Table of Contents

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, 2020

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)

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 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 ☐

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)

The number of shares outstanding of each of the issuer's classes of common stock, as of August 5, 2020: Common stock, par value $0.01 per share — 41,801,753 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, SEC filings, 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, 2020 and December 31, 2019
(U.S. Dollars in thousands, except for share and per share data)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 127,722	$ 155,889
Restricted cash	14,855	6,045
Due from charterers, net of a reserve of $662 and $1,064, respectively	13,370	13,701
Prepaid expenses and other current assets	8,705	10,049
Inventories	23,034	27,208
Vessels held for sale	23,252	10,303
Total current assets	210,938	223,195
Noncurrent assets:		
Vessels, net of accumulated depreciation of $242,465 and $288,373, respectively	1,109,341	1,273,861
Deferred drydock, net of accumulated amortization of $7,691 and $11,862 respectively	19,192	17,304
Fixed assets, net of accumulated depreciation and amortization of $2,057 and $2,154, respectively	7,215	5,976
Operating lease right-of-use assets	7,565	8,241
Restricted cash	315	315
Total noncurrent assets	1,143,628	1,305,697
Total assets	$ 1,354,566	$ 1,528,892
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 24,071	$ 49,604
Current portion of long-term debt	79,522	69,747
Deferred revenue	4,368	6,627
Current operating lease liabilities	1,720	1,677
Total current liabilities:	109,681	127,655
Noncurrent liabilities:		
Long-term operating lease liabilities	8,955	9,826
Long-term debt, net of deferred financing costs of $11,648 and $13,094, respectively	403,304	412,983
Total noncurrent liabilities	412,259	422,809
Total liabilities	521,940	550,464
Commitments and contingencies (Note 12)		
Equity:		
Common stock, par value $0.01; 500,000,000 shares authorized; 41,801,753 and 41,754,413 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	418	417
Additional paid-in capital	1,714,019	1,721,268
Accumulated deficit	(881,811)	(743,257)
Total equity	832,626	978,428
Total liabilities and equity	$ 1,354,566	$ 1,528,892

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, 2020 and 2019
(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,	
	2020	2019	2020	2019
Revenues:				
Voyage revenues	$ 74,206	$ 83,550	$ 172,542	$ 177,014
Total revenues	74,206	83,550	172,542	177,014
Operating expenses:				
Voyage expenses	41,695	41,800	90,063	84,822
Vessel operating expenses	21,058	24,358	42,871	47,549
Charter hire expenses	1,432	4,849	4,507	7,267
General and administrative expenses (inclusive of nonvested stock amortization expense of $476, $569, $957 and $1,021, respectively)	5,471	5,799	11,238	12,109
Technical management fees	1,724	1,885	3,578	3,825
Depreciation and amortization	15,930	18,271	33,504	36,348
Impairment of vessel assets	—	13,897	112,814	13,897
Loss (gain) on sale of vessels	—	—	486	(611)
Total operating expenses	87,310	110,859	299,061	205,206
Operating loss	(13,104)	(27,309)	(126,519)	(28,192)
Other (expense) income:				
Other income (expense)	120	107	(464)	437
Interest income	253	1,073	847	2,400
Interest expense	(5,473)	(8,124)	(12,418)	(16,699)
Impairment of right-of-use asset	—	(223)	—	(223)
Other expense	(5,100)	(7,167)	(12,035)	(14,085)
Net loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)
Net loss per share-basic	$ (0.43)	$ (0.83)	$ (3.31)	$ (1.01)
Net loss per share-diluted	$ (0.43)	$ (0.83)	$ (3.31)	$ (1.01)
Weighted average common shares outstanding-basic	41,900,901	41,742,301	41,883,629	41,734,248
Weighted average common shares outstanding-diluted	41,900,901	41,742,301	41,883,629	41,734,248

See accompanying notes to condensed consolidated financial statements.

