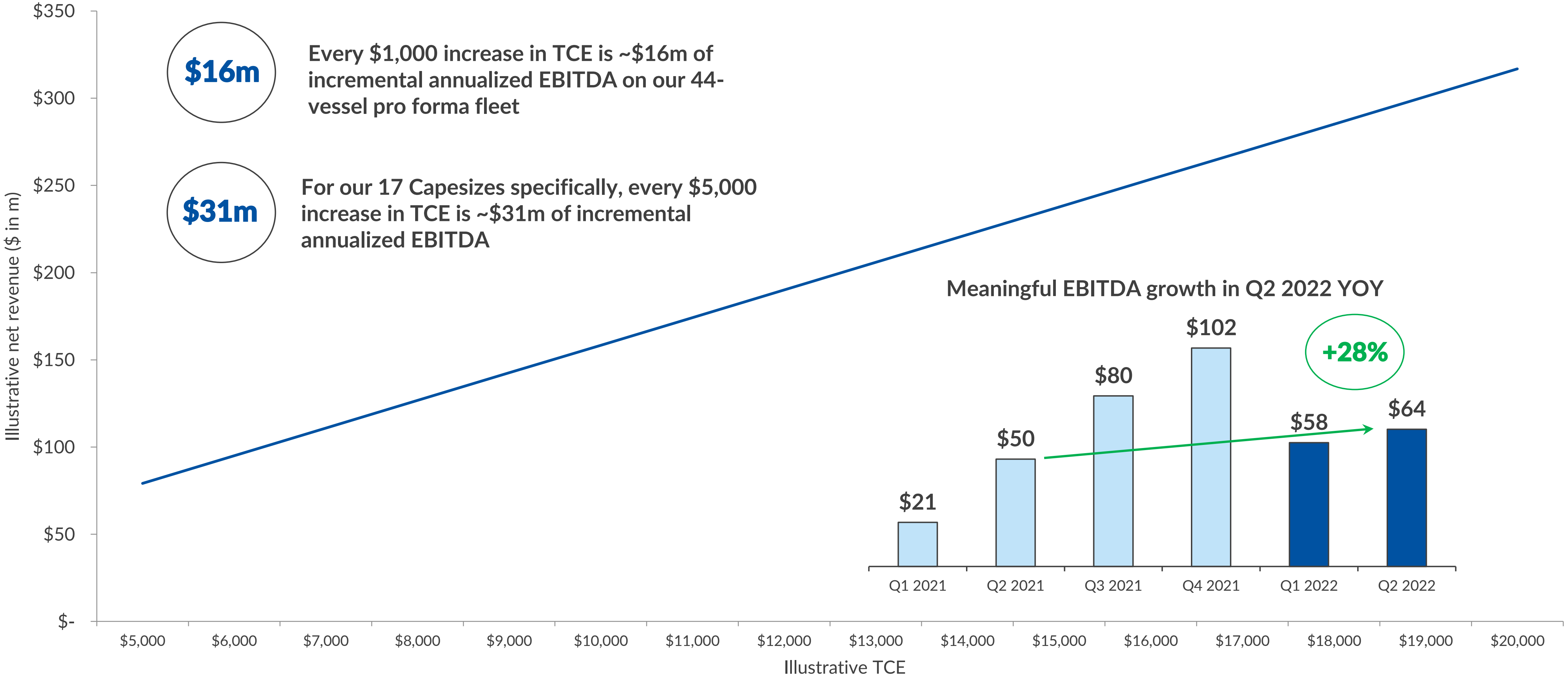
# Securing cash flows in this strong earning environment

| Vessel | Type | Rate | Duration | Min Expiration |
|---|---|---|---|---|
| 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 Mary | Ultramax | $ 31,500 | 6-8 months | Nov-22 |
| Genco Freedom | Ultramax | $ 23,375 | 20-23 months | Mar-23 |
| Baltic Scorpion | Ultramax | $ 30,500 | 10-13 months | Mar-23 |
| Baltic Hornet | Ultramax | $ 24,000 | 20-23 months | Apr-23 |
| Baltic Wasp | Ultramax | $ 25,500 | 23-25 months | Jun-23 |
| Genco Claudius | Capesize | 94% of BCI + scrubber premium | 11-14 months | Jan-23 |
| Genco Resolute | Capesize | 121% of BCI + scrubber premium | 11-14 months | Jan-23 |
| Genco Defender | Capesize | 121% of BCI + scrubber premium | 11-14 months | Feb-23 |

- We continue to utilize a fleet-wide portfolio approach to fixture activity to capture this strong earnings environment
- Our 2 year duration Ultramax fixtures were concluded to lock in solid returns on acquisition vessels
- We continue to evaluate a variety of fixture options fleet-wide to optimize revenue generation including further longer term coverage on an opportunistic basis

