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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-33393

GENCO SHIPPING & TRADING LIMITED
(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	**98-0439758**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

299 Park Avenue, 12th Floor, New York, New York 10171
(Address of principal executive offices) (Zip Code)

(646) 443-8550
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common stock, par value $0.01 per share	GNK	New York Stock Exchange (NYSE)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

The number of shares outstanding of each of the issuer's classes of common stock, as of August 3, 2022: Common stock, par value $0.01 per share — 42,281,407 shares.

Genco Shipping & Trading Limited

Website Information

We intend to use our website, www.GencoShipping.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website's Investor section. Accordingly, investors should monitor the Investor portion of our website, in addition to following our press releases, filings with the U.S. Securities and Exchange Commission (the "SEC"), public conference calls, and webcasts. To subscribe to our e-mail alert service, please submit your e-mail address at the Investor Relations Home page of the Investor section of our website. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Genco Shipping & Trading Limited

Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021

(U.S. Dollars in thousands, except for share and per share data)

(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 44,669	$ 114,573
Restricted cash	5,643	5,643
Due from charterers, net of a reserve of $1,471 and $1,403, respectively	24,963	20,116
Prepaid expenses and other current assets	9,237	9,935
Inventories	31,740	24,563
Fair value of derivative instruments	3,894	—
Total current assets	120,146	174,830
Noncurrent assets:		
Vessels, net of accumulated depreciation of $277,600 and $253,005, respectively	1,025,403	981,141
Deposits on vessels	—	18,543
Deferred drydock, net of accumulated amortization of $14,063 and $12,879 respectively	25,521	14,275
Fixed assets, net of accumulated depreciation and amortization of $5,019 and $3,984, respectively	8,014	7,237
Operating lease right-of-use assets	4,790	5,495
Restricted cash	315	315
Fair value of derivative instruments	1,954	1,166
Total noncurrent assets	1,065,997	1,028,172
Total assets	$ 1,186,143	$ 1,203,002
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 41,183	$ 29,956
Deferred revenue	5,789	10,081
Current operating lease liabilities	1,944	1,858
Total current liabilities:	48,916	41,895
Noncurrent liabilities:		
Long-term operating lease liabilities	5,200	6,203
Long-term debt, net of deferred financing costs of $6,932 and $7,771, respectively	181,568	238,229
Total noncurrent liabilities	186,768	244,432
Total liabilities	235,684	286,327
Commitments and contingencies (Note 13)		
Equity:		
Common stock, par value $0.01; 500,000,000 shares authorized; 42,281,407 and 41,924,597 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	423	419
Additional paid-in capital	1,641,664	1,702,166
Accumulated other comprehensive income	5,617	825
Accumulated deficit	(697,752)	(786,823)
Total Genco Shipping & Trading Limited shareholders' equity	949,952	916,587
Noncontrolling interest	507	88
Total equity	950,459	916,675
Total liabilities and equity	$ 1,186,143	$ 1,203,002

See accompanying notes to Condensed Consolidated Financial Statements.

Genco Shipping & Trading Limited
Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2022 and 2021
(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
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 $826, $551, $1,516 and $1,073, 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

See accompanying notes to Condensed Consolidated Financial Statements.

Genco Shipping & Trading Limited
Condensed Consolidated Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2022 and 2021
(U.S. Dollars in Thousands)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net income	$ 47,625	$ 32,037	$ 89,490	$ 34,022
Other comprehensive income (loss)	1,499	(23)	4,792	138
Comprehensive income	$ 49,124	$ 32,014	$ 94,282	$ 34,160
Less: Comprehensive income attributable to noncontrolling interest	243	—	419	—
Comprehensive income attributable to Genco Shipping & Trading Limited	$ 48,881	$ 32,014	$ 93,863	$ 34,160

See accompanying notes to Condensed Consolidated Financial Statements.

Genco Shipping & Trading Limited
Condensed Consolidated Statements of Equity
For the Three and Six Months Ended June 30, 2022 and 2021
(U.S. Dollars in Thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Genco Shipping & Trading Limited Shareholders' Equity	Noncontrolling Interest	Total Equity
Balance — January 1, 2022	$ 419	$ 1,702,166	$ 825	$ (786,823)	$ 916,587	$ 88	$ 916,675
Net income				41,689	41,689	176	41,865
Other comprehensive income			3,293		3,293		3,293
Issuance of shares due to vesting of RSUs and exercise of options	2	(2)			—		—
Cash dividends declared ($0.67 per share)		(28,454)			(28,454)		(28,454)
Nonvested stock amortization		690			690		690
Balance — March 31, 2022	$ 421	$ 1,674,400	$ 4,118	$ (745,134)	$ 933,805	$ 264	$ 934,069
Net income				47,382	47,382	243	47,625
Other comprehensive income			1,499		1,499		1,499
Issuance of shares due to vesting of RSUs and exercise of options	2	(2)			—		—
Cash dividends declared ($0.79 per share)		(33,560)			(33,560)		(33,560)
Nonvested stock amortization		826			826		826
Balance — June 30, 2022	$ 423	$ 1,641,664	$ 5,617	$ (697,752)	$ 949,952	$ 507	$ 950,459

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Genco Shipping & Trading Limited Shareholders' Equity	Noncontrolling Interest	Total Equity
Balance — January 1, 2021	$ 418	$ 1,713,406	$ —	$ (968,830)	$ 744,994	$ —	$ 744,994
Net income				1,985	1,985		1,985
Other comprehensive income			161		161		161
Issuance of shares due to vesting of RSUs and exercise of options	1	(1)			—		—
Cash dividends declared ($0.02 per share)		(845)			(845)		(845)
Nonvested stock amortization		522			522		522
Balance — March 31, 2021	$ 419	$ 1,713,082	$ 161	$ (966,845)	$ 746,817	$ —	$ 746,817
Net income				32,037	32,037		32,037
Other comprehensive loss			(23)		(23)		(23)
Issuance of shares due to exercise of options	—	—			—		—
Cash dividends declared ($0.05 per share)		(2,110)			(2,110)		(2,110)
Nonvested stock amortization		551			551		551
Balance — June 30, 2021	$ 419	$ 1,711,523	$ 138	$ (934,808)	$ 777,272	$ —	$ 777,272

See accompanying notes to Condensed Consolidated Financial Statements.

Genco Shipping & Trading Limited
Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2022 and 2021
(U.S. Dollars in Thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net income	$ 89,490	$ 34,022
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,579	27,209
Amortization of deferred financing costs	841	2,235
Right-of-use asset amortization	705	690
Amortization of nonvested stock compensation expense	1,516	1,073
Loss on sale of vessels	—	735
Amortization of premium on derivative	110	111
Interest rate cap premium payment	—	(240)
Insurance proceeds for protection and indemnity claims	169	101
Change in assets and liabilities:		
Increase in due from charterers	(4,847)	(921)
Decrease (increase) in prepaid expenses and other current assets	584	(894)
Increase in inventories	(7,177)	(4,858)
Increase in accounts payable and accrued expenses	8,602	5,028
(Decrease) increase in deferred revenue	(4,292)	954
Decrease in operating lease liabilities	(917)	(871)
Deferred drydock costs incurred	(14,204)	(1,822)
Net cash provided by operating activities	99,159	62,552
Cash flows from investing activities:		
Purchase of vessels and ballast water treatment systems, including deposits	(48,346)	(24,678)
Purchase of scrubbers (capitalized in Vessels)	—	(126)
Purchase of other fixed assets	(1,927)	(431)
Net proceeds from sale of vessels	—	29,096
Insurance proceeds for hull and machinery claims	293	295
Net cash (used in) provided by investing activities	(49,980)	4,156
Cash flows from financing activities:		
Repayments on the $450 Million Credit Facility	(57,500)	—
Repayments on the $133 Million Credit Facility	—	(24,320)
Repayments on the $495 Million Credit Facility	—	(57,883)
Cash dividends paid	(61,572)	(2,983)
Payment of deferred financing costs	(11)	—
Net cash used in financing activities	(119,083)	(85,186)
Net decrease in cash, cash equivalents and restricted cash	(69,904)	(18,478)
Cash, cash equivalents and restricted cash at beginning of period	120,531	179,679
Cash, cash equivalents and restricted cash at end of period	$ 50,627	$ 161,201

See accompanying notes to Condensed Consolidated Financial Statements.

Genco Shipping & Trading Limited
(U.S. Dollars in Thousands, Except Per Share and Share Data)
Notes to Condensed Consolidated Financial Statements (unaudited)

1 - GENERAL INFORMATION

The accompanying Condensed Consolidated Financial Statements include the accounts of Genco Shipping & Trading Limited ("GS&T") and its direct and indirect subsidiaries (collectively, the "Company"). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels and operates in one business segment.

At June 30, 2022, the Company's fleet consisted of 44 drybulk vessels, including 17 Capesize drybulk carriers, 15 Ultramax drybulk carriers and twelve Supramax drybulk carriers, with an aggregate carrying capacity of approximately 4,636,000 dwt and an average age of approximately 10.3 years.

During September 2021, the Company and Synergy Marine Pte. Ltd. ("Synergy"), a third party, formed a joint venture, GS Shipmanagement Pte. Ltd. ("GSSM"). GSSM is owned 50% by the Company and 50% by Synergy as of June 30, 2022 and December 31, 2021, and was formed to provide ship management services to the Company's vessels. As of June 30, 2022 and December 31, 2021, the investments GSSM received from the Company and Synergy totaled $50 and $50, respectively, which were used for expenditures directly related to the operations of GSSM.

Management has determined that GSSM qualifies as a variable interest entity, and, when aggregating the variable interest held by the Company and Synergy, the Company is the primary beneficiary as the Company has the ability to direct the activities that most significantly impact GSSM's economic performance. Accordingly, the Company consolidates GSSM.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus strain, or COVID-19, to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Over the course of the pandemic, governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, working from home, supply chain logistical changes, and closure of non-essential businesses. This led to a significant slowdown in overall economic activity levels globally and a decline in demand for certain of the raw materials that our vessels transport.

At present, it is not possible to ascertain any future impact of COVID-19 on the Company's operational and financial performance, which may take some time to materialize and may not be fully reflected in the results for 2022. However, an increase in the severity or duration or a resurgence of the COVID-19 pandemic, any potential variants and the timing of wide-scale vaccine distribution could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition, the carrying value of the Company's assets, the fair values of the Company's vessels, and the Company's ability to pay dividends.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and the rules and regulations of the SEC that apply to interim financial statements, including the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the disclosures and footnotes normally included in complete consolidated financial statements prepared in conformity with U.S. GAAP. They should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2021 Annual Report on Form 10-K, filed with the SEC on February 24, 2022 (the "2021 10-K"). The accompanying Condensed Consolidated Financial Statements include the accounts of GS&T and its direct and indirect wholly-owned subsidiaries and GSSM. All intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management of the Company, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and operating results have been included in the statements. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the operating results to be expected for the year ending December 31, 2022.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel valuations, the valuation of amounts due from charterers, residual value of vessels, useful life of vessels, the fair value of time charters acquired, and the fair value of derivative instruments, if any. Actual results could differ from those estimates.

Cash, cash equivalents and restricted cash

The Company considers highly liquid investments, such as money market funds and certificates of deposit with an original maturity of three months or less at the time of purchase to be cash equivalents. Current and non-current restricted cash includes cash that is restricted pursuant to our credit facilities. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same amounts shown in the Condensed Consolidated Statements of Cash Flows:

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 44,669	$ 114,573
Restricted cash - current	5,643	5,643
Restricted cash - noncurrent	315	315
Cash, cash equivalents and restricted cash	$ 50,627	$ 120,531

Bunker swap and forward fuel purchase agreements

From time to time, the Company may enter into fuel hedge agreements with the objective of reducing the risk of the effect of changing fuel prices. The Company has entered into bunker swap agreements and forward fuel purchase agreements. The Company's bunker swap agreements and forward fuel purchase agreements do not qualify for hedge accounting treatment; therefore any unrealized or realized gains and losses are recorded in the Condensed Consolidated Statements of Operations. Derivatives are Level 2 instruments in the fair value hierarchy.

During the three months ended June 30, 2022 and 2021, the Company recorded $667 and $60 of realized gains in other income, respectively. During the three months ended June 30, 2022 and 2021, the Company recorded $321 and $168 of unrealized gains in other income, respectively. During the six months ended June 30, 2022 and 2021, the Company recorded $1,296 and $215 of realized gains in other income, respectively. During the six months ended June 30, 2022 and 2021, the Company recorded $1,760 and $52 of unrealized gains in other income, respectively. The total fair value of the bunker swap agreements and forward fuel purchase agreements in an asset position as of June 30, 2022 and December 31, 2021 is $1,853 and $113 and are recorded in prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets. The total fair value of the bunker swap agreements and forward fuel purchase

agreements in a liability position as of June 30, 2022 and December 31, 2021 is $0 and $20 and are recorded in accounts payable and accrued expenses in the Condensed Consolidated Balance Sheets.

Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost that is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation for vessels during the three months ended June 30, 2022 and 2021 was $12,411 and $12,045, respectively. Depreciation for vessels during the six months ended June 30, 2022 and 2021 was $24,595 and $23,814, respectively.

Depreciation expense is calculated based on cost less the estimated residual scrap value. The costs of significant replacements, renewals and betterments are capitalized and depreciated over the shorter of the vessel's remaining estimated useful life or the estimated life of the renewal or betterment. Undepreciated cost of any asset component being replaced that was acquired after the initial vessel purchase is written off as a component of vessel operating expense. Expenditures for routine maintenance and repairs are expensed as incurred. Scrap value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight tons (lwt). Effective January 1, 2022, the Company increased the estimated scrap value of the vessels from $310 per lwt to $400 per lwt prospectively based on the average of the 15-year average scrap value of steel.

During the three months ended June 30, 2022, the increase in the estimated scrap value resulted in a decrease in depreciation expense of $1,159. The decrease in depreciation expense resulted in a $0.03 and $0.02 change to the basic and diluted net earnings per share, respectively, during the three months ended June 30, 2022. The basic and diluted net earnings per share for the three months ended June 30, 2022 would have been $1.09 per share and $1.08 per share, respectively, if there was no change in the estimated scrap value.

During the six months ended June 30, 2022, the increase in the estimated scrap value resulted in a decrease in depreciation expense of $2,304. The decrease in depreciation expense resulted in a $0.06 and $0.05 change to the basic and diluted net earnings per share, respectively, during the six months ended June 30, 2022. The basic and diluted net earnings per share for the six months ended June 30, 2022 would have been $2.05 per share and $2.02 per share, respectively, if there was no change in the estimated scrap value.

Voyage expense recognition

In time charters and spot market-related time charters, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. These expenses are borne by the Company during spot market voyage charters. As such, there are significantly higher voyage expenses for spot market voyage charters as compared to time charters and spot market-related time charters. There are certain other non-specified voyage expenses, such as commissions, which are typically borne by the Company. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. Additionally, the Company records lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. These differences in bunkers, including any lower of cost and net realizable value adjustments, resulted in a net gain of $2,421 and $443 during the three months ended June 30, 2022 and 2021, respectively, and $4,425 and $937 during the six months ended June 30, 2022 and 2021, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Technical management fees

Technical management fees include the direct costs, including operating costs, incurred by GSSM for the technical management of the vessels under its management. Additionally, prior to the transfer of our vessels to GSSM

for technical management, we incurred management fees payable to third party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operation and arranging for crews and supplies.

Recent accounting pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, "*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04")" which provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued ASU 2021-01, "*Reference Rate Reform (Topic 848) – Scope* ("ASU 2021-01")," which permits entities to apply optional expedients in Topic 848 to derivative instruments modified because of discounting transition resulting from reference rate reform. ASU 2020-04 became effective upon issuance and may be applied prospectively to contract modification made on or before December 31, 2022. ASU 2021-01 became effective upon issuance and may be applied on a full retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 or prospectively for contract modification made on or before December 31, 2022. The Company has evaluated the impact of the adoption of ASU 2020-04 and ASU 2021-01 and has determined that there is no effect on its Condensed Consolidated Financial Statements and related disclosures.