Genco Shipping & Trading Limited
Condensed Consolidated Statements of Comprehensive Loss
For the Three and Six Months Ended June 30, 2020 and 2019
(U.S. Dollars in Thousands)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Net loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)
Other comprehensive income	—	—	—	—
Comprehensive loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)

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, 2020 and 2019
(U.S. Dollars in Thousands)
(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance — January 1, 2020	$ 417	$ 1,721,268	$ (743,257)	$ 978,428
Net loss			(120,350)	(120,350)
Issuance of 47,341 shares of vested RSUs, net of forfeitures of 1,490 shares	1	(1)		—
Cash dividends declared ($0.175 per share)		(7,363)		(7,363)
Nonvested stock amortization		481		481
Balance — March 31, 2020	$ 418	$ 1,714,385	$ (863,607)	$ 851,196
Net loss			(18,204)	(18,204)
Cash dividends declared ($0.02 per share)		(842)		(842)
Nonvested stock amortization		476		476
Balance — June 30, 2020	$ 418	$ 1,714,019	$ (881,811)	$ 832,626

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance — January 1, 2019	$ 416	$ 1,740,163	$ (687,272)	$ 1,053,307
Net loss			(7,801)	(7,801)
Issuance of 12,477 shares of vested RSUs	—	—		—
Nonvested stock amortization		452		452
Balance — March 31, 2019	$ 416	$ 1,740,615	$ (695,073)	$ 1,045,958
Net loss			(34,476)	(34,476)
Nonvested stock amortization		569		569
Balance — June 30, 2019	$ 416	$ 1,741,184	$ (729,549)	$ 1,012,051

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, 2020 and 2019
(U.S. Dollars in Thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	$ (138,554)	$ (42,277)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	33,504	36,348
Amortization of deferred financing costs	1,909	1,867
Noncash operating lease expense	676	577
Amortization of nonvested stock compensation expense	957	1,021
Impairment of right-of-use asset	—	223
Impairment of vessel assets	112,814	13,897
Loss (gain) on sale of vessels	486	(611)
Insurance proceeds for protection and indemnity claims	278	389
Insurance proceeds for loss of hire claims	78	—
Change in assets and liabilities:		
Decrease in due from charterers	331	6,588
Decrease in prepaid expenses and other current assets	504	165
Decrease in inventories	4,174	223
(Decrease) increase in accounts payable and accrued expenses	(17,454)	828
(Decrease) increase in deferred revenue	(2,259)	1,859
Decrease in operating lease liabilities	(828)	(786)
Deferred drydock costs incurred	(5,593)	(5,488)
Net cash (used in) provided by operating activities	(8,977)	14,823
Cash flows from investing activities:		
Purchase of vessels and ballast water treatment systems, including deposits	(2,275)	(7,754)
Purchase of scrubbers (capitalized in Vessels)	(10,839)	(10,370)
Purchase of other fixed assets	(2,716)	(2,494)
Net proceeds from sale of vessels	14,726	6,309
Insurance proceeds for hull and machinery claims	484	612
Net cash used in investing activities	(620)	(13,697)
Cash flows from financing activities:		
Proceeds from the $133 Million Credit Facility	24,000	—
Repayments on the $133 Million Credit Facility	(3,280)	(3,160)
Proceeds from the $495 Million Credit Facility	11,250	—
Repayments on the $495 Million Credit Facility	(33,321)	(34,575)
Payment of common stock issuance costs	—	(105)
Cash dividends paid	(8,126)	—
Payment of deferred financing costs	(283)	(611)
Net cash used in financing activities	(9,760)	(38,451)
Net decrease in cash, cash equivalents and restricted cash	(19,357)	(37,325)
Cash, cash equivalents and restricted cash at beginning of period	162,249	202,761
Cash, cash equivalents and restricted cash at end of period	$ 142,892	$ 165,436

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 wholly-owned 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, 2020, the Company's fleet consists of 53 drybulk vessels, including 17 Capesize drybulk carriers, six Ultramax drybulk carriers, 20 Supramax drybulk carriers and 10 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 4,837,000 dwt and an average age of approximately 10.0 years.

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. 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 has 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 the overall 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 2020. However, an increase in the severity or duration or a resurgence of the COVID-19 pandemic 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

Principles of consolidation

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") which includes the accounts of GS&T and its direct and indirect wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the Securities and Exchange Commission (the "SEC"). 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. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2019 (the "2019 10-K"). The results of operations for the three and six months ended June 30, 2020 are not necessarily indicative of the operating results to be expected for the year ending December 31, 2020.