# Significant fleet-wide operating leverage

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

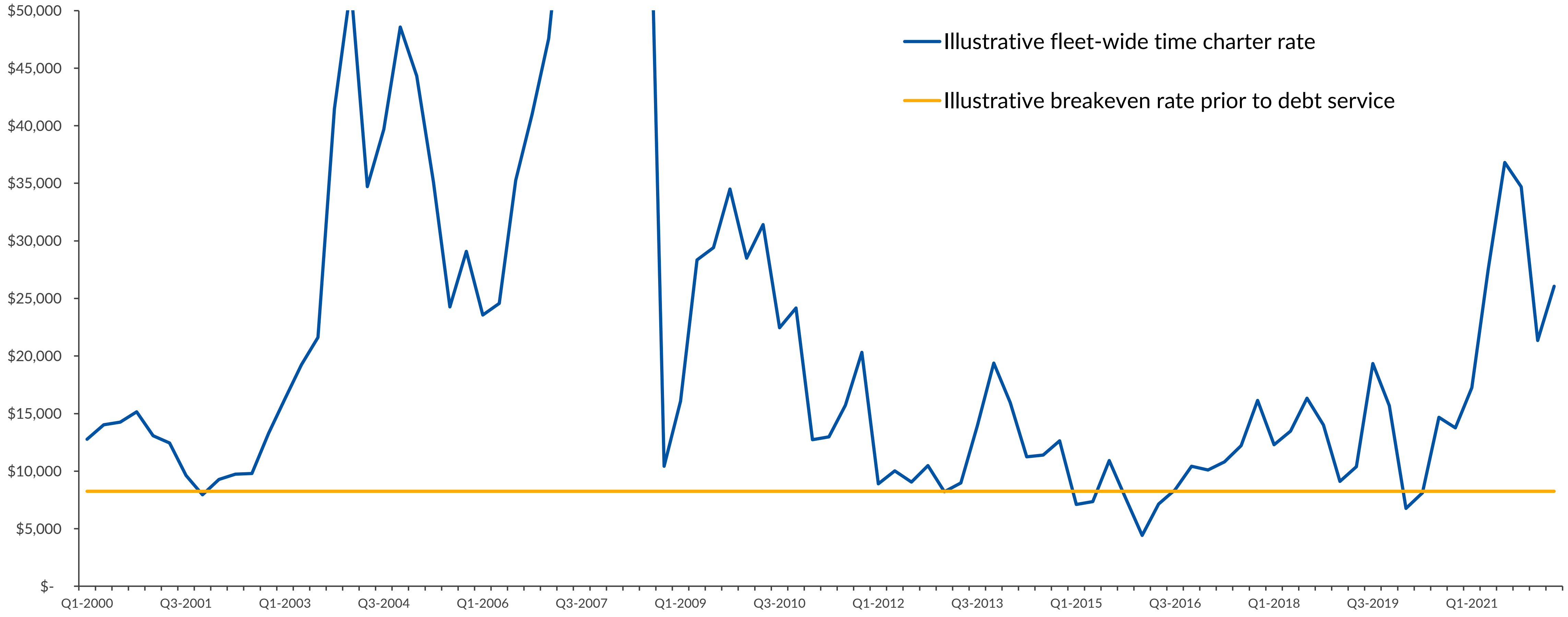





Note: based on a fleet of 44 ships, for illustrative purposes only. We believe the non-GAAP measure presented provides investors with a means of better evaluating and understanding the Company's operating performance

# Breakeven rate prior to debt service…

## …is covered in nearly every rate environment over the last 2 decades






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 Q3 2022 expense budget.

# EBITDA reconciliation[1]

| Adjusted EBITDA Q1 2021-Q2 2022 | | | | | | |
|---|---|---|---|---|---|---|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 |
| Net income | $ 1,985 | $ 32,037 | $ 57,132 | $ 90,852 | $ 41,689 | $ 47,382 |
| Net interest expense | 4,470 | 4,422 | 3,918 | 2,392 | 2,225 | 2,337 |
| Income tax expense | - | - | - | - | - | - |
| Depreciation/amortization | 13,441 | 13,769 | 14,200 | 14,822 | 14,059 | 14,521 |
| **EBITDA** | **$ 19,896** | **$ 50,228** | **$ 75,250** | **$ 108,066** | **$ 57,973** | **$ 64,240** |
| Loss (gain) on vessel sales | $ 720 | $ 15 | $ 159 | $ (5,818) | $ - | $ - |
| Loss on debt extinguishment | - | - | 4,408 | - | - | - |
| **Adjusted EBITDA** | **$ 20,616** | **$ 50,243** | **$ 79,817** | **$ 102,248** | **$ 57,973** | **$ 64,240** |

(1) EBITDA represents net income attributable to Genco Shipping & Trading Limited 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.