3 - CASH FLOW INFORMATION

For the six months ended June 30, 2022, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $3,965 for the Purchase of vessels and ballast water treatment systems, including deposits, and $1,036 for the Purchase of other fixed assets. For the six months ended June 30, 2022, the Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expense consisting of $599 for Cash dividends payable. Additionally, for the six months ended June 30, 2022, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Prepaid expenses and other current assets consisting of $348 for the Purchase of vessels and ballast water treatment systems, including deposits.

For the six months ended June 30, 2021, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $497 for the Purchase of vessels and ballast water treatment systems, including deposits, $27 for the Purchase of scrubbers, $35 for the Purchase of other fixed assets and $7 for the Net proceeds from sale of vessels. For the six months ended June 30, 2021, the Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expense consisting of $86 for Cash dividends payable.

During the six months ended June 30, 2022 and 2021, cash paid for interest, net of amounts capitalized, was $3,739 and $6,764, respectively.

During the six months ended June 30, 2022 and 2021, there was no cash paid for income taxes.

During the six months ended June 30, 2022, the Company reclassified $18,543 from Deposits on vessels to Vessels, net of accumulated depreciation upon the delivery of the Genco May and Genco Laddey. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the six months ended June 30, 2021, the Company reclassified $7,798 from Vessels, net of accumulated depreciation to Vessels held for sale as the Company entered into an agreement to sell the Genco Lorraine prior to June 30, 2021.

On May 16, 2022, the Company issued 27,331 restricted stock units to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $600.

On February 23, 2022, the Company issued 201,934 restricted stock units to certain individuals. The aggregate fair value of these restricted stock units was $3,950.

On May 13, 2021, the Company issued 33,525 restricted stock units to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $515.

On May 4, 2021, the Company issued 18,428 restricted stock units to a member of the Board of Directors. The aggregate fair value of these restricted stock units was $300.

On February 23, 2021, the Company issued 103,599 restricted stock units and options to purchase 118,552 shares of the Company's stock at an exercise price of $9.91 to certain individuals. The fair value of these restricted stock units and stock options were $1,027 and $513, respectively.

Refer to Note 14 — Stock-Based Compensation for further information regarding the aforementioned grants.

Supplemental Condensed Consolidated Cash Flow information related to leases is as follows:

	For the Six Months Ended June 30,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 1,115	$ 1,115

4 - VESSEL ACQUISITIONS AND DISPOSITIONS

Vessel Acquisitions

On May 18, 2021, the Company entered into agreements to acquire two 2022-built 61,000 dwt newbuilding Ultramax vessels from Dalian Cosco KHI Ship Engineering Co. Ltd. for a purchase price of $29,170 each, that were renamed the Genco Mary and the Genco Laddey. The vessels were delivered to the Company on January 6, 2022. The Company used cash on hand to finance the purchase. As of December 31, 2021, deposits on vessels were $18,543. The remaining purchase price of $40,838 was paid during the six months ended June 30, 2022 upon delivery of the vessels.

Capitalized interest expense associated with these newbuilding contracts for the three months ended June 30, 2022 and 2021 was $0 and $54, respectively, and $5 and $54 for the six months ended June 30, 2022 and 2021, respectively.

Vessel Dispositions

As of June 30, 2022 and December 31, 2021, the Company recorded $5,643 of current restricted cash in the Condensed Consolidated Balance Sheets, representing the net proceeds from the sale of the Genco Provence on November 2, 2021 which served as collateral under the $450 Million Credit Facility. Pursuant to the $450 Million Credit Facility, the net proceeds received from the sale will remain classified as restricted cash for 360 days following the sale date. That amount can be used towards the financing of replacement vessels or vessels meeting certain requirements and added as collateral under the facility. If such a replacement vessel is not added as collateral within such 360-day period, the Company will be required to use the proceeds as a loan prepayment.

5 – EARNINGS PER SHARE

The computation of basic earnings per share is based on the weighted-average number of common shares outstanding during the reporting period. The computation of diluted earnings per share assumes the vesting of nonvested stock awards and the exercise of stock options (refer to Note 14 — Stock-Based Compensation), for which the assumed proceeds upon vesting are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive.

The components of the denominator for the calculation of basic and diluted earnings per share are as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Common shares outstanding, basic:				
Weighted-average common shares outstanding, basic	42,385,423	42,071,019	42,276,371	42,022,669
Common shares outstanding, diluted:				
Weighted-average common shares outstanding, basic	42,385,423	42,071,019	42,276,371	42,022,669
Dilutive effect of stock options	415,578	340,072	427,995	214,413
Dilutive effect of restricted stock units	195,675	201,041	228,004	208,102
Weighted-average common shares outstanding, diluted	42,996,676	42,612,132	42,932,370	42,445,184

6 - RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2022 and 2021, the Company did not have any related party transactions.

7 – DEBT

Long-term debt, net consists of the following:

	June 30, 2022	December 31, 2021
Principal amount	$ 188,500	$ 246,000
Less: Unamortized debt financing costs	(6,932)	(7,771)
Less: Current portion	—	—
Long-term debt, net	$ 181,568	$ 238,229

	June 30, 2022		December 31, 2021	
	Principal	Unamortized Debt Issuance Cost	Principal	Unamortized Debt Issuance Cost
$450 Million Credit Facility	$ 188,500	$ 6,932	$ 246,000	$ 7,771
Total debt	$ 188,500	$ 6,932	$ 246,000	$ 7,771

As of June 30, 2022 and December 31, 2021, $6,932 and $7,771 of deferred financing costs, respectively, were presented as a direct deduction within the outstanding debt balance in the Company's Condensed Consolidated Balance Sheets.

$450 Million Credit Facility

On August 3, 2021, the Company entered into the $450 Million Credit Facility, a five-year senior secured credit facility which is allocated between an up to $150,000 term loan facility and an up to $300,000 revolving credit facility which was used to refinance the Company's two prior credit facilities into one facility.

As of June 30, 2022, there was $218,870 of availability under the $450 Million Credit Facility. Total debt repayments of $8,750 and $57,500 were made during the three and six months ended June 30, 2022, respectively, under the $450 Million Credit Facility.

As of June 30, 2022, the Company was in compliance with all of the financial covenants under the $450 Million Credit Facility.

Interest rates

The following table sets forth the effective interest rate associated with the interest expense for the Company's debt facilities noted above, including the cost associated with unused commitment fees, if applicable. The following table also includes the range of interest rates on the debt, excluding the impact of unused commitment fees, if applicable:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Effective Interest Rate	3.96 %	3.22 %	3.43 %	3.20 %
Range of Interest Rates (excluding unused commitment fees)	2.61% to 3.84 %	2.59 % to 3.44 %	2.26% to 3.84 %	2.59 % to 3.48 %

8 – DERIVATIVE INSTRUMENTS

The Company is exposed to interest rate risk on its floating rate debt. As of June 30, 2022, the Company had three interest rate cap agreements outstanding to manage interest costs and the risk associated with variable interest rates. The three interest rate cap agreements were initially designated and qualified as cash flow hedges. The premium paid is recognized in income on a rational basis, and all changes in the value of the caps are deferred in Accumulated other comprehensive income ("AOCI") and are subsequently reclassified into Interest expense in the period when the hedged interest affects earnings.

During the second quarter of 2022, based on the total outstanding debt under the $450 Million Credit Facility being below the total notional amount of the interest rate cap agreements, a portion of one of the interest rate cap agreements was dedesignated. Subsequent gains and losses resulting from valuation adjustments on the dedesignated portion of the cap are recorded within interest expense. As the forecasted interest payments hedged are not remote of occurring, the amounts in AOCI as of the date of dedesignation will be recognized over the remaining original hedge

period. During the three and six months ended June 30, 2022, the Company recorded a loss of $11 in interest expense for the portion of the interest rate caps not designated as a hedging instrument.

The following table summarizes the interest rate cap agreements in place as of June 30, 2022.

Interest Rate Cap Detail				Notional Amount Outstanding
Trade date	Cap Rate	Start Date	End Date	June 30, 2022
March 25, 2021	0.75 %	April 29, 2021	March 28, 2024	$ 50,000
July 29, 2020	0.75 %	July 31, 2020	December 29, 2023	100,000
March 6, 2020	1.50 %	March 10, 2020	March 10, 2023	50,000
				$ 200,000

The Company records the fair value of the interest rate caps as Fair value of derivative instruments in the current and non-current asset section on its Condensed Consolidated Balance Sheets. The Company has elected to use the income approach to value the interest rate derivatives using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present amount (discounted) reflecting current market expectations about those future amounts. Level 2 inputs for derivative valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts) and inputs other than quoted prices that are observable for the asset or liability (specifically LIBOR cash and swap rates, implied volatility, basis swap adjustments, and credit risk at commonly quoted intervals). Mid-market pricing is used as a practical expedient for most fair value measurements.

The Company recorded a $4,792 gain for the six months ended June 30, 2022 in AOCI. The estimated income that is currently recorded in AOCI as of June 30, 2022 that is expected to be reclassified into earnings within the next twelve months is $3,744.

The Effect of Fair Value and Cash Flow Hedge Accounting on the Statements of Operations

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
	Interest Expense	Interest Expense	Interest Expense	Interest Expense
Total amounts of income and expense line items presented in the statements of operations in which the effects of fair value or cash flow hedges are recorded	$ 2,405	$ 4,470	$ 4,647	$ 9,012
The effects of fair value and cash flow hedging				
Gain or (loss) on cash flow hedging relationships in Subtopic 815-20:				
Interest contracts:				
Amount of gain or (loss) reclassified from AOCI to income	$ (50)	$ —	$ (50)	$ —
Premium excluded and recognized on an amortized basis	56	42	98	111
Amount of gain or (loss) reclassified from AOCI to income as a result that a forecasted transaction is no longer probable of occurring	—	—	—	—

The following table shows the interest rate cap assets as of June 30, 2022:

	Balance Sheet Location	June 30, 2022	December 31, 2021
Derivatives designated as hedging instruments			
Interest rate caps	Fair value of derivative instruments - current	$ 3,781	$ —
Interest rate caps	Fair value of derivative instruments - noncurrent	$ 1,871	$ 1,166
Derivatives not designated as hedging instruments			
Interest rate caps	Fair value of derivative instruments - current	$ 113	$ —
Interest rate caps	Fair value of derivative instruments - noncurrent	$ 83	$ —

The components of AOCI included in the accompanying Condensed Consolidated Balance Sheet consists of net unrealized gains on cash flow hedges as of June 30, 2022.

AOCI — January 1, 2022	$ 825
Amount recognized in OCI on derivative, intrinsic	5,295
Amount recognized in OCI on derivative, excluded	(503)
Amount reclassified from OCI into income	—
AOCI — June 30, 2022	$ 5,617

9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company's financial instruments as of June 30, 2022 and December 31, 2021 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 44,669	$ 44,669	$ 114,573	$ 114,573
Restricted cash	5,958	5,958	5,958	5,958
Principal amount of floating rate debt	188,500	188,500	246,000	246,000

The carrying value of the borrowings under the $450 Million Credit Facility as of June 30, 2022 and December 31, 2021, which excludes the impact of deferred financing costs, approximate their fair value due to the variable interest nature thereof as this credit facility represents a floating rate loan. The carrying amounts of the Company's other financial instruments as of June 30, 2022 and December 31, 2021 (principally Due from charterers and Accounts payable and accrued expenses) approximate fair values because of the relatively short maturity of these instruments.

ASC Subtopic 820-10, "*Fair Value Measurements & Disclosures*" ("ASC 820-10"), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumption (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 requires significant management judgment. The three levels are defined as follows:

- Level 1—Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.
- Level 2—Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Cash and cash equivalents and restricted cash are considered Level 1 items, as they represent liquid assets with short-term maturities. Floating rate debt is considered to be a Level 2 item, as the Company considers the estimate of rates it could obtain for similar debt or based upon transactions amongst third parties. Interest rate cap agreements, bunker swap agreements and forward fuel purchase agreements are considered to be Level 2 items. Refer to Note 8 — Derivative Instruments and Note 2 — Summary of Significant Accounting Policies, respectively, for further information. Nonrecurring fair value measurements include vessel impairment assessments completed during the interim period and at year-end as determined based on third-party quotes, which are based on various data points, including comparable sales of similar vessels, which are Level 2 inputs. There was no vessel impairment recorded during the three and six months ended June 30, 2022 and 2021.

The fair value determination for the operating lease right-of-use assets was based on third party quotes, which is considered a Level 2 input. Nonrecurring fair value measurements may include impairment tests of the Company's operating lease right-of-use assets if there are indicators of impairments. During the three and six months ended June 30, 2022 and 2021, there were no indicators of impairment of the operating lease right-of-use assets.

The Company did not have any Level 3 financial assets or liabilities as of June 30, 2022 and December 31, 2021.

10 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	June 30, 2022	December 31, 2021
Accounts payable	$ 13,691	$ 9,399
Accrued general and administrative expenses	3,328	4,719
Accrued vessel operating expenses	24,164	15,838
Total accounts payable and accrued expenses	$ 41,183	$ 29,956

11 – VOYAGE REVENUES

Total voyage revenues include revenue earned on fixed rate time charters, spot market voyage charters and spot market-related time charters, as well as the sale of bunkers consumed during short-term time charters. For the three months ended June 30, 2022 and 2021, the Company earned $137,764 and $121,008 of voyage revenues, respectively. For the six months ended June 30, 2022 and 2021, the Company earned $273,991 and $208,599 of voyage revenues, respectively.

Total voyage revenues recognized in the Condensed Consolidated Statements of Operations includes the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Lease revenue	$ 62,752	$ 31,557	$ 118,557	$ 50,457
Spot market voyage revenue	75,012	89,451	155,434	158,142
Total voyage revenues	$ 137,764	$ 121,008	$ 273,991	$ 208,599

12 – LEASES

On June 14, 2019, the Company entered into a sublease agreement for a portion of the leased space for its main office in New York, New York that commenced on July 26, 2019 and will end on September 29, 2025. There was $306 of sublease income recorded during the three months ended June 30, 2022 and 2021 and $612 of sublease income recorded during the six months ended June 30, 2022 and 2021. Sublease income is recorded net with the total operating lease costs in General and administrative expenses in the Condensed Consolidated Statements of Operations.

The Company charters in third-party vessels and the Company is the lessee in these agreements under ASC 842. The Company has elected the practical expedient under ASC 842 to not recognize right-of-use assets and lease liabilities for short-term leases. During the three and six months ended June 30, 2022 and 2021, all charter-in agreements for third-party vessels were less than twelve months and considered short-term leases.

13 – COMMITMENTS AND CONTINGENCIES

During the second half of 2018, the Company entered into agreements for the purchase of ballast water treatments systems (“BWTS”) for 36 of its vessels. The cost of these systems varies based on the size and specifications of each vessel and whether the systems will be installed in China during the vessels’ scheduled drydockings. Based on the contractual purchase price of the BWTS and the estimated installation fees, the Company estimates the cost of the systems to be approximately $1.0 million for Capesize vessels and $0.6 million for Supramax vessels. These costs are capitalized and depreciated over the remainder of the life of the vessels. Prior to any adjustments for vessel impairment and vessel sales, the Company recorded cumulatively $24,064 and $18,992 in Vessel assets in the Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021, respectively, related to BWTS additions. Excluding any installation fees, the Company expects to pay $1,129 during the remainder of 2022 for BWTS.