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 and the fair value of derivative instruments, if any. Actual results could differ from those estimates.

Restricted cash

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, 2020	December 31, 2019
Cash and cash equivalents	$ 127,722	$ 155,889
Restricted cash - current	14,855	6,045
Restricted cash - noncurrent	315	315
Cash, cash equivalents and restricted cash	$ 142,892	$ 162,249

Vessels held for sale

The Company's Board of Directors has approved a strategy of divesting specifically identified older, less fuel-efficient vessels as part of a fleet renewal program to streamline and modernize the Company's fleet.

On March 2, 2020, the Company entered into an agreement to sell the Baltic Wind and on March 20, 2020, the Company entered into agreements to sell the Baltic Breeze and Genco Bay. The relevant vessel assets have been classified as held for sale in the Condensed Consolidated Balance Sheet as of June 30, 2020. The Baltic Wind was sold on July 7, 2020, the Baltic Breeze was sold on July 31, 2020 and the Genco Bay is expected to be sold during the third quarter of 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions for details of the agreements.

On September 25, 2019, the Company entered into an agreement to sell the Genco Thunder, and the relevant vessel assets have been classified as held for sale in the Condensed Consolidated Balance Sheet as of December 31, 2019. This vessel was sold on March 5, 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions for details of the agreement.

Voyage expense recognition

In time charters, spot market-related time charters and pool agreements, 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, spot market-related time charters and pool agreements. Refer to Note 10 — Voyage Revenues for further discussion of the accounting for fuel expenses for spot market voyage 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 loss (gain) of $958 and ($113) during the three months ended June 30, 2020 and 2019, respectively, and $1,800 and $237 during the six months ended June 30, 2020 and 2019, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Impairment of vessel assets

During the three months ended June 30, 2020 and 2019, the Company recorded $0 and $13,897, respectively, related to the impairment of vessel assets in accordance with ASC 360 — "Property, Plant and Equipment" ("ASC 360"). Additionally, during the six months ended June 30, 2020 and 2019, the Company recorded $112,814 and $13,897, respectively, related to the impairment of vessel assets in accordance with ASC 360.

At March 31, 2020, the Company determined that the expected estimated future undiscounted cash flows for four of its Supramax vessels, the Genco Picardy, the Genco Predator, the Genco Provence and the Genco Warrior, did not exceed the net book value of these vessels as of March 31, 2020. The Company adjusted the carrying value of these vessels to their respective fair market values as of March 31, 2020. This resulted in an impairment loss of $27,046 during the six months ended June 30, 2020.

On February 24, 2020, the Board of Directors determined to dispose of the Company's following ten Handysize vessels: the Baltic Hare, the Baltic Fox, the Baltic Wind, the Baltic Cove, the Baltic Breeze, the Genco Ocean, the Genco Bay, the Genco Avra, the Genco Mare and the Genco Spirit, at times and on terms to be determined in the future. Given this decision, and that the revised estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel given the estimated probabilities of whether the vessels will be sold, the Company adjusted the values of these older vessels to their respective fair market values during the three months ended March 31, 2020. Subsequent to February 24, 2020, the Company has entered into agreements to sell three of these vessels during the three months ended March 31, 2020, namely the Baltic Wind, the Baltic Breeze and the Genco Bay, which were adjusted to their net sales price. This resulted in an impairment loss of $85,768 during the six months ended June 30, 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the vessel sales.

On August 2, 2019, the Company entered into an agreement to sell the Genco Challenger, a 2003-built Handysize vessel, for $5,250 less a 2.0% broker commission payable to a third party. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of June 30, 2019, the vessel value for the Genco Challenger was adjusted to its net sales price of $5,145 as of June 30, 2019. This resulted in an impairment loss of $4,401 during the three and six months ended June 30, 2019. Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the vessel sale.