# Time charter equivalent reconciliation[1]

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | June 30, 2022 | June 30, 2021 | June 30, 2022 | June 30, 2021 |
| | (unaudited) | | (unaudited) | |
| **Total Fleet** | | | | |
| Voyage revenues (in thousands) | $ 137,764 | $ 121,008 | $ 273,991 | $ 208,599 |
| Voyage expenses (in thousands) | 32,460 | 36,702 | 70,924 | 71,775 |
| Charter hire expenses (in thousands) | 5,044 | 8,325 | 12,682 | 13,761 |
| Realized gain on fuel hedges (in thousands) | 667 | - | 1,296 | - |
| | 100,927 | 75,981 | 191,681 | 123,063 |
| Total available days for owned fleet | 3,510 | 3,595 | 7,273 | 7,455 |
| Total TCE rate | $ 28,756 | $ 21,137 | $ 26,354 | $ 16,508 |

(1) We define TCE rates as our voyage revenues less voyage expenses, charter-hire expenses, and realized gains or losses on fuel hedges 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.

# Net Income reconciliation

| Net Income Reconciliation | Three Months Ended June 30, 2022 (unaudited) |
| --- | --- |
| Net income attributable to Genco Shipping & Trading Limited | $ 47,382 |
| | |
| Adjusted earnings per share - basic | $ 1.12 |
| Adjusted earnings per share - diluted | $ 1.10 |
| | |
| Weighted average common shares outstanding - basic | 42,385,423 |
| Weighted average common shares outstanding - diluted | 42,996,676 |
| | |
| Weighted average common shares outstanding - basic as per financial statements | 42,385,423 |
| Dilutive effect of stock options | 415,578 |
| Dilutive effect of restricted stock units | 195,675 |
| Weighted average common shares outstanding - diluted as adjusted | 42,996,676 |

# Q3 2022 estimated fleet-wide expenses[1]

| Daily Expenses by Category | Free Cash Flow[2] | Net Income |
|---|---|---|
| Direct Vessel Operating[3] | $4,950 | $4,950 |
| G&A Expenses[4] | 1,264 | 1,444 |
| Technical Management Fees[5] | 353 | 353 |
| Drydocking[6] | 987 | - |
| Fuel efficiency upgrade investment / BWTS[7] | 696 | - |
| Interest Expense[8] | 494 | 600 |
| Mandatory debt repayments[9] | - | - |
| Depreciation[10] | - | 3,774 |
| **Total** | **$8,744** | **$11,121** |
| Number of Vessels[11] | 44.00 | 44.00 |

**Est Ownership / Owned Available Days - Q3 2022**

| Vessel Type | Own. Days | DD Days | Owned Avail Days |
|---|---|---|---|
| Capesize | 1,564 | 127 | 1,437 |
| Ultramax | 1,380 | 32 | 1,348 |
| Supramax | 1,104 | - | 1,104 |
| **Total** | **4,048** | **159** | **3,889** |

- Less drydocking capex as compared to Q2 2022
- No mandatory debt amortizations payments until 2026,
- Plan to voluntarily prepay $8.75 million of debt in Q3 2022
- We plan to continue to voluntarily pay down our debt
- Our medium term objective is to reduce net debt to zero



Note: please refer to the next slide for further details and footnotes.

# Footnotes to Q3 2022 estimated fleet-wide expenses & operating expense reconciliation

(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 Q3 2022 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 June 30, 2022, less anticipated voluntary debt repayments in Q3 2022. 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 Q3 2022, Genco has no mandatory debt repayments scheduled. The Company plans to pay down approximately $8.75 million in Q2 2022.

(10) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $400 per LWT.

(11) Based on a weighted average fleet of 44.00 vessels.

**Q3 2022 operating expense reconciliation**

| Operating expenses ($ in m) | Q3 2022 free cash flow est | Adj to GAAP measure | Q3 2022 Net income est |
|---|---|---|---|
| Vessel operating expenses | $ (20.04) | $ - | $ (20.04) |
| General & administrative expenses | $ (5.12) | $ (0.73) | $ (5.85) |
| Technical management fees | $ (1.43) | $ - | $ (1.43) |
| Interest expense | $ (2.00) | $ (0.43) | $ (2.43) |
| **Total operating expenses** | **$ (28.58)** | **$ (1.16)** | **$ (29.74)** |


Thank You