14 - STOCK-BASED COMPENSATION

2015 Equity Incentive Plan

Stock Options

The following table summarizes the stock option activity for the six months ended June 30, 2022:

	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding as of January 1, 2022	916,287	$ 9.02	$ 4.08
Granted	—	—	—
Exercised	(392,774)	10.19	5.45
Forfeited	—	—	—
Outstanding as of June 30, 2022	523,513	$ 8.14	$ 3.05
Exercisable as of June 30, 2022	329,622	$ 8.09	$ 3.11

The following table summarizes certain information about the options outstanding as of June 30, 2022:

	Options Outstanding and Unvested, June 30, 2022			Options Outstanding and Exercisable, June 30, 2022		
Weighted Average Exercise Price of Outstanding Options	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
$ 8.14	193,891	$ 8.22	4.07	329,622	$ 8.09	3.35

As of June 30, 2022 and December 31, 2021, a total of 523,513 and 916,287 stock options were outstanding, respectively.

Amortization of the unamortized stock-based compensation balance of $200 as of June 30, 2022 is expected to be expensed $111, $81 and $8 during the remainder of 2022 and during the years ending December 31, 2023 and 2024, respectively.

For the three and six months ended June 30, 2022 and 2021, the Company recognized amortization expense of the fair value of its stock options, which is included in General and administrative expenses, as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
General and administrative expenses	$ 55	$ 151	$ 168	$ 330

Restricted Stock Units

The Company has issued restricted stock units ("RSUs") under the 2015 Plan to certain members of the Board of Directors and certain executives and employees of the Company, which represent the right to receive a share of common stock, or in the sole discretion of the Company's Compensation Committee, the value of a share of common stock on the date that the RSU vests. As of June 30, 2022 and December 31, 2021, 612,300 and 478,848 shares of the Company's common stock were outstanding in respect of the RSUs, respectively. Such shares of common stock will only be issued in respect of vested RSUs issued to directors when the director's service with the Company as a director terminates. Such shares of common stock will only be issued to executives and employees when their RSUs vest under the terms of their grant agreements and the amended 2015 Plan.

The RSUs that have been issued to certain members of the Board of Directors generally vest on the date of the annual shareholders meeting of the Company following the date of the grant. In lieu of cash dividends issued for vested and nonvested shares held by certain members of the Board of Directors, the Company will grant additional vested and nonvested RSUs, respectively, which are calculated by dividing the amount of the dividend by the closing price per share of the Company's common stock on the dividend payment date and will have the same terms as other RSUs issued to members of the Board of Directors. The RSUs that have been issued to other individuals vest ratably on each of the three or five year anniversaries of the determined vesting date. The table below summarizes the Company's unvested RSUs for the six months ended June 30, 2022:

	Number of RSUs	Weighted Average Grant Date Price
Outstanding as of January 1, 2022	306,887	$ 9.65
Granted	243,190	20.00
Vested	(180,661)	10.85
Forfeited	—	—
Outstanding as of June 30, 2022	369,416	$ 15.88

The total fair value of the RSUs that vested during the six months ended June 30, 2022 and 2021 was $3,733 and $1,798, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

The following table summarizes certain information of the RSUs unvested and vested as of June 30, 2022:

Unvested RSUs June 30, 2022			Vested RSUs June 30, 2022	
Number of RSUs	Weighted Average Grant Date Price	Weighted Average Remaining Contractual Life	Number of RSUs	Weighted Average Grant Date Price
369,416	$ 15.88	2.71	837,998	$ 10.43

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of June 30, 2022, unrecognized compensation cost of $4,261 related to RSUs will be recognized over a weighted-average period of 2.71 years.

For the three and six months ended June 30, 2022 and 2021, the Company recognized nonvested stock amortization expense for the RSUs, which is included in General and administrative expenses as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
General and administrative expenses	$ 771	$ 401	$ 1,348	$ 743

15 - LEGAL PROCEEDINGS

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows.

16 – SUBSEQUENT EVENTS

On August 3, 2022, the Company announced a regular quarterly dividend of $0.50 per share to be paid on or about August 23, 2022, to shareholders of record as of August 16, 2022. The aggregate amount of the dividend is expected to be approximately $21.3 million, which the Company anticipates will be funded from cash on hand at the time the payment is to be made.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

This report 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.

The following management's discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes included in this Form 10-Q.

General

We are a New York City-based company incorporated in the Marshall Islands that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Our fleet currently consists of 44 drybulk vessels, including 17 Capesize drybulk carriers, 15 Ultramax drybulk carriers and twelve Supramax drybulk carriers, with an aggregate carrying capacity of approximately 4,636,000 deadweight tons ("dwt") and an average age of approximately 10.4 years. We seek to deploy our vessels on time charters, spot market voyage charters, spot market-related time charters or in vessel pools trading in the spot market, to reputable charterers.

See pages 35 – 36 for a table of our current fleet.

Genco's approach towards fleet composition is to own a high-quality fleet of vessels that focuses primarily on Capesize, Ultramax and Supramax vessels. Capesize vessels represent our major bulk vessel category and the other vessel classes, including Ultramax, Supramax and Handysize vessels, represent our minor bulk vessel category. On February 24, 2021, we disposed of the last Handysize vessel in our fleet. Our major bulk vessels are primarily used to transport iron ore and coal, while our minor bulk vessels are primarily used to transport grains, steel products and other drybulk cargoes such as cement, scrap, fertilizer, bauxite, nickel ore, salt and sugar. This approach of owning ships that transport both major and minor bulk commodities provide us with exposure to a wide range of drybulk trade flows. We employ an active commercial strategy which consists of a global team located in the U.S., Copenhagen and Singapore. Overall, we utilize a portfolio approach to revenue generation through a combination of short-term, spot market employment as well as opportunistically booking longer term coverage. Our fleet deployment strategy is currently weighted towards short-term fixtures, which provides us with optionality on our sizeable fleet. However, depending on market conditions, we may seek to enter into additional longer term time charter contracts or contracts of affreightment. In addition to both short and long-term time charters, we fix our vessels on spot market voyage charters as well as spot market-related time charters depending on market conditions and management's outlook. Furthermore, we have also transported containers on select vessels on an opportunistic basis. We will continue to explore the possibility of transporting containers on board select vessels from time to time, which could provide additional flexibility for vessel fixture options, primarily for backhaul trades.

Drawing on one of the strongest balance sheets in the drybulk industry, in April 2021 we announced a new comprehensive value strategy. This strategy is centered on three key pillars: compelling dividends, financial deleveraging and growth. During 2021, we executed this strategy by paying down $203 million of debt while expanding our core Ultramax fleet. Additionally, during 2022 to date, we have paid down an additional $57.5 million of debt. These actions have enabled us to further reduce our cash flow breakeven rate positioning us to pay sizeable quarterly dividends across diverse market environments. To support this strategy, we entered into an agreement for a new $450 Million Credit Facility under which we have used to globally refinance our prior credit facilities, thereby increasing flexibility, improving key terms and lowering our cash flow breakeven rates. Within this facility is a significant revolving credit facility that we can utilize. The first quarterly dividend under Genco's value strategy was paid during the first quarter of 2022 based on the financial results from the fourth quarter of 2021.

In implementing this strategy, we will focus on the following specific priorities for the remainder of 2022:

- Pay attractive dividends to shareholders
- Continue to pay down debt through voluntary prepayments from a combination of cash flow generation and cash on our balance sheet; and

- Opportunistically grow the fleet on a low levered basis

COVID-19

In March 2020, the World Health Organization (the "WHO") declared the outbreak of a novel coronavirus strain, or COVID-19, to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Over the course of the pandemic, governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, working from home, supply chain logistical changes, and closure of non-essential businesses. This led to a significant slowdown in overall economic activity levels globally and a decline in demand for certain of the raw materials that our vessels transport.

Drybulk shipping rates, and therefore our voyage revenues, depend to a significant degree on global economic activity levels and specifically, economic activity in China. As the world's second largest economy, China is the largest importer of drybulk commodities globally, which drives demand for iron ore, coal and other cargoes we carry. In 2022 to date, various regions in China have experienced another wave of COVID-19 outbreaks for which the government chose to reinstate lockdown measures as part of the country's "zero tolerance" policy. This has resulted in a reduction in demand for steel products and other commodities we carry, as well as continued disruptions throughout the supply chain. China has set a 2022 GDP growth forecast of around 5.5%. During the first quarter of 2022, China's GDP growth came in under this level at 4.8% in part due to the impact of these government measures. The impact of these measures continued into the second quarter of 2022. Towards the end of such quarter, the Chinese government began to ease its lockdown measures and have reiterated their goal to reach their economic growth target.

Although rebounding economies around the world have had a positive impact on our revenues, our vessel operating expenses continued to be affected by higher than anticipated costs related to COVID-19 disruptions. The impact of COVID-19 on both our revenues and operating expenses remains highly dependent on the trajectory of COVID-19, potential variants, as well as vaccine distribution and efficacy, which remains uncertain.

The outlook for China and the rest of the world remains uncertain and depends in part on the path of COVID-19 and measures taken by governments around the world in response to it. In 2021, spot rates for Capesize and Supramax vessels reached levels not seen since 2010, and these firm levels, particularly for Supramax vessels, continued into the first half of 2022 despite various seasonal factors. Global vaccination rates, vaccine effectiveness, and the onset of variants could impact the sustainability of this recovery in addition to drybulk specific seasonality described in further detail below. Moreover, earlier in the year, another wave of COVID-19 outbreaks in China led the government to reinstate lockdown measures as part of the country's "zero tolerance" policy. These policies have begun to ease in June 2022.

As our vessels trade commodities globally, we have taken measures to safeguard our crew and work toward preventing the spread of COVID-19. Crew members have received gloves, face masks, hand sanitizer, goggles and handheld thermometers. Genco requires its vessel crews to wear masks when in contact with other individuals who board the vessel. We continue to monitor the Centers for Disease Control and Prevention (the "CDC") and the WHO guidelines and are also limiting access of shore personnel boarding our vessels. Specifically, no shore personnel with fever or respiratory symptoms are allowed on board, and those that are allowed on board are restricted to designated areas that are thoroughly cleaned after their use. Face masks are also provided to shore personnel prior to boarding a vessel. Precautionary materials are posted in common areas to supplement safety training while personal hygiene best practices are strongly encouraged on board.

We have implemented protocols with regard to crew rotations to keep our crew members safe and healthy which includes polymerase chain reaction (PCR) antibody testing as well as a 10-day quarantine period prior to boarding a vessel. Genco is enacting crew changes where permitted by regulations of the ports and of the country of origin of the mariners, in addition to strict protocols that safeguard our crews against COVID-19 exposure. Crew rotations have been challenging due to port and travel restrictions globally, as well as promoting the health and safety of both on and off signing crew members.

The COVID-19 pandemic and measures to contain its spread thus have negatively impacted and could continue to impact regional and global economies and trade patterns in markets in which we operate, the way we operate our business, and the businesses of our charterers and suppliers. These impacts may continue or become more severe. Although we have successfully completed many crew changes over the course of the pandemic to date, additional crew changes could remain challenging due to COVID-19 related factors. The extent to which the COVID-19 pandemic impacts our business going forward will depend on numerous evolving factors we cannot reliably predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity, including the possibility of recession or financial market instability.

IMO 2020 Compliance

On October 27, 2016, the Marine Environment Protection Committee ("MEPC") of the International Maritime Organization ("IMO") announced the ratification of regulations mandating reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020 rather than pushing the deadline back to 2025. Accordingly, ships now have to reduce sulfur emissions, for which the principal solutions are the use of exhaust gas cleaning systems ("scrubbers") or buying fuel with low sulfur content. If a vessel is not retrofitted with a scrubber, it will need to use low sulfur fuel, which is currently more expensive than standard marine fuel containing 3.5% sulfur content. Following an increase in fuel prices during 2021 coming off of 2020 lows, there was a further increase in fuel prices during the first half of 2022 due to oil supply disruptions as a result of the war in Ukraine.

We have installed scrubbers on our 17 Capesize vessels and the remainder of our fleet is consuming compliant, low sulfur fuel, although we intend to continue to evaluate other options.

Vessel Sales and Acquisitions

On May 18, 2021, we entered into agreements to acquire two 2022-built 61,000 dwt newbuilding Ultramax vessels from Dalian Cosco KHI Ship Engineering Co. Ltd. for a purchase price of $29.2 million each, which were renamed the Genco Mary and the Genco Laddey. The vessels were delivered on January 6, 2022 and we used cash on hand to finance the purchase.

During 2021, we completed the purchase of six Ultramax vessels, two of which were acquired as part of an agreement to exchange six of our older Handysize vessels for three Ultramax vessels.

Additionally, during 2021, we completed the sale of five Supramax vessels and six Handysize vessels, which includes five of the Handysize vessels as described in the exchange agreement above.

We will continue to seek opportunities to renew our fleet going forward.

Our Operations

We report financial information and evaluate our operations by charter revenues and not by the length of ship employment for our customers, i.e., spot or time charters. Each of our vessels serves the same type of customer, has similar operations and maintenance requirements, operates in the same regulatory environment, and is subject to similar economic characteristics. Based on this, we have determined that we operate in one reportable segment in which we are engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, spot market voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. In September 2021, we entered into a joint venture named GS Shipmanagement Pte. Ltd. ("GSSM") with Synergy Marine Pte. Ltd. ("Synergy"), one of our

previous technical managers. GSSM currently provides the technical management to all 44 vessels in our fleet. GSSM aims to provide a unique and differentiated service to the management of our vessels. We expect this joint venture to increase visibility and control over our vessel operations, augment fleet-wide fuel efficiency to lower our carbon footprint through an advanced data platform and potentially provide vessel operating expense savings over time. Members of our New York City-based management team oversee the activities of GSSM.

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, chartered-in days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the three and six months ended June 30, 2022 and 2021 on a consolidated basis.

	For the Three Months Ended June 30,		Increase	
	2022	2021	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	1,547.0	1,547.0	—	— %
Ultramax	1,365.0	819.0	546.0	66.7 %
Supramax	1,092.0	1,281.5	(189.5)	(14.8)%
Handysize	—	—	—	— %
Total	4,004.0	3,647.5	356.5	9.8 %
Chartered-in days (2)				
Capesize	—	—	—	— %
Ultramax	—	111.7	(111.7)	(100.0)%
Supramax	145.7	334.2	(188.5)	(56.4)%
Handysize	—	—	—	— %
Total	145.7	445.9	(300.2)	(67.3)%
Available days (owned & chartered-in fleet) (3)				
Capesize	1,108.5	1,514.4	(405.9)	(26.8)%
Ultramax	1,341.7	930.7	411.0	44.2 %
Supramax	1,205.3	1,595.6	(390.3)	(24.5)%
Handysize	—	—	—	— %
Total	3,655.5	4,040.7	(385.2)	(9.5)%
Available days (owned fleet) (4)				
Capesize	1,108.5	1,514.4	(405.9)	(26.8)%
Ultramax	1,341.7	819.0	522.7	63.8 %
Supramax	1,059.6	1,261.4	(201.8)	(16.0)%
Handysize	—	—	—	— %
Total	3,509.8	3,594.8	(85.0)	(2.4)%
Operating days (5)				
Capesize	1,100.7	1,505.6	(404.9)	(26.9)%
Ultramax	1,327.4	923.3	404.1	43.8 %
Supramax	1,182.6	1,568.6	(386.0)	(24.6)%
Handysize	—	—	—	— %
Total	3,610.7	3,997.5	(386.8)	(9.7)%
Fleet utilization (6)				
Capesize	97.7 %	99.1 %	(1.4)%	(1.4)%
Ultramax	98.4 %	99.2 %	(0.8)%	(0.8)%
Supramax	95.5 %	97.1 %	(1.6)%	(1.6)%
Handysize	— %	— %	— %	— %
Fleet average	97.2 %	98.3 %	(1.1)%	(1.1)%