At June 30, 2019, the Company determined that the expected estimated future undiscounted cash flows for the Genco Champion, a 2006-built Handysize vessel, and the Genco Charger, a 2005-built Handysize vessel, did not exceed the net book value of these vessels as of June 30, 2019. As such, the Company adjusted the value of these vessels to their respective fair market values as of June 30, 2019. This resulted in an impairment loss of $9,496 during the three and six months ended June 30, 2019. Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the vessel sale.

Loss (gain) on sale of vessels

During the six months ended June 30, 2020, the Company recorded a net loss of $486 related to the sale of vessels. The net loss of $486 recorded during the six months ended June 30, 2020 related primarily to the sale of the Genco Charger and Genco Thunder. During the six months ended June 30, 2019, the Company recorded a net gain of $611 related to the sale of vessels. The net gain of $611 recorded during the six months ended June 30, 2019 related primarily to the sale of the Genco Vigour. There were no vessels sold during the three months ended June 30, 2020 and 2019.

Recent accounting pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, "Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-03")," which change the disclosure requirements for fair value measurements by removing, adding, and modifying certain disclosures. This ASU is effective for fiscal years beginning after December 15, 2019, and for interim periods within that year. Early adoption is permitted for any eliminated or modified disclosures upon issuance of this

ASU. The Company has evaluated the impact of the adoption of ASU 2018-03 and has determined that there is no effect on its condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments—Credit Losses" ("ASU 2016-13"). ASU 2016-13 amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. ASU 2016-13 was effective on January 1, 2020, with early adoption permitted. The Company adopted ASU 2016-13 during the first quarter of 2020 and it did not have a material impact on the Company's condensed consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 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. This ASU is effective for adoption at any time between March 12, 2020 and December 31, 2022. The Company is currently evaluating the impact of this adoption on its condensed consolidated financial statements and related disclosures.

3 - CASH FLOW INFORMATION

For the six months ended June 30, 2020, 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 $33 for the Purchase of scrubbers, $1,726 for the Purchase of vessels and ballast water treatment systems, including deposits, $490 for the Purchase of other fixed assets and $13 for the Net proceeds from sale of vessels. For the six months ended June 30, 2020, 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 $103 for Cash dividends paid and $179 for the Payment of deferred financing costs.

For the six months ended June 30, 2019, 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 $2,383 for the Purchase of vessels and ballast water treatment systems, including deposits, $4,104 for the Purchase of scrubbers and $77 for the Purchase of other fixed assets.

During the six months ended June 30, 2020 and 2019, cash paid for interest was $10,457 and $14,946, respectively.

During the six months ended June 30, 2020 and 2019, there was no cash paid for estimated income taxes.

During the six months ended June 30, 2020, the Company made a reclassification of $23,252 from Vessels, net of accumulated depreciation to Vessels held for sale as the Company entered into agreements to sell the Baltic Wind, Baltic Breeze and Genco Bay prior to June 30, 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions.

On February 25, 2020, the Company issued 173,749 restricted stock units and options to purchase 344,568 shares of the Company's stock at an exercise price of $7.06 to certain individuals. The fair value of these restricted stock units and stock options were $1,227 and $693, respectively.

On May 15, 2019, the Company issued 29,580 restricted stock units to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $255.

On March 4, 2019, the Company issued 106,079 restricted stock units and options to purchase 240,540 shares of the Company's stock at an exercise price of $8.39 to certain individuals. The fair value of these restricted stock units and stock options were $890 and $904, respectively.

Refer to Note 13 — 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,	
	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	$ 1,115	$ 1,115

4 - VESSEL ACQUISITIONS AND DISPOSITIONS

Vessel Dispositions

On March 20, 2020, the Company entered into agreements to sell the Baltic Breeze and Genco Bay, both 2010-built Handysize vessels, for $7,900 each less a 2.0% broker commission payable to a third party. The sale of the Baltic Breeze was completed on July 31, 2020. Refer to Note 15 — Subsequent Events. The sale of the Genco Bay is expected to be completed during the third quarter of 2020. The vessel assets have been classified as held for sale in the Condensed Consolidated Balance Sheets as of June 30, 2020. Refer to “Impairment of vessel assets” section in Note 2 — Summary of Significant Accounting Policies for impairment expense recorded during the six months ended June 30, 2020.