	For the Three Months Ended June 30,		Increase	
	2022	2021	(Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 27,034	$ 23,760	$ 3,274	13.8 %
Ultramax	29,045	19,524	9,521	48.8 %
Supramax	30,193	19,027	11,166	58.7 %
Handysize	—	—	—	— %
Fleet average	28,756	21,137	7,619	36.0 %
Major bulk vessels	27,034	23,760	3,274	13.8 %
Minor bulk vessels	29,551	19,227	10,324	53.7 %
Daily vessel operating expenses (8)				
Capesize	$ 6,816	$ 5,461	$ 1,355	24.8 %
Ultramax	5,732	4,684	1,048	22.4 %
Supramax	10,161	4,966	5,195	104.6 %
Handysize	—	—	—	— %
Fleet average	7,358	5,151	2,207	42.8 %

	For the Six Months Ended June 30,		Increase	
	2022	2021	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	3,077.0	3,077.0	—	— %
Ultramax	2,704.9	1,550.8	1,154.1	74.4 %
Supramax	2,172.0	2,689.2	(517.2)	(19.2)%
Handysize	—	227.5	(227.5)	(100.0)%
Total	7,953.9	7,544.5	409.4	5.4 %
Chartered-in days (2)				
Capesize	—	—	—	— %
Ultramax	190.3	344.2	(153.9)	(44.7)%
Supramax	266.3	442.5	(176.2)	(39.8)%
Handysize	—	—	—	— %
Total	456.6	786.7	(330.1)	(42.0)%
Available days (owned & chartered-in fleet) (3)				
Capesize	2,610.4	3,020.0	(409.6)	(13.6)%
Ultramax	2,792.7	1,886.4	906.3	48.0 %
Supramax	2,326.8	3,107.7	(780.9)	(25.1)%
Handysize	—	227.5	(227.5)	(100.0)%
Total	7,729.9	8,241.6	(511.7)	(6.2)%
Available days (owned fleet) (4)				
Capesize	2,610.4	3,020.0	(409.6)	(13.6)%
Ultramax	2,602.4	1,542.2	1,060.2	68.7 %
Supramax	2,060.5	2,665.2	(604.7)	(22.7)%
Handysize	—	227.5	(227.5)	(100.0)%
Total	7,273.3	7,454.9	(181.6)	(2.4)%
Operating days (5)				
Capesize	2,555.9	3,004.8	(448.9)	(14.9)%
Ultramax	2,760.2	1,874.0	886.2	47.3 %

	For the Six Months Ended June 30,		Increase	
	2022	2021	(Decrease)	% Change
Supramax	2,251.9	3,050.3	(798.4)	(26.2)%
Handysize	—	191.3	(191.3)	(100.0)%
Total	7,568.0	8,120.4	(552.4)	(6.8)%
Fleet utilization (6)				
Capesize	96.9 %	99.3 %	(2.4)%	(2.4)%
Ultramax	96.6 %	98.9 %	(2.3)%	(2.3)%
Supramax	93.1 %	97.4 %	(4.3)%	(4.4)%
Handysize	— %	84.1 %	(84.1)%	(100.0)%
Fleet average	95.6 %	98.1 %	(2.5)%	(2.5)%

	For the Six Months Ended June 30,		Increase	
	2022	2021	(Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 25,649	$ 18,692	$ 6,957	37.2 %
Ultramax	27,312	15,331	11,981	78.1 %
Supramax	26,032	15,480	10,552	68.2 %
Handysize	—	8,008	(8,008)	(100.0)%
Fleet average	26,354	16,508	9,846	59.6 %
Major bulk vessels	25,649	18,692	6,957	37.2 %
Minor bulk vessels	26,749	15,020	11,729	78.1 %
Daily vessel operating expenses (8)				
Capesize	$ 6,716	$ 5,335	$ 1,381	25.9 %
Ultramax	5,922	4,820	1,102	22.9 %
Supramax	9,100	4,714	4,386	93.0 %
Handysize	—	5,541	(5,541)	(100.0)%
Fleet average	7,100	5,015	2,085	41.6 %

Definitions

In order to understand our discussion of our results of operations, it is important to understand the meaning of the following terms used in our analysis and the factors that influence our results of operations.

(1) Ownership days. 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.

(2) Chartered-in days. We define chartered-in days as the aggregate number of days in a period during which we chartered-in third-party vessels.

(3) Available days (owned and chartered-in fleet). 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.

(4) Available days (owned fleet). We define available days for the owned fleet as available days less chartered-in days.

(5) Operating days. We define operating days as the number of our total available days in a period less the aggregate number of days that our 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.

(6) Fleet utilization. We calculate fleet utilization as the number of our operating days during a period divided by the number of ownership days plus chartered-in days less drydocking days.

(7) TCE rates. 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.

	Entire Fleet		Major Bulk		Minor Bulk	
	For the Three Months Ended June 30,		For the Three Months Ended June 30,		For the Three Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Voyage revenues (in thousands)	$ 137,764	$ 121,008	$ 43,341	$ 54,621	$ 94,423	$ 66,387
Voyage expenses (in thousands)	32,460	36,702	13,374	18,640	19,086	18,062
Charter hire expenses (in thousands)	5,044	8,325	—	—	5,044	8,325
Realized gain on fuel hedges (in thousands)	667	—	—	—	667	—
	100,927	75,981	29,967	35,981	70,960	40,000
Total available days for owned fleet	3,510	3,595	1,109	1,514	2,401	2,080
Total TCE rate	$ 28,756	$ 21,137	$ 27,034	$ 23,760	$ 29,551	$ 19,227

	Entire Fleet		Major Bulk		Minor Bulk	
	For the Six Months Ended June 30,		For the Six Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021	2022	2021
Voyage revenues (in thousands)	$ 273,991	$ 208,599	$ 97,699	$ 92,278	$ 176,292	$ 116,321
Voyage expenses (in thousands)	70,924	71,775	30,744	35,827	40,180	35,948
Charter hire expenses (in thousands)	12,682	13,761	—	—	12,682	13,761
Realized gain on fuel hedges (in thousands)	1,296	—	—	—	1,296	—
	191,681	123,063	66,955	56,451	124,726	66,612
Total available days for owned fleet	7,273	7,455	2,610	3,020	4,663	4,435
Total TCE rate	$ 26,354	$ 16,508	$ 25,649	$ 18,692	$ 26,749	$ 15,020

(8) Daily vessel operating expenses. 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.

Operating Data

The following tables represent the operating data for the three and six months ended June 30, 2022 and 2021 on a consolidated basis.

	For the Three Months Ended June 30,			
	2022	2021	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 137,764	$ 121,008	$ 16,756	13.8 %
Total revenues	137,764	121,008	16,756	13.8 %
Operating Expenses:				
Voyage expenses	32,460	36,702	(4,242)	(11.6)%
Vessel operating expenses	29,463	18,789	10,674	56.8 %
Charter hire expenses	5,044	8,325	(3,281)	(39.4)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $826 and $551, respectively)	6,381	5,854	527	9.0 %
Technical management fees	700	1,305	(605)	(46.4)%
Depreciation and amortization	14,521	13,769	752	5.5 %
Loss on sale of vessels	—	15	(15)	(100.0)%
Total operating expenses	88,569	84,759	3,810	4.5 %
Operating income	49,195	36,249	12,946	35.7 %
Other expense, net	(1,570)	(4,212)	2,642	(62.7)%
Net income	$ 47,625	$ 32,037	$ 15,588	48.7 %
Less: Net income attributable to noncontrolling interest	243	—	243	100.0 %
Net income attributable to Genco Shipping & Trading Limited	$ 47,382	$ 32,037	$ 15,345	47.9 %
Earnings per share - basic	$ 1.12	$ 0.76	$ 0.36	47.4 %
Earnings per share - diluted	$ 1.10	$ 0.75	$ 0.35	46.7 %
Weighted average common shares outstanding - basic	42,385,423	42,071,019	314,404	0.7 %
Weighted average common shares outstanding - diluted	42,996,676	42,612,132	384,544	0.9 %
EBITDA (1)	$ 64,240	$ 50,228	$ 14,012	27.9 %

	For the Six Months Ended June 30,			
	2022	2021	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 273,991	$ 208,599	$ 65,392	31.3 %
Total revenues	273,991	208,599	65,392	31.3 %
Operating Expenses:				
Voyage expenses	70,924	71,775	(851)	(1.2)%
Vessel operating expenses	56,477	37,834	18,643	49.3 %
Charter hire expenses	12,682	13,761	(1,079)	(7.8)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $1,516 and $1,073, respectively)	12,424	11,957	467	3.9 %
Technical management fees	1,617	2,769	(1,152)	(41.6)%
Depreciation and amortization	28,579	27,209	1,370	5.0 %
Loss on sale of vessels	—	735	(735)	(100.0)%
Total operating expenses	182,703	166,040	16,663	10.0 %
Operating income	91,288	42,559	48,729	114.5 %
Other expense	(1,798)	(8,537)	6,739	(78.9)%
Net income	$ 89,490	$ 34,022	$ 55,468	163.0 %
Less: Net income attributable to noncontrolling interest	419	—	419	100.0 %
Net income attributable to Genco Shipping & Trading Limited	$ 89,071	$ 34,022	$ 55,049	161.8 %
Earnings per share - basic	$ 2.11	$ 0.81	1.30	160.5 %
Earnings per share - diluted	$ 2.07	$ 0.80	1.27	158.8 %
Weighted average common shares outstanding - basic	42,276,371	42,022,669	253,702	0.6 %
Weighted average common shares outstanding - diluted	42,932,370	42,445,184	487,186	1.1 %
EBITDA (1)	$ 122,212	$ 70,124	$ 52,088	74.3 %

(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 our consolidated 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 Condensed Consolidated Statements of Cash Flows. The definition of EBITDA used here may not be comparable to that used by other companies. The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net income attributable to Genco Shipping & Trading Limited for each of the periods presented above:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
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
Income tax expense	—	—	—	—
Depreciation and amortization	14,521	13,769	28,579	27,209
EBITDA (1)	$ 64,240	$ 50,228	$ 122,212	$ 70,124

Results of Operations

The following tables set forth information about the current employment of the vessels in our fleet as of August 2, 2022:

Vessel	Year Built	Charter Expiration(1)	Cash Daily Rate(2)
Capesize Vessels			
Genco Augustus	2007	September 2022	$30,000
Genco Tiberius	2007	August 2022	Voyage
Genco London	2007	June 2022	Voyage
Genco Titus	2007	March 2022	Voyage
Genco Constantine	2008	May 2022	Voyage
Genco Hadrian	2008	August 2022	Voyage
Genco Commodus	2009	August 2022	$31,000
Genco Maximus	2009	September 2023	$27,500
Genco Claudius	2010	January 2023	94% of BCI
Genco Tiger	2011	October 2022	Voyage
Baltic Lion	2012	August 2022	Voyage
Baltic Bear	2010	July 2022	Voyage
Baltic Wolf	2010	June 2023	$30,250
Genco Resolute	2015	January 2023	121% of BCI
Genco Endeavour	2015	August 2022	Voyage
Genco Defender	2016	February 2023	121% of BCI
Genco Liberty	2016	September 2022	Voyage
Ultramax Vessels			
Baltic Hornet	2014	April 2023	$24,000
Baltic Wasp	2015	June 2023	$25,500

Vessel	Year Built	Charter Expiration(1)	Cash Daily Rate(2)
Baltic Scorpion	2015	March 2023	$30,500
Baltic Mantis	2015	August 2022	Voyage
Genco Weatherly	2014	September 2022	$32,000
Genco Columbia	2016	August 2022	Voyage
Genco Magic	2014	September 2022	$29,000
Genco Vigilant	2015	September 2022	$17,750
Genco Freedom	2015	March 2023	$23,375
Genco Enterprise	2016	August 2022	Voyage
Genco Constellation	2017	September 2022	$33,000
Genco Madeleine	2014	September 2022	$37,500
Genco Mayflower	2017	September 2022	Voyage
Genco Mary	2022	November 2022	$31,500
Genco Laddey	2022	September 2022	$27,750
Supramax Vessels			
Genco Predator	2005	September 2022	$36,500
Genco Warrior	2005	September 2022	$18,000
Genco Hunter	2007	September 2022	$30,500
Genco Aquitaine	2009	September 2022	$25,000
Genco Ardennes	2009	September 2022	$29,250
Genco Auvergne	2009	August 2022	Voyage
Genco Bourgogne	2010	September 2022	$30,000
Genco Brittany	2010	August 2022	Voyage
Genco Languedoc	2010	September 2022	$30,000
Genco Picardy	2005	August 2022	Voyage
Genco Pyrenees	2010	September 2022	$33,500
Genco Rhone	2011	September 2022	Voyage

(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of certain contracts, the charterer is entitled to extend the time charter from two to four months in order to complete the vessel's final voyage plus any time the vessel has been off-hire.

(2) Time charter rates presented are the gross daily charterhire rates before third-party brokerage commission generally ranging from 1.25% to 6.25%. In a time charter, the charterer is responsible for voyage expenses such as bunkers, port expenses, agents' fees and canal dues.

Three months ended June 30, 2022 compared to the three months ended June 30, 2021

VOYAGE REVENUES-

For the three months ended June 30, 2022, voyage revenues increased by $16.8 million, or 13.8%, to $137.8 million as compared to $121.0 million for the three months ended June 30, 2021. The increase in voyage revenues was primarily due to higher rates achieved by our minor bulk vessels, partially offset by a decrease in voyage revenue achieved by our major bulk vessels as a result of a decrease in available days due to scheduled drydockings. In the second quarter of 2022, drybulk freight rates continued to remain firm, increasing from the levels seen in the first quarter of 2022 as is seasonally the case. Despite a strong freight rate environment, another COVID-19 wave in China impacted demand particularly for iron ore which affected Capesize rates. Additionally, on February 24, 2022, Russia invaded Ukraine leading to what is now a multi-month war and a humanitarian crisis. The impact to date on the drybulk market has been a redirection of cargo flows particularly for coal and grain shipments lengthening ton miles, higher commodity prices, slower vessel speeds due to increased fuel prices, an urgency to secure commodities given the tightness in the global energy complex as well as global grain supplies, and sanctions on various Russian exports. Future developments regarding Russia's war in Ukraine, as well as China in relation to the country's COVID-19 response measures, could continue to affect the drybulk industry and our business in an unpredictable manner.

The average TCE rate of our overall fleet increased 36.0% to $28,756 a day during the second quarter of 2022 from $21,137 a day during the second quarter of 2021. The TCE for our major bulk vessels increased by 13.8% from $23,760 a day during the second quarter of 2021 to $27,034 a day during the second quarter of 2022. This increase was primarily a result of higher rates achieved by our Capesize vessels partially offset by a decrease in available days due to scheduled drydockings. The TCE for our minor bulk vessels increased by 53.7% from $19,227 a day during the second quarter of 2021 to $29,551 a day during the second quarter of 2022 primarily a result of higher rates achieved by our Ultramax and Supramax vessels.

For the three months ended June 30, 2022 and 2021, we had 4,004.0 and 3,647.5 ownership days, respectively. The increase in ownership days was due to the delivery of six Ultramax vessels during the second half of 2021 and the first quarter of 2022, partially offset by the sale of two Supramax vessels during the second half of 2021. Fleet utilization decreased marginally from 98.3% during the second quarter of 2021 to 97.2% during the second quarter of 2022 primarily due to additional repair periods for our Supramax vessels and scheduled drydockings for our Capesize vessels.

VOYAGE EXPENSES-

In time charters and spot market-related time charters, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. These expenses are borne by the Company during spot market voyage charters. There are certain other non-specified voyage expenses such as commissions, which are typically borne by us. Voyage expenses include port and canal charges, fuel (bunker) expenses and brokerage commissions payable to unaffiliated third parties. Port and canal charges and bunker expenses primarily increase in periods during which vessels are employed on spot market voyage charters because these expenses are for the account of the vessel owner. At the inception of a time charter, we record the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. Voyage expenses also include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement. Additionally, we may record lower of cost and net realizable value adjustments to re-value the bunker fuel on a quarterly basis for certain time charter agreements where the inventory is subject to gains and losses. Refer to Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements.

Voyage expenses were $32.5 million and $36.7 million during the three months ended June 30, 2022 and 2021, respectively. This decrease was primarily due lower bunker consumption for our major bulk vessels.