On March 2, 2020, the Company entered into an agreement to sell the Baltic Wind, a 2009-built Handysize vessel, for $7,750 less a 2.0% broker commission payable to a third party. The sale was completed on July 7, 2020, refer to Note 15 — Subsequent Events. The vessel assets have been classified as held for sale in the Condensed Consolidated Balance Sheets as of June 30, 2020. Refer to “Impairment of vessel assets” section in Note 2 — Summary of Significant Accounting Policies for impairment expense recorded during the six months ended June 30, 2020.

On September 25, 2019, the Company entered into an agreement to sell the Genco Thunder, a 2007-built Panamax vessel, for $10,400 less a 2.0% broker commission payable to a third party. The sale was completed on March 5, 2020. The vessel assets have been classified as held for sale in the Condensed Consolidated Balance Sheets as of December 31, 2019.

On February 3, 2020, the Company entered into an agreement to sell the Genco Charger, a 2005-built Handysize vessel, to a third party for $5,150 less a 1.0% commission payable to a third party. The sale of the Genco Charger was completed on February 24, 2020.

On November 4, 2019, the Company entered into an agreement to sell the Genco Raptor, a 2007-built Panamax vessel, for $10,200 less a 2.0% broker commission payable to a third party. The sale was completed on December 11, 2019.

The Genco Thunder, Genco Charger and Genco Raptor served as collateral under the $495 Million Credit Facility; therefore $5,339, $3,471 and $6,045, respectively, of the net proceeds received from the sale will remain classified as restricted cash for 360 days following the respective sale dates, which has been reflected as restricted cash in the Condensed Consolidated Balance Sheets as of June 30, 2020. Refer to Note 7 — Debt for amendment to the $495 Million Credit Facility. As of December 31, 2019, a total amount of $6,045 was reflected as restricted cash in the Condensed Consolidated Balance Sheets for the Genco Raptor. These amounts can be used towards the financing of a replacement vessel 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.

On September 20, 2019, the Company entered into an agreement to sell the Genco Champion, a 2006-built Handysize vessel, for $6,600 less a 3.0% broker commission payable to a third party. The sale was completed on October 21, 2019. On August 2, 2019, the Company entered into an agreement to sell the Genco Challenger, a 2003-built Handysize vessel, for $5,250 less a 2.0% broker commission payable to a third party. The sale was completed on

October 10, 2019. The Genco Champion and Genco Challenger served as collateral under the $495 Million Credit Facility; therefore, $6,880 of the net proceeds from the sale of these two vessels was required to be used as a loan prepayment since a replacement vessel was not going to be added as collateral within 180 days following the respective sales dates.

On November 23, 2018, the Company entered into an agreement to sell the Genco Vigour, a 1999-built Panamax vessel, to a third party for $6,550 less a 2.0% broker commission payable to a third party. The sale was completed on January 28, 2019. The Genco Vigour did not serve as collateral under any of the Company's credit facilities.

5 - NET LOSS PER SHARE

The computation of basic net loss per share is based on the weighted-average number of common shares outstanding during the reporting period. The computation of diluted net loss per share assumes the vesting of nonvested stock awards and the exercise of stock options (refer to Note 13 — 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. There were 288,319 restricted stock units and 837,338 stock options excluded from the computation of diluted net loss per share during the three and six months ended June 30, 2020 because they were anti-dilutive. There were 258,084 restricted stock units and 496,148 stock options excluded from the computation of diluted net loss per share during the three and six months ended June 30, 2019 because they were anti-dilutive (refer to Note 13 — Stock-Based Compensation).