VESSEL OPERATING EXPENSES-

Vessel operating expenses increased by $10.7 million from $18.8 million during the three months ended June 30, 2021 to $29.5 million during the three months ended June 30, 2022. The increase was primarily due to higher crew expenses as a result of increased crew wages, COVID-19 related expenses and disruptions, and the timing of crew changes. Higher repair and maintenance costs on certain vessels and, to a lesser degree, an increase in the purchase of initial stores and spare parts, also contributed to this increase. COVID-19 expenses were higher during the first half of the year due to costs associated with repatriating Chinese crew during heightened zero COVID policies in China as we transitioned to Indian and Filipino crews for our fleet. We have now completed the transition of our crews and therefore anticipate crew expenses to decrease during the remainder of the year. Additionally, we experienced higher repair and maintenance costs on certain vessels, as well as an increase in the purchase of initial stores and spare parts as we completed the transition of vessels to our new technical management joint venture through the first half of the year. We have replenished our vessels' stores and spare parts after our joint venture took over the technical management of our fleet. Given the foregoing, we expect our operating expenses to stabilize during the second half of the year.

Average daily vessel operating expenses ("DVOE") for our fleet increased to $7,358 per vessel per day for the three months ended June 30, 2022 from $5,151 per day for the three months ended June 30, 2021. The increase in daily vessel operating expense was primarily due to higher crew expenses as a result of increased crew wages, COVID-19 related expenses and disruptions, and the timing of crew changes. Higher repair and maintenance costs on certain vessels, and, to a lesser degree, an increase in the purchase of initial stores and spare parts, also contributed to this increase. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month

period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Our actual daily vessel operating expenses per vessel for the three months ended June 30, 2022 were $1,358 above the weighted-average budgeted rate of $6,000 per vessel per day for the second quarter of 2022. Based on estimates provided by our technical managers, our DVOE budget for the third quarter of 2022 is $4,950 per vessel per day on a fleet-wide basis, which includes an estimated amount for COVID-19 related expenses. For 2022, we anticipate meeting our full year budget of $5,860 per vessel per day, as we expect vessel operating expenses and COVID-related expenses to be lower in the second half of the year, as we have completed the transition to our new technical management joint venture and completed our crew transition. However, the potential impacts of COVID-19 and the war in Ukraine are unpredictable, and the actual amount of our DVOE could be higher or lower than budgeted as a result.

COVID-19 restrictions with regard to crew rotations have previously resulted in increased crew related costs due to travel and port restrictions and could do so in the future. The timing of crew rotations depends on the duration and severity of COVID-19 in countries from which our crews are sourced as well as any restrictions in place at ports in which our vessels call. As a result, crew rotations continue to lead to deviation time of our vessels as well as unbudgeted expenses due to testing, PPE, quarantine periods, higher than normal travel expenses due to increased airfare costs, and crew bonuses to retain the existing crew during rotation delays.

Our vessel operating expenses increase to the extent our fleet expands. Other factors beyond our control, some of which may affect the shipping industry in general, including, for instance, developments relating to market prices for crewing, lubes, and insurance, may also cause these expenses to increase. The impact of COVID-19 could result in potential shortages or a lack of access to required spare parts for the operation of our vessels, potential delays in any unscheduled repairs, deviations for crew changes or increased costs to successfully execute a crew change, which could lead to business disruptions and delays. Crew costs for the crew that we utilize on our vessels could increase in the future due to higher wages, the potential impact of COVID-19 restrictions and the war in Ukraine.

CHARTER HIRE EXPENSES-

Charter hire expenses decreased by $3.3 million from $8.3 million during the three months ended June 30, 2021 to $5.0 million during the three months ended June 30, 2022. The decrease was primarily due to a decrease in chartered-in days.

GENERAL AND ADMINISTRATIVE EXPENSES-

We incur general and administrative expenses that relate to our onshore non-vessel-related activities. Our general and administrative expenses include our payroll expenses, including those relating to our executive officers, operating lease expense, legal, auditing and other professional expenses. General and administrative expenses include nonvested stock amortization expense which represent the amortization of stock-based compensation that has been issued to our Directors and employees pursuant to the 2015 Equity Incentive Plan. Refer to Note 14 — Stock-Based Compensation in our Condensed Consolidated Financial Statements. General and administrative expenses also include legal and professional fees associated with our credit facilities, which are not capitalizable to deferred financing costs. We also incur general and administrative expenses for our overseas offices located in Singapore and Copenhagen.

For the three months ended June 30, 2022 and 2021, general and administrative expenses were $6.4 million and $5.9 million, respectively. The increase was primarily due to an increase in nonvested stock amortization expenses and travel related expenditures, partially offset by lower legal and professional fees.

TECHNICAL MANAGEMENT FEES-

Technical management fees include the direct costs incurred by GSSM for the technical management of the vessels under its management. Additionally, prior to the transfer of our vessels to GSSM for technical management, we incurred management fees payable to third party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Technical management fees were $0.7 million and $1.3 million during the three months ended June 30, 2022

and 2021, respectively. The decrease was primarily due to the savings realized by transferring the management of the vessels in our fleet to GSSM during the second half of 2021 and first half 2022.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense increased by $0.8 million to $14.5 million during the three months ended June 30, 2022 as compared to $13.8 million during the three months ended June 30, 2021. This increase was primarily due to the delivery of six Ultramax vessels during the second half of 2021 and the first quarter of 2022, partially offset by a $1.2 million decrease in depreciation due to the increase in the estimated scrap value of the vessels from $310 per lwt to $400 per lwt effective January 1, 2022. Refer to Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements for further information regarding the increase in the scrap value.

OTHER INCOME (EXPENSE)-

NET INTEREST EXPENSE –

Net interest expense decreased by $2.1 million from $4.4 million during the three months ended June 30, 2021 to $2.3 million during the three months ended June 30, 2022. Net interest expense during the three months ended June 30, 2022 and 2021 consisted primarily of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. This decrease was due to a $2.1 million decrease in interest expense, primarily as a result of lower outstanding debt.

OTHER INCOME –

Other income increased by $0.6 million from $0.2 million during the three months ended June 30, 2021 to $0.8 million during the three months ended June 30, 2022. The increase was due to an increase in realized and unrealized gains related to our bunker swap and forward fuel purchase agreements as a result of the increasing prices of fuel.

Six months ended June 30, 2022 compared to the six months ended June 30, 2021

VOYAGE REVENUES-

For the six months ended June 30, 2022, voyage revenues increased by $65.4 million, or 31.3%, to $274.0 million as compared to $208.6 million for the six months ended June 30, 2021. The increase in voyage revenues was primarily due to higher rates achieved by our major and minor bulk vessels. Refer to the discussion above included under the section “Three months ended June 30, 2022 compared to the three months ended June 30, 2021 – Voyage Revenues” for further information.

The average TCE rate of our overall fleet increased 59.6% to $26,354 a day during the six months ended June 30, 2022 from $16,508 a day during the six months ended June 30, 2021. The TCE for our major bulk vessels increased by 37.2% from $18,692 a day during the first half of 2021 to $25,649 a day during the first half of 2022. This increase was primarily a result of higher rates achieved by our Capesize vessels partially offset by a decrease in available days due to scheduled drydockings. The TCE for our minor bulk vessels increased by 78.1% from $15,020 a day during the first half of 2021 to $26,749 a day during the first half of 2022 primarily a result of higher rates achieved by our Ultramax and Supramax vessels.

For the six months ended June 30, 2022 and 2021, we had 7,953.9 and 7,544.5 ownership days, respectively. Fleet utilization decreased from 98.1% during the first half of 2021 to 95.6% during the first half of 2022 primarily due to additional offhire and repair periods for our Supramax vessels, in addition to scheduled drydocking for some of our Capesize vessels.

VOYAGE EXPENSES-

Voyage expenses did not fluctuate significantly and were $70.9 million and $71.8 million during the six months ended June 30, 2022 and 2021, respectively.

VESSEL OPERATING EXPENSES-

Vessel operating expenses increased by $18.6 million from $37.8 million during the six months ended June 30, 2021 to $56.5 million during the six months ended June 30, 2022. The increase was primarily due to higher crew expenses as a result of increased crew wages, COVID-19 related expenses and disruptions, and the timing of crew changes. Higher repair and maintenance costs on certain vessels and, to a lesser degree, an increase in the purchase of initial stores and spare parts also contributed to this increase. COVID-19 expenses were higher during the first half of the year due to costs associated with repatriating Chinese crew during heightened zero COVID policies in China as we transitioned to Indian and Filipino crews for our fleet. We have now completed the transition of our crews and therefore anticipate crew expenses to decrease during the remainder of the year. Additionally, we experienced higher repair and maintenance costs on certain vessels, as well as an increase in the purchase of initial stores and spare parts as we completed the transition of vessels to our new technical management joint venture through the first half of the year. We have replenished our vessels' stores and spare parts after our joint venture took over the technical management of our fleet. Given the foregoing, we expect our operating expenses to stabilize during the second half of the year.

Average daily vessel operating expenses ("DVOE") for our fleet increased to $7,100 per vessel per day for the six months ended June 30, 2022 from $5,015 per day for the six months ended June 30, 2021. The increase in daily vessel operating expense was primarily due to higher crew expenses as a result of increased crew wages, COVID-19 related expenses and disruptions, and the timing of crew changes. Higher repair and maintenance costs on certain vessels, and, to a lesser degree, an increase in the purchase of initial stores and spare parts, also contributed to this increase. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation. Based on estimates provided by our technical managers, our DVOE budget for the third quarter of 2022 is $4,950 per vessel per day on a fleet-wide basis, which includes an estimated amount for COVID-19 related expenses. For 2022, we anticipate meeting our full year budget of $5,860 per vessel per day as we expect vessel operating expenses to be lower and COVID-related expenses to abate in the second half of the year as we have completed the transition to our new technical management joint venture. However, the potential impacts of COVID-19 and the war in Ukraine are unpredictable, and the actual amount of our DVOE could be higher or lower than budgeted as a result.

CHARTER HIRE EXPENSES-

Charter hire expenses decreased by $1.1 million from $13.8 million during the six months ended June 30, 2021 to $12.7 million during the six months ended June 30, 2022. The decrease was primarily due to a decrease in chartered-in days, partially offset by higher charter in rates during the first half of 2022 as compared to the first half of 2021.

GENERAL AND ADMINISTRATIVE EXPENSES-

For the six months ended June 30, 2022 and 2021, general and administrative expenses were $12.4 million and $12.0 million, respectively. The increase was primarily due to an increase in nonvested stock amortization expense and travel related expenditures, partially offset by lower legal and professional fees.

TECHNICAL MANAGEMENT FEES-

Technical management fees were $1.6 million and $2.8 million during the six months ended June 30, 2022 and 2021, respectively. The decrease was primarily due to the savings realized by transferring the management of the vessels in our fleet to GSSM during the second half of 2021 and first half of 2022.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense increased by $1.4 million to $28.6 million during the six months ended June 30, 2022 as compared to $27.2 million during the six months ended June 30, 2021. This increase was primarily due

to the delivery of six Ultramax vessels during the second half of 2021 and the first quarter of 2022, partially offset by a $2.3 million decrease in depreciation due to the increase in the estimated scrap value of the vessels from $310 per lwt to $400 per lwt effective January 1, 2022. Refer to Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements for further information regarding the increase in the scrap value.

LOSS ON SALE OF VESSELS-

During the first half of 2021, we recorded a net loss on sale of vessels of $0.7 million related primarily to the sale of the Baltic Panther, the Baltic Hare, the Baltic Cougar and the Baltic Leopard, as well as net losses associated with the exchange of the Baltic Cove, the Baltic Fox, the Genco Spirit, the Genco Avra and the Genco Mare. There were no vessel sales during the first half of 2022.

OTHER INCOME (EXPENSE)-

NET INTEREST EXPENSE –

Net interest expense decreased by $4.3 million from $8.9 million during the six months ended June 30, 2021 to $4.6 million during the six months ended June 30, 2022. Net interest expense during the six months ended June 30, 2022 and 2021 consisted primarily of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. This decrease was due to a $4.4 million decrease in interest expense, primarily as a result of lower outstanding debt.

OTHER INCOME –

Other income increased by $2.4 million from $0.4 million during the six months ended June 30, 2021 to $2.8 million during the six months ended June 30, 2022. The increase was due to an increase in realized and unrealized gains related to our bunker swap and forward fuel purchase agreements as a result of the increasing prices of fuel.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash flow from operations, cash on hand, equity offerings and credit facility borrowings. We currently use our funds primarily for the acquisition of vessels generally, fleet renewal, drydocking for our vessels, payment of dividends, debt repayments and satisfying working capital requirements as may be needed to support our business. Our ability to continue to meet our liquidity needs is subject to and will be affected by cash utilized in operations, the economic or business environment in which we operate, shipping industry conditions, the financial condition of our customers, vendors and service providers, our ability to comply with the financial and other covenants of our indebtedness, and other factors.

We believe, given our current cash holdings, if drybulk shipping rates do not decline significantly from current levels, our capital resources, including cash anticipated to be generated within the year, are sufficient to fund our operations for at least the next twelve months. Such resources include unrestricted cash and cash equivalents of $44.7 million as of June 30, 2022 in addition to the $218.9 million availability under the revolver of the $450 Million Credit Facility as of June 30, 2022, which compares to a minimum liquidity requirement under our credit facility of approximately $22 million as of the date of this report. Given anticipated capital expenditures related to drydockings and the installation of ballast water treatment systems (“BWTS”) and fuel efficiency upgrade costs of $16.9 million and $2.4 million during the remainder of 2022 and 2023, respectively, as well as any quarterly dividend payments, we anticipate to continue to have significant cash expenditures. Refer to “Capital Expenditures” below for further details. However, if market conditions were to worsen significantly due to the current COVID-19 pandemic, the war in Ukraine, or other causes, then our cash resources may decline to a level that may put at risk our ability to pay dividends per our capital allocation strategy or at all. During the second quarter of 2022, the Company made an $8.8 million voluntary debt prepayment, resulting in a reduced cash flow breakeven rate from previous levels. The $8.8 million was the previously announced quarterly debt reduction payment as part of our plan to reduce our debt. This amount was deducted from operating cash flow in our second quarter 2022 dividend payment. Currently there will be no mandatory

debt repayments until we must repay $188.5 million in 2026. Although we do not have any mandatory debt repayments until 2026, we intend to continue to pay down debt on a voluntary basis with a medium term goal of zero net debt.

As of June 30, 2022, the $450 Million Credit Facility contained collateral maintenance covenants that require the aggregate appraised value of collateral vessels to be at least 140% of the principal amount of the loan outstanding under each such facility. If the values of our vessels were to decline as a result of COVID-19 or otherwise, we may not satisfy this collateral maintenance requirement. If we do not satisfy the collateral maintenance requirement, we will need to post additional collateral or prepay outstanding loans to bring us back into compliance, or we will need to seek waivers, which may not be available or may be subject to conditions.

In the future, we may require capital to fund acquisitions or to improve or support our ongoing operations and debt structure, particularly in light of economic conditions resulting from the ongoing COVID-19 pandemic. We may from time to time seek to raise additional capital through equity or debt offerings, selling vessels or other assets, pursuing strategic opportunities, or otherwise. We may also from time to time seek to incur additional debt financing from private or public sector sources, refinance our indebtedness or obtain waivers or modifications to our credit agreements to obtain more favorable terms, enhance flexibility in conducting our business, or otherwise. We may also seek to manage our interest rate exposure through hedging transactions. We may seek to accomplish any of these independently or in conjunction with one or more of these actions. However, if market conditions are unfavorable, we may be unable to accomplish any of the foregoing on acceptable terms or at all.

We entered into the $450 Million Credit Facility on August 3, 2021. Proceeds from the $450 Million Credit Facility were used to refinance our $495 Million Credit Facility and our $133 Million Credit Facility on August 31, 2021.

As of June 30, 2022, we were in compliance with all financial covenants under the $450 Million Credit facility.

Dividends

We disclosed on April 19, 2021 that, on management's recommendation, our Board of Directors adopted a new quarterly dividend policy for dividends payable which commenced in the first quarter of 2022 in respect of our financial results for the fourth quarter of 2021. Under the new quarterly dividend policy, the amount available for quarterly dividends is to be calculated based on the following formula:

Operating cash flow
Less: Debt repayments
Less: Capital expenditures for drydocking
Less: Reserve
Cash flow distributable as dividends

The amount of dividends payable under the foregoing formula for each quarter of the year will be determined on a quarterly basis.

For purposes of the foregoing calculation, operating cash flow is defined as voyage revenue less voyage expenses, charter hire expenses, realized gains or losses on fuel hedges, 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. Anticipated uses for the reserve include, but are not limited to, vessel acquisitions, debt repayments, and general corporate purposes. In order to set aside funds for these purposes, the reserve will be set on a quarterly basis in the discretion of our Board and is anticipated to be based on future quarterly debt repayments and interest expense.

On August 3, 2022, we announced a quarterly dividend of $0.50 per share. Our quarterly dividend policy and declaration and payment of dividends are subject to legally available funds, compliance with applicable law and contractual obligations (including our credit facilities) and our Board's determination that each declaration and payment is at that time in the best interests of the Company and its shareholders after its review of our financial performance.

In connection with our new dividend policy, we have paid down additional indebtedness under our credit facilities and utilized the $450 Million Credit Facility to refinance our two prior credit facilities as noted above.

The declaration and payment of any dividend or any stock repurchase is subject to the discretion of our Board of Directors. Our Board of Directors and management continue to closely monitor market developments together with the evaluation of our quarterly dividend policy in the current market environment. The principal business factors that our Board of Directors expects to consider when determining the timing and amount of dividend payments or stock repurchases include our earnings, financial condition, and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends or stock repurchases other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends or stock repurchases while a company is insolvent or would be rendered insolvent by the payment of such a dividend or such a stock repurchase. Heightened economic uncertainty and the potential for renewed drybulk market weakness as a result of the COVID-19 pandemic or the war in Ukraine and economic conditions related to these events may result in our suspension, reduction, or termination of future quarterly dividends.

U.S. Federal Income Tax Treatment of Dividends

U.S. Holders

For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (i) an individual U.S. citizen or resident, (ii) a corporation that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, or any other U.S. entity taxable as a corporation, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if either (x) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (y) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person. If a partnership, or an entity treated for U.S. federal income tax purposes as a partnership, such as a limited liability company, holds common stock, the tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. If you are a partner in such a partnership holding our common stock, you are encouraged to consult your tax advisor. A beneficial owner of our common stock (other than a partnership) that is not a U.S. Holder is referred to below as a "Non-U.S. Holder."

Subject to the discussion of passive foreign investment company (PFIC) status on pages 36 – 37 in the 2021 10-K, any distributions made by us to a U.S. Holder with respect to our common shares generally will constitute dividends to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of those earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in our common shares (determined on a share-by-share basis), and thereafter as capital gain. U.S. Holders that own at least 10% of our shares may be able to claim a dividends-received-deduction and should consult their tax advisors.

Dividends paid on our common shares to a U.S. Holder who is an individual, trust or estate, or a "non-corporate U.S. Holder," will generally be treated as "qualified dividend income" that is taxable to such non-corporate U.S. Holder at preferential tax rates, provided that (1) our common shares are readily tradable on an established securities market in the United States (such as the NYSE, on which our common shares are traded); (2) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we have been, are, or will be); (3) the non-corporate U.S. Holder's holding period of our common shares includes more than 60 days in the 121-day period beginning 60 days before the date on which our common shares becomes ex-dividend; and (4) the non-corporate U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. A non-corporate U.S. Holder will be able to take qualified dividend income into account in determining its deductible investment interest (which is generally limited to its net investment income) only if it elects to do so; in such case, the dividend will be taxed at ordinary income rates. Non-corporate U.S. Holders also may be required to pay a 3.8% surtax on all or part of such holder's "net investment income," which includes, among other

items, dividends on our shares, subject to certain limitations and exceptions. Investors are encouraged to consult their own tax advisors regarding the effect, if any, of this surtax on their ownership of our shares.

Amounts taxable as dividends generally will be treated as passive income from sources outside the U.S. However, if (a) we are 50% or more owned, by vote or value, by U.S. Holders and (b) at least 10% of our earnings and profits are attributable to sources within the U.S., then for foreign tax credit purposes, a portion of our dividends would be treated as derived from sources within the U.S. With respect to any dividend paid for any taxable year, the U.S. source ratio of our dividends for foreign tax credit purposes would be equal to the portion of our earnings and profits from sources within the U.S. for such taxable year divided by the total amount of our earnings and profits for such taxable year. The rules related to U.S. foreign tax credits are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available.

Special rules may apply to any "extraordinary dividend" — generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis (or fair market value in certain circumstances) in a share of our common shares — paid by us. If we pay an "extraordinary dividend" on our common shares that is treated as "qualified dividend income", then any loss derived by a non-corporate U.S. Holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Tax Consequences if We Are a Passive Foreign Investment Company

As discussed in “U.S. tax authorities could treat us as a “passive foreign investment company,” which could have adverse U.S. federal income tax consequences to U.S. shareholders” in Item 1.A Risk Factors in our 2021 10-K, a foreign corporation generally will be treated as a PFIC for U.S. federal income tax purposes if, after applying certain look through rules, either (1) at least 75% of its gross income for any taxable year consists of “passive income” or (2) at least 50% of the average value or adjusted bases of its assets (determined on a quarterly basis) produce or are held for the production of passive income, i.e., “passive assets.” As discussed above, we do not believe that our past or existing operations would cause, or would have caused, us to be deemed a PFIC with respect to any taxable year. No assurance can be given that the IRS or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, there can be no assurance that we will not become a PFIC in any future taxable year because the PFIC test is an annual test, there are uncertainties in the application of the PFIC rules, and although we intend to manage our business so as to avoid PFIC status to the extent consistent with our other business goals, there could be changes in the nature and extent of our operations in future taxable years.

If we were to be treated as a PFIC for any taxable year in which a U.S. Holder owns shares of our common stock (and regardless of whether we remain a PFIC for subsequent taxable years), the tax consequences to such a U.S. holder upon the receipt of distributions in respect of such shares that are treated as “excess distributions” would differ from those described above. In general, an excess distribution is the amount of distributions received during a taxable year that exceed 125% of the average amount of distributions received by a U.S. Holder in respect of the common shares during the preceding three taxable years, or if shorter, during the U.S. Holder’s holding period prior to the taxable year of the distribution. The distributions that are excess distributions would be allocated ratably over the U.S. Holder’s holding period for the common shares. The amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we were a PFIC would be taxed as ordinary income. The amount allocated to each of the other taxable years would be subject to tax at the highest marginal rate in effect for the U.S. Holder for that taxable year, and an interest charge for the deemed deferral benefit would be imposed on the resulting tax allocated to such other taxable years. The tax liability with respect to the amount allocated to taxable years prior to the year of the distribution cannot be offset by net operating losses. As an alternative to such tax treatment, a U.S. Holder may make a “qualified electing fund” election or “mark to market” election, to the extent available, in which event different rules would apply. The U.S. federal income tax consequences to a U.S. Holder if we were to be classified as a PFIC are complex. A U.S. Holder should consult with his or her own advisor with regard to those consequences, as well as with regard to whether he or she is eligible to and should make either of the elections described above.

Non-U.S. Holders

Non-U.S. Holders generally will not be subject to U.S. federal income tax on dividends received from us on our common shares unless the income is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States ("effectively connected income") (and, if an applicable income tax treaty so provides, the dividends are attributable to a permanent establishment maintained by the Non-U.S. Holder in the U.S.). Effectively connected income (or, if an income tax treaty applies, income attributable to a permanent establishment maintained in the U.S.) generally will be subject to regular U.S. federal income tax in the same manner discussed above relating to taxation of U.S. Holders. In addition, earnings and profits of a corporate Non-U.S. Holder that are attributable to such income, as determined after allowance for certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty. Non-U.S. Holders may be subject to tax in jurisdictions other than the United States on dividends received from us on our common shares.

Dividends paid on our common shares to a non-corporate U.S. Holder may be subject to U.S. federal backup withholding tax if the non-corporate U.S. Holder:

- fails to provide us with an accurate taxpayer identification number;
- is notified by the IRS that they have become subject to backup withholding because they previously failed to report all interest and dividends required to be shown on their federal income tax returns; or
- fails to comply with applicable certification requirements

A holder that is not a U.S. Holder or a partnership may be subject to U.S. federal backup withholding with respect to such dividends unless the holder certifies that it is a non-U.S. person, under penalties of perjury, or otherwise establishes an exemption therefrom. Backup withholding tax is not an additional tax. Holders generally may obtain a refund of any amounts withheld under backup withholding rules that exceed their income tax liability by timely filing a refund claim with the IRS.

You are encouraged to consult your own tax advisor concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local, or foreign law from the payment of dividends on our common stock.

Cash Flows

Net cash provided by operating activities for the six months ended June 30, 2022 and 2021 was $99.2 million and $62.6 million, respectively. This increase in cash provided by operating activities was primarily due to higher rates achieved by our major and minor bulk vessels and changes in working capital, as well as a decrease in interest expense. These increases in cash provided by operating activities were partially offset by an increase in drydocking costs incurred.

Net cash used in investing activities for the six months ended June 30, 2022 was $50.0 million as compared to net cash provided by investing activities of $4.2 million for the six months ended June 30, 2021. This fluctuation was primarily due to the purchase of two Ultramax vessels which delivered during the first quarter of 2022. Additionally, there was a decrease in net proceeds from the sale of vessels as there were no vessels sold during the first half of 2022, as well as an increase in the purchase of other fixed assets during the six months ended June 30, 2022 as compared to the same period in 2021.

Net cash used in financing activities during the six months ended June 30, 2022 and 2021 was $119.1 million and $85.2 million, respectively. The increase was primarily due to a $58.6 million increase in the payment of dividends during the first half of 2022 as compared to the same period during 2021. This increase was partially offset by an overall decrease in debt repayments of $24.7 million during the first half of 2022 as compared to the same period during 2021.

Credit Facilities

On August 3, 2021, we entered into the $450 Million Credit Facility, which we used to refinance the existing debt outstanding under the $495 Million Credit Facility and the $133 Million Credit Facility as of August 31, 2021. Refer to Note 7 — Debt of our Condensed Consolidated Financial Statements for further details.

Interest Rate Swap and Cap Agreements, Forward Freight Agreements and Currency Swap Agreements

At June 30, 2022, we had three interest rate cap agreements to manage interest costs and the risk associated with changing interest rates. Such agreements cap the borrowing rate on our variable debt to provide a hedge against the risk of rising rates. At June 30, 2022, the total notional principal amount of the interest rate cap agreements is $200.0 million.

Refer to the table in Note 8 — Derivative instruments of our Condensed Consolidated Financial Statements which summarizes the interest rate cap agreements in place as of June 30, 2022.

As part of our business strategy, we may enter into interest rate swap agreements to manage interest costs and the risk associated with changing interest rates. In determining the fair value of interest rate derivatives, we would consider the impact of the creditworthiness of both the counterparty and ourselves immaterial. Valuations prior to any adjustments for credit risk would be validated by comparison with counterparty valuations. Amounts would not and should not be identical due to the different modeling assumptions. Any material differences would be investigated.

As part of our business strategy, we may enter into arrangements commonly known as forward freight agreements, or FFAs, to hedge and manage our exposure to the charter market risks relating to the deployment of our vessels. Generally, these arrangements would bind us and each counterparty in the arrangement to buy or sell a specified tonnage freighting commitment “forward” at an agreed time and price and for a particular route. Upon settlement, if the contracted charter rate is less than the average of the rates (as reported by an identified index) for the specified route and period, the seller of the FFA is required to pay the buyer an amount equal to the difference between the contracted rate and the settlement rate multiplied by the number of days in the specific period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. Although FFAs can be entered into for a variety of purposes, including for hedging, as an option, for trading, or for arbitrage, if we decided to enter into FFAs, our objective would be to hedge and manage market risks as part of our commercial management. It is not currently our intention to enter into FFAs to generate a stream of income independent of the revenues we derive from the operation of our fleet of vessels. If we determine to enter into FFAs, we may reduce our exposure to any declines in our results from operations due to weak market conditions or downturns, but may also limit our ability to benefit economically during periods of strong demand in the market. We have not entered into any FFAs as of June 30, 2022 and December 31, 2021.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Our fleet currently consists of 44 drybulk vessels, including 17 Capesize drybulk carriers, 15 Ultramax drybulk carriers and twelve Supramax drybulk carriers.

As previously announced, we have implemented a fuel efficiency upgrade program for certain of our vessels in an effort to generate fuel savings and increase the future earnings potential for these vessels. The upgrades have been successfully installed during previous drydockings.

Under U.S. Federal law and 33 CFR, Part 151, Subpart D, U.S. approved BWTS will be required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the U.S. U.S. authorities did not approve ballast water treatment systems until December 2016. Therefore, the U.S. Coast Guard (“USCG”) has granted us extensions for our vessels with 2016 drydocking deadlines until January 1, 2018; however, an alternative management system (“AMS”) may be installed in lieu. For example, in February 2015, the USCG added Bawat to the list of ballast water treatment systems that received

AMS acceptance. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval. Furthermore, we received extensions for vessels drydocking in 2016 that allowed for further extensions to the vessels' next scheduled drydockings in year 2021. Additionally, for our vessels that were scheduled to drydock in 2017 and 2018, the USCG has granted an extension that enables us to defer installation to the next scheduled out of water drydocking. Any newbuilding vessels that we acquire will have a USCG approved system or at least an AMS installed when the vessel is being built.

In addition, on September 8, 2016, the Ballast Water Management ("BWM") Convention was ratified and had an original effective date of September 8, 2017. However, on July 7, 2017, the effective date of the BWM Convention was extended two years to September 8, 2019 for existing ships. This will require vessels to have a BWTS installed to coincide with the vessels' next International Oil Pollution Prevention Certificate ("IOPP") renewal survey after September 8, 2019. In order for a vessel to trade in U.S. waters, it must be compliant with the installation date as required by the USCG as outlined above.

During the second half of 2018, we entered into agreements for the purchase of BWTS for 36 of our vessels. The cost of these systems will vary based on the size and specifications of each vessel and whether the systems will be installed in China. Based on the contractual purchase price of the BWTS and the estimated installation fees, the Company estimates the cost of the systems to be approximately $1.0 million for Capesize vessels and $0.6 million for Supramax vessels. The BWTS will be installed during a vessel's scheduled drydocking and these costs will be capitalized and depreciated over the remainder of the life of the vessel. During the six months ended June 30, 2022, we completed the installation of BWTS on three of our vessels. Additionally, during the years ended December 31, 2020 and 2019, we completed the installation of BWTS on nine and 17 of our vessels, respectively. Eleven of these vessels have since been sold. There were no BWTS installations completed during 2021. We anticipate that we will complete the installation of BWTS on seven vessels during the remainder of 2022, five of which was in the process of completing its scheduled drydocking as of June 30, 2022. We intend to fund the remaining BWTS purchase price and installation fees using cash on hand.

Under maritime regulations that went into effect January 1, 2020, our vessels were required to reduce sulfur emissions, for which the principal solutions are the use of scrubbers or buying fuel with low sulfur content. We have completed the installation of scrubbers on our 17 Capesize vessels, 16 of which were completed as of December 31, 2019 and the last one of which was completed on January 17, 2020. The remainder of our vessels are consuming very low sulfur fuel oil (VLSFO). The costs for the scrubber equipment and installation was capitalized and is being depreciated over the remainder of the life of the vessel. This does not include any lost revenue associated with offhire days due to the installation of the scrubbers.