The Company's diluted net loss per share will also reflect the assumed conversion of the equity warrants issued when the Company emerged from bankruptcy on July 9, 2014 (the "Effective Date") and MIP Warrants issued by the Company (refer to Note 13 — Stock-Based Compensation) if the impact is dilutive under the treasury stock method. The equity warrants have a 7-year term that commenced on the day following the Effective Date and are exercisable for one tenth of a share of the Company's common stock. There were no unvested MIP Warrants and 3,936,761 equity warrants excluded from the computation of diluted net loss per share during the three and six months ended June 30, 2020 and 2019 because they were anti-dilutive.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Common shares outstanding, basic:				
Weighted-average common shares outstanding, basic	41,900,901	41,742,301	41,883,629	41,734,248
Common shares outstanding, diluted:				
Weighted-average common shares outstanding, basic	41,900,901	41,742,301	41,883,629	41,734,248
Dilutive effect of warrants	—	—	—	—
Dilutive effect of stock options	—	—	—	—
Dilutive effect of restricted stock awards	—	—	—	—
Weighted-average common shares outstanding, diluted	41,900,901	41,742,301	41,883,629	41,734,248

6 - RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2020 and 2019, the Company did not identify any related party transactions.

7 – DEBT

Long-term debt, net consists of the following:

	June 30, 2020	December 31, 2019
Principal amount	$ 494,474	$ 495,824
Less: Unamortized debt financing costs	(11,648)	(13,094)
Less: Current portion	(79,522)	(69,747)
Long-term debt, net	$ 403,304	$ 412,983

	June 30, 2020		December 31, 2019	
	Principal	Unamortized Debt Issuance Cost	Principal	Unamortized Debt Issuance Cost
$495 Million Credit Facility	$ 373,654	$ 9,941	$ 395,724	$ 11,642
$133 Million Credit Facility	120,820	1,707	100,100	1,452
Total debt	$ 494,474	$ 11,648	$ 495,824	$ 13,094

As of June 30, 2020 and December 31, 2019, $11,648 and $13,094 of deferred financing costs, respectively, were presented as a direct deduction within the outstanding debt balance in the Company's Condensed Consolidated Balance Sheets.

$495 Million Credit Facility

On May 31, 2018, the Company entered into the $460 Million Credit Facility, a five-year senior secured credit facility for an aggregate amount of up to $460,000 which was used to (i) refinance all of the Company's prior credit facilities into one facility and (ii) pay down the debt on seven of the Company's oldest vessels, which have been sold.

On February 28, 2019, the Company entered into an amendment to the $460 Million Credit Facility, which provided an additional tranche of up to $35,000 to finance a portion of the acquisitions, installations, and related costs for scrubbers for 17 of the Company's Capesize vessels (as so amended, the "$495 Million Credit Facility").

On June 5, 2020, the Company entered into an amendment to the $495 Million Credit Facility to extend the period that collateral vessels can be sold or disposed of without prepayment of the loan if a replacement vessel or vessels meeting certain requirements are included as collateral from 180 days to 360 days.

On August 28, 2019, September 23, 2019 and March 12, 2020, the Company made total drawdowns of $9,300, $12,200 and $11,250, respectively, under the $35 million tranche of the $495 Million Credit Facility. As of June 30, 2020, the Company drew down a total of $32,750, and this tranche is considered fully drawn. Scheduled quarterly repayments under this tranche are $2,339.

As of June 30, 2020, there was no availability under the $495 Million Credit Facility. Total debt repayments of $16,661 and $19,575 were made during the three months ended June 30, 2020 and 2019 under the $495 Million Credit

Facility, respectively. Total debt repayments of $33,321 and $34,575 were made during the six months ended June 30, 2020 and 2019 under the $495 Million Credit Facility, respectively.

As of June 30, 2020, the Company was in compliance with all of the financial covenants under the $495 Million Credit Facility.

$133 Million Credit Facility

On August 14, 2018, the Company entered into the $108 Million Credit Facility, a five-year senior secured credit facility that was used to finance a portion of the purchase price of six vessels, which also serve as collateral under the facility, which were delivered to the Company during the three months ended September 30, 2018.

On June 11, 2020, the Company entered into an amendment and restatement agreement to the $108 Million Credit Facility which provided for a revolving credit facility of up to $25,000 (the "Revolver") for general corporate and working capital purposes (as so amended, the "$133 Million Credit Facility"). The key terms associated with the Revolver are as follows:

- The final maturity date of the Revolver is August 14, 2023.
- Borrowings under the Revolver may be incurred pursuant to multiple drawings on or prior to July 1, 2023 in minimum amounts of $1,000.
- Borrowings under the Revolver will bear interest at LIBOR plus 3.00%
- The Revolver is subject to consecutive quarterly commitment reductions commencing on the last day of the fiscal quarter ending September 30, 2020 in an amount equal to approximately $1.9 million each quarter.
- Borrowings under the Revolver are subject to a limit of 60% for the ratio of outstanding total term and revolver loans to the aggregate appraised value of collateral vessels under the $133 Million Credit Facility.