In addition to acquisitions that we may undertake in future periods, we will incur additional expenditures due to special surveys and drydockings for our fleet. Furthermore, we plan to upgrade a portion of our fleet with energy saving devices and apply high performance paint systems to our vessels in order to reduce fuel consumption and emissions.

We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, BWTS costs, fuel efficiency upgrades and scheduled off-hire days for our fleet through 2023 to be:

Year	Estimated Drydocking Cost	Estimated BWTS Cost	Estimated Fuel Efficiency Upgrade Costs	Estimated Off-hire Days
	(U.S. dollars in millions)			
July 1 - December 31, 2022	$ 10.4	$ 2.0	$ 4.5	292
2023	$ 2.4	$ —	$ —	70

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash on hand. These costs do not include drydock expense items that are reflected in vessel operating expenses.

Actual length of drydocking will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expense during drydocking for vessels which are over 15 years old typically result in a higher number of off-hire days depending on the condition of the vessel.

During the six months ended June 30, 2022 and 2021, we incurred a total of $14.2 million and $1.8 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

We completed the drydockings for five of our vessels during the six months ended June 30, 2022, of which three began during the fourth quarter of 2021 and did not complete until the first quarter of 2022. Six additional vessels began their drydockings during the second quarter of 2022 and are not expected to complete until the third quarter of 2022. In addition to these vessels, we estimate that four of our vessels will be drydocked during the remainder of 2022 and two of our vessels will be drydocked during 2023.

As of January 17, 2020, we completed the installation of scrubbers on our 17 Capesize vessels.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, general and administrative, and financing costs.

CRITICAL ACCOUNTING POLICIES

Except as described below, there have been no changes or updates to our critical accounting policies as disclosed in the 2021 10-K.

Vessels and Depreciation

We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation. We depreciate our drybulk vessels on a straight-line basis over their estimated useful lives, estimated to be 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less the estimated residual scrap value of $400/lwt based on the 15-year average scrap value of steel. Effective January 1, 2022, we increased the estimated scrap value of the vessels from $310 per lwt to $400 per lwt prospectively based on the 15-year average scrap value of steel. This change resulted in a decrease the annual depreciation charge over the remaining useful life of the vessels. Similarly, an increase in the useful life of a drybulk vessel would also decrease the annual depreciation charge. Comparatively, a decrease in the useful life of a drybulk vessel or in its residual value would have the effect of increasing the annual depreciation charge. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel's useful life to end at the date such regulations preclude such vessel's further commercial use.

The carrying value of each of our vessels does not represent the fair market value of such vessel or the amount we could obtain if we were to sell any of our vessels, which could be more or less. Under U.S. GAAP, we would not

record a loss if the fair market value of a vessel (excluding its charter) is below our carrying value unless and until we determine to sell that vessel or the vessel is impaired as discussed in the 2021 10-K.

There were no impairment losses incurred during the three and six months ended June 30, 2022 and 2021.

Under our credit facility, we regularly submit to the lenders valuations of our vessels on an individual charter free basis in order to evidence our compliance with the collateral maintenance covenants under our bank credit facility. Such a valuation is not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such. We were in compliance with the collateral maintenance covenant under our $450 Million Credit Facility as of June 30, 2022. We obtained valuations for all of the vessels in our fleet pursuant to the terms of the $450 Million Credit Facility. In the chart below, we list each of our vessels, the year it was built, the year we acquired it, and its carrying value at June 30, 2022 and December 31, 2021. Vessels have been grouped according to their collateralized status as of June 30, 2022 and does not include any vessels held for sale or held for exchange.

As of June 30, 2022 and December 31, 2021, the vessel valuations of all of our vessels for covenant compliance purposes under our credit facility as of the most recent compliance testing date were higher than their carrying values at June 30, 2022 and December 31, 2021, respectively, with the exception of eleven of our Capesize vessels.

The amount by which the carrying value at June 30, 2022 of eleven of our Capesize vessels exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual vessel basis, from $3.1 million to $8.2 million per vessel, and $56.2 million on an aggregate fleet basis. The amount by which the carrying value at December 31, 2021 of eleven of our Capesize vessels exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual vessel basis, from $4.3 million to $7.0 million per vessel, and $62.7 million on an aggregate fleet basis. The average amount by which the carrying value of these vessels exceeded the valuation of such vessels for covenant compliance purposes was $5.1 million at June 30, 2022 and $5.7 million as of December 31, 2021. However, neither such valuation nor the carrying value in the table below reflects the value of long-term time charters, if any, related to some of our vessels.

			Carrying Value (U.S. dollars in thousands) as of	
Vessels	**Year Built**	**Year Acquired**	**June 30, 2022**	**December 31, 2021**
$450 Million Credit Facility				
Genco Commodus	2009	2009	$ 34,242	$ 35,200
Genco Maximus	2009	2009	34,273	35,215
Genco Claudius	2010	2009	35,891	36,872
Baltic Bear	2010	2010	35,687	36,666
Baltic Wolf	2010	2010	35,989	36,948
Baltic Lion	2009	2013	30,603	29,971
Genco Tiger	2010	2013	28,632	28,658
Baltic Scorpion	2015	2015	22,956	23,456
Baltic Mantis	2015	2015	23,199	23,701
Genco Hunter	2007	2007	7,697	7,788
Genco Warrior	2005	2007	6,705	6,909
Genco Aquitaine	2009	2010	8,422	8,588
Genco Ardennes	2009	2010	8,426	8,591
Genco Auvergne	2009	2010	8,435	8,597
Genco Bourgogne	2010	2010	9,113	9,299
Genco Brittany	2010	2010	9,118	9,303
Genco Languedoc	2010	2010	9,120	9,304
Genco Picardy	2005	2010	7,129	7,347
Genco Pyrenees	2010	2010	9,165	9,311
Genco Rhone	2011	2011	10,425	10,512
Genco Constantine	2008	2008	32,327	32,152

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of June 30, 2022	December 31, 2021
Genco Augustus	2007	2007	30,417	30,822
Genco London	2007	2007	29,775	29,708
Genco Titus	2007	2007	30,596	30,503
Genco Tiberius	2007	2007	30,156	30,161
Genco Hadrian	2008	2008	31,674	32,570
Genco Predator	2005	2007	7,047	7,266
Baltic Hornet	2014	2014	21,539	22,022
Baltic Wasp	2015	2015	21,792	22,275
Genco Endeavour	2015	2018	41,378	42,207
Genco Resolute	2015	2018	41,700	42,507
Genco Columbia	2016	2018	23,976	24,484
Genco Weatherly	2014	2018	19,370	19,806
Genco Liberty	2016	2018	44,863	45,760
Genco Defender	2016	2018	44,891	45,792
Genco Magic	2014	2020	14,152	14,381
Genco Vigilant	2015	2021	15,184	15,476
Genco Freedom	2015	2021	15,278	15,577
Genco Enterprise	2016	2021	20,211	20,591
TOTAL			$ 891,553	$ 906,296
Unencumbered				
Genco Madeleine	2014	2021	22,780	23,266
Genco Constellation	2017	2021	25,487	25,574
Genco Mayflower	2017	2021	25,911	26,005
Genco Laddey	2022	2022	29,829	—
Genco Mary	2022	2022	29,843	—
			$ 133,850	$ 74,845
Consolidated Total			$ 1,025,403	$ 981,141

If we were to sell a vessel or hold a vessel for sale, and the carrying value of the vessel were to exceed its fair market value, we would record a loss in the amount of the difference. Refer to Note 2 — Summary of Significant Accounting Policies and Note 4 — Vessel Acquisitions and Dispositions in our Condensed Consolidated Financial Statements for information regarding the sale of vessel assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

We are exposed to the impact of interest rate changes. Our objective is to manage the impact of interest rate changes on our earnings and cash flow in relation to our borrowings. We held three interest rate cap agreements as of June 30, 2022 to manage future interest costs and the risk associated with changing interest rates. The total notional amount of the caps at June 30, 2022 is $200.0 million and the caps have specified rates and durations. Refer to Note 8 — Derivative Instruments of our Condensed Consolidated Financial Statements, which summarizes the interest rate caps in place as of June 30, 2022.

The interest rate cap agreements cap the borrowing rate on our variable debt to provide a hedge against the risk of rising rates.

The total asset associated with the caps at June 30, 2022 is $5.9 million, of which $3.9 million has been classified as a current asset and $2.0 million has been classified as a noncurrent asset on the balance sheet. As of June 30, 2022, the Company has accumulated other comprehensive income ("AOCI") of $5.6 million related to the interest rate cap agreements. At June 30, 2022, $3.7 million of AOCI is expected to be reclassified into income over the next 12 months associated with interest rate derivatives.

We are subject to market risks relating to changes in LIBOR rates because we have significant amounts of floating rate debt outstanding. During the three and six months ended June 30, 2022 and 2021, we were subject to the following interest rates on the outstanding debt under our credit facilities:

- $450 Million Credit Facility
    - One-month or three-month LIBOR plus 2.45% beginning August 31, 2021 which was reduced to 2.15% effective November 4, 2021.
- $133 Million Credit Facility
    - $108 Million Tranche — one-month LIBOR plus 2.50% until August 31, 2021, when this facility was refinanced with the $450 Million Credit Facility.
    - $25 Million Tranche — one-month LIBOR plus 3.00% until March 31, 2021, when this tranche was paid down.
- $495 Million Credit Facility —
    - $460 Million Tranche – one-month or three-month LIBOR plus 3.25% until August 31, 2021, when this facility was refinanced with the $450 Million Credit Facility.
    - $35 Million Tranche – one-month LIBOR plus 2.50% until June 7, 2021, when this tranche was paid down.

A 1% increase in LIBOR would result in an increase of $1.1 million in interest expense for the six months ended June 30, 2022.

Derivative financial instruments

As part of our business strategy, we may enter into interest rate swaps or interest rate cap agreements to manage interest costs and the risk associated with changing interest rates. As of June 30, 2022, we held three interest rate cap agreements to manage interest costs and the risk associated with changing interest rates. The total notional amount of the caps at June 30, 2022 is $200.0 million and the caps have specified rates and durations. Refer to Note 8 — Derivative Instruments of our condensed consolidated financial statements which summarizes the interest rate caps in place as of June 30, 2022.

The three interest rate cap agreements were initially designated and qualified as cash flow hedges. The premium paid is recognized in income on a rational basis, and all changes in the value of the caps are deferred in AOCI and are subsequently reclassified into Interest expense in the period when the hedged interest affects earnings.

During the second quarter of 2022, based on the total outstanding debt under the $450 Million Credit Facility being below the total notional amount of the interest rate cap agreements, a portion of one of the interest rate cap agreements was dedesignated as a cash flow hedge. Subsequent gains and losses resulting from valuation adjustments on the dedesignated portion of the cap are recorded within interest expense. As the forecasted interest payments hedged are

not remote of occurring, the amounts in AOCI as of the date of dedesignation will be released over the remaining original hedge period.

Refer to “Interest rate risk” section above for further information regarding interest rate swap agreements.

We have entered into bunker swap and forward fuel purchase agreements with the objective of reducing the risk of the effect of changing fuel prices. Our bunker swap and forward fuel purchase agreements do not qualify for hedge accounting treatment; therefore, any unrealized or realized gains or losses are recognized as other income (expense). Refer to the “Bunker swap and forward fuel purchase agreements” section of Note 2 — Summary of Significant Accounting Policies for further information.

Currency and exchange rates risk

The majority of transactions in the international shipping industry are denominated in U.S. Dollars. Virtually all of our revenues and most of our operating costs are in U.S. Dollars. We incur certain operating expenses in currencies other than the U.S. dollar, and the foreign exchange risk associated with these operating expenses is immaterial.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and President and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and President and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in the 2021 10-K as updated in our quarterly report on 10-Q for the quarterly period ended March 31, 2022, which could materially affect our business, financial condition or future results. Below is an update to the risk factor entitled, “Terrorist attacks and other acts of violence or war may have an adverse effect on our business,”:

On July 23, 2022, Ukraine claimed that Russia attacked the port city of Odesa less than 24 hours after both countries had entered into an agreement to resume shipments of Ukrainian grain. While the shipment of grain has reportedly commenced from Odesa after these events, future prospects for Ukrainian grain shipments, the impact on drybulk markets for the shipment of grain and other cargoes, and the effect on our business, financial condition, and results of operations remain unpredictable.

In addition, below is an update to the risk factor entitled, “Legislative action relating to taxation could materially and adversely affect us”:

On July 18, 2022, Senators Charles Schumer and Joe Manchin announced an agreement on proposed legislation called the Inflation Reduction Act of 2022 which, as in the bill passed by the U.S. House of Representatives in 2021, would impose a 15% minimum tax on the adjusted financial statement net income of corporations with average annual book profits over any consecutive three-year period in excess of $1 billion. Such minimum tax may also apply to a non-U.S. corporation in certain circumstances, but only with respect to income that is effectively connected to the conduct of a trade or business in the United States if the average amount of such income over the current and preceding two years equals or exceeds $100 million. While we do not believe we would become subject to such tax in the near future if such proposed legislation becomes law in its current form, the final legislation, if enacted, may differ in a manner that could subject us to the tax with respect to all or a portion of our income.

ITEM 6. EXHIBITS

The Exhibit Index attached to this report is incorporated into this Item 16 by reference.

EXHIBIT INDEX

Exhibit	Document
3.1	Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited.(1)
3.2	Articles of Amendment to Genco Shipping & Trading Limited Second Amended and Restated Articles of Incorporation, dated July 17, 2015.(2)
3.3	Articles of Amendment to Genco Shipping & Trading Limited Second Amended and Restated Articles of Incorporation, dated April 15, 2016.(3)
3.4	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited, dated July 7, 2016.(4)
3.5	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited, dated January 4, 2017.(5)
3.6	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited dated July 15, 2020.(6)
3.7	Articles of Amendment to Second Amended and Restated Articles of Incorporation of Genco Shipping & Trading Limited dated May 13, 2021.(7)
3.8	Certificate of Designations of Rights, Preferences and Privileges of Series A Preferred Stock of Genco Shipping & Trading Limited, dated as of November 14, 2016.(8)
3.9	Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated July 9, 2014.(1)
3.10	Amendment to Amended and Restated By-Laws, dated June 4, 2018.(9)
3.11	Second Amendment to Amended and Restated By-Laws, dated July 15, 2020.(6)
3.12	Third Amendment to Amended and Restated By-laws, dated January 11, 2021(10)
4.1	Form of Specimen Stock Certificate of Genco Shipping & Trading Limited.(1)
10.1	Restricted Stock Unit Agreement dated May 16, 2022 between Genco Shipping & Trading Limited and James G. Dolphin.(*)
10.2	Form of Director Restricted Stock Unit Agreement dated May 16, 2022.(*)
31.1	Certification of Chief Executive Officer and President pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.(*)
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.(*)
32.1	Certification of Chief Executive Officer and President pursuant to 18 U.S.C. Section 1350.(*)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.(*)

101	The following materials from Genco Shipping & Trading Limited's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021 (Unaudited), (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2022 and 2021 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2022 and 2021 (Unaudited), (iv) Condensed Consolidated Statements of Equity for the three and six months ended June 30, 2022 and 2021 (Unaudited), (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021 (Unaudited), and (vi) Notes to Condensed Consolidated Financial Statements (Unaudited).(*)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(*) Filed with this report.

(1) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2014.

(2) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 17, 2015.

(3) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on April 15, 2016.

(4) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 7, 2016.

(5) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on January 4, 2017.

(6) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2020.

(7) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on May 31, 2021.

(8) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on November 15, 2016.

(9) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 5, 2018.

(10) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on January 11, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENCO SHIPPING & TRADING LIMITED

DATE: August 3, 2022

By: /s/ John C. Wobensmith
John C. Wobensmith
Chief Executive Officer and President
(Principal Executive Officer)

DATE: August 3, 2022

By: /s/ Apostolos Zafolias
Apostolos Zafolias
Chief Financial Officer
(Principal Financial Officer)

RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
GENCO SHIPPING & TRADING LIMITED 2015 EQUITY INCENTIVE PLAN

* * * * *

Participant: James G. Dolphin

Grant Date: May 16, 2022

Number of Restricted Stock Units granted: **9,111**

* * * * *

WHEREAS, this Restricted Stock Unit Award Agreement (this "Award Agreement"), dated as of the Grant Date specified above, is entered into by and between Genco Shipping & Trading Limited, a Marshall Islands corporation (the "Company"), and the Participant specified above, pursuant to the Genco Shipping & Trading Limited 2015 Equity Incentive Plan (the "Plan"); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt.

This Award Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Award Agreement as if they were each expressly set forth herein, provided that any subsequent amendment of the Plan shall not adversely affect Participant's rights under this Award Agreement without the Participant's written consent to such amendment. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Award Agreement and the terms of the Plan, the terms of the Plan shall control. The Participant hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors in respect of the Plan, this Award Agreement and the RSUs shall be final and conclusive. Any capitalized term not defined in this Award Agreement shall have the same meaning as is ascribed thereto in the Plan.

2. Grant of Restricted Stock Unit Award.

The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Award Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall not have the rights of a stockholder in respect of the shares of Common Stock underlying this Award until such shares of Common Stock are delivered to the Participant in accordance with Section 4.

3. Vesting.

(a) General. Except as otherwise provided in this Section 3 or in the Plan, RSUs subject to this Award shall vest at 12:01 a.m. on the earlier of the date of the first Annual Meeting of Shareholders of the Company following the date of grant and the date that is fourteen months after the date of grant, provided that the Participant is a Director as of the applicable such date.

(b) Termination of Service. Upon a termination of service as a Director, other than due to death or Disability, all unvested RSUs shall immediately terminate and be forfeited.

(c) Termination Due to Death or Disability. Upon a termination of Participant's service as a Director due to the Participant's death or Disability, then the Participant's then outstanding and unvested RSUs shall immediately vest in full as of the date of such termination.

4. Delivery of Shares.

(a) Within 30 days of the Participant's termination of service as a Director, the Participant shall be issued one share of Common Stock for each vested RSU, provided that the Participant may not determine when during such 30-day period the shares of Common Stock shall be issued.

(b) Blackout Periods. Notwithstanding the above, if the Participant is subject to any Company "blackout" policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section (a) hereof, such distribution shall instead be made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (1) the last day of the calendar year in which the Participant terminated service as a Director and (2) the end of the 30-day period set forth in Section 4(a).

5. Dividends and Other Distributions.

The Participant shall be entitled to receive payments equal to all dividends and other distributions paid with respect to the shares of Common Stock underlying the RSUs. Any such amounts that are payable in cash shall instead constitute an amount of additional RSUs equal to the amount of such dividend or distribution divided by the closing price of a share of Common Stock on the date that such dividend or distribution is paid to holders of Common Stock. The terms of such additional RSUs shall be the same as the underlying RSUs, including with respect

to the vesting requirements as set forth in Section 3 hereof, time of payment as set forth in Section 4 hereof, and dividends as set forth in this Section 5. If any such amounts are paid in shares of Common Stock with respect to unvested RSUs, the shares of Common Stock shall be reserved by the Company and shall be subject to the same restrictions on transferability and forfeitability as the RSUs with respect to which they were paid.

6. Non-transferability.

The RSUs, and any rights or interests therein, (i) shall not be sold, exchanged, transferred, assigned or otherwise disposed of in any way at any time by the Participant (or any beneficiary of the Participant), other than by testamentary disposition by the Participant or by the laws of descent and distribution, (ii) shall not be pledged or encumbered in any way at any time by the Participant (or any beneficiary of the Participant) and (iii) shall not be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, pledge, transfer, assign, encumber or otherwise dispose of the RSUs, or the levy of any execution, attachment or similar legal process upon the RSUs, contrary to the terms of this Award Agreement and/or the Plan, shall be null and void and without legal force or effect.

7. Entire Agreement; Amendment.

This Award Agreement and the Plan the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Award Agreement from time to time in accordance with and as provided in the Plan, but not in any manner or to any extent that would be adverse to the Participant without the Participant's written consent at the time. This Award Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such mutually-agreed-on modification or amendment of this Award Agreement as soon as practicable after the adoption thereof by the Company.

8. Acknowledgment of Participant.

This award of RSUs does not entitle Participant to any benefit other than that granted under this Award Agreement. Any benefits granted under this Award Agreement are not part of the Participant's ordinary compensation, and shall not be considered as part of such compensation in the event of severance, redundancy or resignation. Participant understands and accepts that the benefits granted under this Award Agreement are entirely at the discretion of the Company and that the Company retains the right to amend or terminate this Award Agreement and the Plan at any time, at its sole discretion and without notice, but not in any manner or to any extent that would be adverse to the Participant without the Participant's written consent at the time.

9. Securities Matters. The Company shall be under no obligation to effect the registration pursuant to the Securities Act of 1933, as amended (the "1933 Act") of any interests in the Plan or any shares of Common Stock to be issued thereunder or to effect similar

compliance under any state laws. The Company shall not be obligated to cause to be issued any shares, whether by means of stock certificates or appropriate book entries, unless and until the Company is advised by its counsel that the issuance of such shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Board of Directors may require, as a condition of the issuance of shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements and representations, and that any certificates bear such legends and any book entries be subject to such electronic coding, as the Board of Directors, in its sole discretion, deems necessary or desirable. The Participant specifically understands and agrees that the shares of Common Stock, if and when issued, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933, as amended and, accordingly, the Participant may be required to hold the shares indefinitely unless they are registered under such Act or an exemption from such registration is available.

10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto upon any breach or default of any party under this Award Agreement, shall impair any such right, power or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Award Agreement, or any waiver on the part of any party or any provisions or conditions of this Award Agreement, must be in a writing signed by such party and shall be effective only to the extent specifically set forth in such writing.

11. Governing Law. This Award Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles of conflict of laws thereof.

12. No Right to Continued Service. Nothing in this Award Agreement shall interfere with or limit in any way the right of the Company to terminate the Participant's employment or service at any time, for any reason and with or without cause.

13. Notices. Any notice which may be required or permitted under this Award Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the President of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

14. Compliance with Laws. This issuance of RSUs (and the shares of Common Stock underlying the RSUs) pursuant to this Award Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the 1933 Act, the Securities Exchange Act of 1934 and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue these RSUs or any of the shares of Common Stock pursuant to this Award Agreement if any such issuance would violate any such requirements.

15. Binding Agreement; Assignment. This Award Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except as provided by Section 5 hereof) any part of this Award Agreement without the prior express written consent of the Company. The Company may not assign any portion of this Award Agreement without the prior written consent of the Participant except as otherwise provided in the Plan.

16. Counterparts. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

17. Headings. The titles and headings of the various sections of this Award Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Award Agreement.

18. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Award Agreement and the Plan and the consummation of the transactions contemplated thereunder.

19. Severability. The invalidity or unenforceability of any provisions of this Award Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Award Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Award Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date first written above.

GENCO SHIPPING & TRADING LIMITED

By: /s/ Apostolos Zafolias

Name: Apostolos Zafolias

Title: Chief Financial Officer

PARTICIPANT

/s/ James G. Dolphin

Name: James G. Dolphin

RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
GENCO SHIPPING & TRADING LIMITED 2015 EQUITY INCENTIVE PLAN

* * * * *

Participant:

Grant Date: May 16, 2022

Number of Restricted Stock Units granted: **4,555**

* * * * *

WHEREAS, this Restricted Stock Unit Award Agreement (this "Award Agreement"), dated as of the Grant Date specified above, is entered into by and between Genco Shipping & Trading Limited, a Marshall Islands corporation (the "Company"), and the Participant specified above, pursuant to the Genco Shipping & Trading Limited 2015 Equity Incentive Plan (the "Plan"); and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. Incorporation by Reference; Plan Document Receipt.

This Award Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the grant of the RSUs hereunder), all of which terms and provisions are made a part of and incorporated in this Award Agreement as if they were each expressly set forth herein, provided that any subsequent amendment of the Plan shall not adversely affect Participant's rights under this Award Agreement without the Participant's written consent to such amendment. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Award Agreement and the terms of the Plan, the terms of the Plan shall control. The Participant hereby acknowledges that all decisions, determinations and interpretations of the Board of Directors in respect of the Plan, this Award Agreement and the RSUs shall be final and conclusive. Any capitalized term not defined in this Award Agreement shall have the same meaning as is ascribed thereto in the Plan.

2. Grant of Restricted Stock Unit Award.

The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Award Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason. The Participant shall not have the rights of a stockholder in respect of the shares of Common Stock underlying this Award until such shares of Common Stock are delivered to the Participant in accordance with Section 4.

3. Vesting.

(a) General. Except as otherwise provided in this Section 3 or in the Plan, RSUs subject to this Award shall vest at 12:01 a.m. on the earlier of the date of the first Annual Meeting of Shareholders of the Company following the date of grant and the date that is fourteen months after the date of grant, provided that the Participant is a Director as of the applicable such date.

(b) Termination of Service. Upon a termination of service as a Director, other than due to death or Disability, all unvested RSUs shall immediately terminate and be forfeited.

(c) Termination Due to Death or Disability. Upon a termination of Participant's service as a Director due to the Participant's death or Disability, then the Participant's then outstanding and unvested RSUs shall immediately vest in full as of the date of such termination.

4. Delivery of Shares.

(a) Within 30 days of the Participant's termination of service as a Director, the Participant shall be issued one share of Common Stock for each vested RSU, provided that the Participant may not determine when during such 30-day period the shares of Common Stock shall be issued.

(b) Blackout Periods. Notwithstanding the above, if the Participant is subject to any Company "blackout" policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section (a) hereof, such distribution shall instead be made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (1) the last day of the calendar year in which the Participant terminated service as a Director and (2) the end of the 30-day period set forth in Section 4(a).

5. Dividends and Other Distributions.

The Participant shall be entitled to receive payments equal to all dividends and other distributions paid with respect to the shares of Common Stock underlying the RSUs. Any such amounts that are payable in cash shall instead constitute an amount of additional RSUs equal to the amount of such dividend or distribution divided by the closing price of a share of Common Stock on the date that such dividend or distribution is paid to holders of Common Stock. The terms of such additional RSUs shall be the same as the underlying RSUs, including with respect

to the vesting requirements as set forth in Section 3 hereof, time of payment as set forth in Section 4 hereof, and dividends as set forth in this Section 5. If any such amounts are paid in shares of Common Stock with respect to unvested RSUs, the shares of Common Stock shall be reserved by the Company and shall be subject to the same restrictions on transferability and forfeitability as the RSUs with respect to which they were paid.

6. Non-transferability.

The RSUs, and any rights or interests therein, (i) shall not be sold, exchanged, transferred, assigned or otherwise disposed of in any way at any time by the Participant (or any beneficiary of the Participant), other than by testamentary disposition by the Participant or by the laws of descent and distribution, (ii) shall not be pledged or encumbered in any way at any time by the Participant (or any beneficiary of the Participant) and (iii) shall not be subject to execution, attachment or similar legal process. Any attempt to sell, exchange, pledge, transfer, assign, encumber or otherwise dispose of the RSUs, or the levy of any execution, attachment or similar legal process upon the RSUs, contrary to the terms of this Award Agreement and/or the Plan, shall be null and void and without legal force or effect.

7. Entire Agreement; Amendment.

This Award Agreement and the Plan the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Award Agreement from time to time in accordance with and as provided in the Plan, but not in any manner or to any extent that would be adverse to the Participant without the Participant's written consent at the time. This Award Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such mutually-agreed-on modification or amendment of this Award Agreement as soon as practicable after the adoption thereof by the Company.

8. Acknowledgment of Participant.

This award of RSUs does not entitle Participant to any benefit other than that granted under this Award Agreement. Any benefits granted under this Award Agreement are not part of the Participant's ordinary compensation, and shall not be considered as part of such compensation in the event of severance, redundancy or resignation. Participant understands and accepts that the benefits granted under this Award Agreement are entirely at the discretion of the Company and that the Company retains the right to amend or terminate this Award Agreement and the Plan at any time, at its sole discretion and without notice, but not in any manner or to any extent that would be adverse to the Participant without the Participant's written consent at the time.

9. Securities Matters. The Company shall be under no obligation to effect the registration pursuant to the Securities Act of 1933, as amended (the "1933 Act") of any interests in the Plan or any shares of Common Stock to be issued thereunder or to effect similar

compliance under any state laws. The Company shall not be obligated to cause to be issued any shares, whether by means of stock certificates or appropriate book entries, unless and until the Company is advised by its counsel that the issuance of such shares is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Board of Directors may require, as a condition of the issuance of shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements and representations, and that any certificates bear such legends and any book entries be subject to such electronic coding, as the Board of Directors, in its sole discretion, deems necessary or desirable. The Participant specifically understands and agrees that the shares of Common Stock, if and when issued, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933, as amended and, accordingly, the Participant may be required to hold the shares indefinitely unless they are registered under such Act or an exemption from such registration is available.

10. Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto upon any breach or default of any party under this Award Agreement, shall impair any such right, power or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Award Agreement, or any waiver on the part of any party or any provisions or conditions of this Award Agreement, must be in a writing signed by such party and shall be effective only to the extent specifically set forth in such writing.

11. Governing Law. This Award Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles of conflict of laws thereof.

12. No Right to Continued Service. Nothing in this Award Agreement shall interfere with or limit in any way the right of the Company to terminate the Participant's employment or service at any time, for any reason and with or without cause.

13. Notices. Any notice which may be required or permitted under this Award Agreement shall be in writing, and shall be delivered in person or via facsimile transmission, overnight courier service or certified mail, return receipt requested, postage prepaid, properly addressed as follows:

(a) If such notice is to the Company, to the attention of the President of the Company or at such other address as the Company, by notice to the Participant, shall designate in writing from time to time.

(b) If such notice is to the Participant, at his/her address as shown on the Company's records, or at such other address as the Participant, by notice to the Company, shall designate in writing from time to time.

14. Compliance with Laws. This issuance of RSUs (and the shares of Common Stock underlying the RSUs) pursuant to this Award Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the 1933 Act, the Securities Exchange Act of 1934 and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue these RSUs or any of the shares of Common Stock pursuant to this Award Agreement if any such issuance would violate any such requirements.

15. Binding Agreement; Assignment. This Award Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except as provided by Section 5 hereof) any part of this Award Agreement without the prior express written consent of the Company. The Company may not assign any portion of this Award Agreement without the prior written consent of the Participant except as otherwise provided in the Plan.

16. Counterparts. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

17. Headings. The titles and headings of the various sections of this Award Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Award Agreement.

18. Further Assurances. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Award Agreement and the Plan and the consummation of the transactions contemplated thereunder.

19. Severability. The invalidity or unenforceability of any provisions of this Award Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Award Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Award Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date first written above.

GENCO SHIPPING & TRADING LIMITED

By: _____

Name: Apostolos Zafolias

Title: Chief Financial Officer

PARTICIPANT

_____

Name:

Exhibit 31.1

CERTIFICATION

I, John C. Wobensmith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of Genco Shipping & Trading Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John C. Wobensmith
Name: John C. Wobensmith
Title: Chief Executive Officer and President

Date: August 3, 2022

Exhibit 31.2

CERTIFICATION

I, Apostolos Zafolias, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of Genco Shipping & Trading Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer

Date: August 3, 2022

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Genco Shipping & Trading Limited's (the "Company") quarterly report on Form 10-Q for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer and President of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2022

/s/ John C. Wobensmith
Name: John C. Wobensmith
Title: Chief Executive Officer and President

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Genco Shipping & Trading Limited's (the "Company") quarterly report on Form 10-Q for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2022

/s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.