The collateral and financial covenants otherwise remain substantially the same as they were under the $108 Million Credit Facility.

On June 15, 2020, the Company drew down $24,000 under the Revolver of the $133 Million Credit Facility.

As of June 30, 2020, there was $1,000 of availability under the $133 Million Credit Facility. Total debt repayments of $1,700 and $1,580 were made during the three months ended June 30, 2020 and 2019 under the $133 Million Credit Facility, respectively. Total debt repayments of $3,280 and $3,160 were made during the six months ended June 30, 2020 and 2019 under the $133 Million Credit Facility, respectively.

As of June 30, 2020, the Company was in compliance with all of the financial covenants under the $133 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,	
	2020	2019	2020	2019
Effective Interest Rate	3.62 %	5.43 %	4.22 %	5.50 %
Range of Interest Rates (excluding unused commitment fees)	2.67 % to 4.57 %	4.90 % to 5.50 %	2.67 % to 5.05 %	4.90 % to 5.76 %

8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company's financial instruments as of June 30, 2020 and December 31, 2019 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	June 30, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 127,722	$ 127,722	$ 155,889	$ 155,889
Restricted cash	15,170	15,170	6,360	6,360
Principal amount of floating rate debt	494,474	494,474	495,824	495,824

The carrying value of the borrowings under the $495 Million Credit Facility and the $133 Million Credit Facility as of June 30, 2020 and December 31, 2019 approximate their fair value due to the variable interest nature thereof as each of these credit facilities represent floating rate loans. The carrying amounts of the Company's other financial instruments as of June 30, 2020 and December 31, 2019 (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. 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. During the six months ended June 30, 2020, the vessel assets for fourteen of the Company's vessels were written down as part of the impairment recorded during the six months ended June 30, 2020. There was no vessel impairment recorded during the three months ended June 30, 2020. During the three and six months ended June 30, 2019, the vessel assets for three of the Company's vessels were written down as part of the impairment recorded during the three and six months ended June 30, 2019. The vessels held for sale as of June 30, 2020 were written down as part of the impairment recorded during the six months ended June 30, 2020. The vessel held for sale as of December 31, 2019 was written down as part of the impairment recorded during the three months ended September 30, 2019. Refer to "Impairment of vessel assets" section in Note 2 — Summary of Significant Accounting Policies.

Nonrecurring fair value measurements also include impairment tests conducted by the Company during the three and six months ended June 30, 2020 and 2019 of its operating lease right-of use assets. 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. During the three and six months ended June 30, 2020, there was no impairment of the operating lease right-of-use assets. During the three and six months ended June 30, 2019, the operating lease right-of-use asset was written down as part of the impairment of right-of-use asset recorded during the three and six months ended June 30, 2019.

The Company did not have any Level 3 financial assets or liabilities as of June 30, 2020 and December 31, 2019.

9 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	June 30, 2020	December 31, 2019
Accounts payable	$ 11,206	$ 26,040
Accrued general and administrative expenses	2,849	4,105
Accrued vessel operating expenses	10,016	19,459
Total accounts payable and accrued expenses	$ 24,071	$ 49,604

10 – 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, 2020 and 2019, the Company earned $74,206 and $83,550 of voyage revenue, respectively. For the six months ended June 30, 2020 and 2019, the Company earned $172,542 and $177,014 of voyage revenue, respectively.

Revenue for spot market voyage charters is recognized ratably over the total transit time of the voyage which begins when the vessel arrives at the loading port and ends at the time the discharge of cargo is completed at the discharge port in accordance with ASC 606 — Revenue from Contracts with Customers. Spot market voyage charter agreements do not provide the charterers with substantive decision-making rights to direct how and for what purpose the vessel is used, therefore revenue from spot market voyage charters is not within the scope of ASC 842 — Leases ("ASC 842"). Additionally, the Company has identified that the contract fulfillment costs of spot market voyage charters consist primarily of the fuel consumption that is incurred by the Company from the latter of the end of the previous vessel employment and the contract date until the arrival at the loading port in addition to any port expenses incurred prior to arrival at the load port, as well as any charter hire expenses for third-party vessels that are chartered in. The fuel consumption and any port expenses incurred prior to arrival at the load port are capitalized and recorded in Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets and are amortized ratably over the total transit time of the voyage from arrival at the loading port until the vessel departs from the discharge port and expensed as part of Voyage Expenses. Similarly, for any third party vessels that are chartered in, the charter hire expenses during this period are capitalized and recorded in Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets and are amortized and expensed as part of Charter hire expenses.

During time charter agreements, including fixed rate time charters and spot market-related time charters, the charterers have substantive decision-making rights to direct how and for what purpose the vessel is used. As such, the Company has identified that time charter agreements contain a lease in accordance with ASC 842. During time charter agreements, the Company is responsible for operating and maintaining the vessels. These costs are recorded as vessel operating expenses in the Condensed Consolidated Statements of Operation. The Company has elected the practical expedient that allows the Company to combine lease and non-lease components under ASC 842 as the Company believes (1) the timing and pattern of recognizing revenues for operating the vessel is the same as the timing and pattern of recognizing vessel leasing revenue; and (2) the lease component, if accounted for separately, would be classified as an operating lease.

Total voyage revenue 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,	
	2020	2019	2020	2019
Lease revenue	$ 11,983	$ 25,852	$ 31,134	$ 49,242
Spot market voyage revenue	62,223	57,698	141,408	127,772
Total voyage revenues	$ 74,206	$ 83,550	$ 172,542	$ 177,014

11 - 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 and $612 of sublease income recorded during the three and six months ended June 30, 2020, respectively. There was no sublease income recorded during the three and six months ended June 30, 2019. Sublease income is recorded net with the total operating lease costs in General and administrative expenses in the Condensed Consolidated Statements of Operation.

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, 2020 and 2019, all charter-in agreements for third-party vessels were less than twelve months and considered short-term leases.

12 – COMMITMENTS AND CONTINGENCIES

During the second half of 2018, the Company entered into agreements for the purchase of ballast water treatments systems (“BWTS”) for 42 of its 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 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 $0.9 million for Capesize vessels, $0.6 million for Supramax vessels and $0.5 million for Handysize vessels. These costs will be capitalized and depreciated over the remainder of the life of the vessel. Prior to any adjustments for vessel impairment and vessel sales, the Company recorded cumulatively $16,049 and $12,783 in Vessel assets in the Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019, respectively, related to BWTS additions.

On December 21, 2018, the Company entered into agreements to install scrubbers on its 17 Capesize vessels. The Company completed scrubber installation on 16 of its Capesize vessels during 2019 and the remaining Capesize vessel on January 17, 2020. The cost of each scrubber varied according to the specifications of the Company’s vessels and technical aspects of the installation, among other variables. These costs will be capitalized and depreciated over the remainder of the life of the vessel. The Company recorded cumulatively $42,621 and $41,270 in Vessel assets in the Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019, respectively, related to scrubber

additions. The Company entered into an amendment to the $495 Million Credit Facility to provide financing to cover a portion of these expenses; refer to Note 7 — Debt for further information.

13 - STOCK-BASED COMPENSATION

2014 Management Incentive Plan

As of June 30, 2020 and December 31, 2019, a total of 8,557,461 of warrants were outstanding under the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the "MIP").

The MIP Warrants were issued in three tranches for 238,066, 246,701 and 370,979 shares and have exercise prices, as adjusted for dividends declared during the fourth quarter of 2019 and the first quarter of 2020, of $240.89221, $267.11051 and $317.87359 per whole share, respectively.

For the three and six months ended June 30, 2020 and 2019, there was no amortization expense of the fair value of these warrants. As of June 30, 2020, there was no unamortized stock-based compensation for the warrants and all warrants were vested.

The following table summarizes certain information about the warrants outstanding as of June 30, 2020:

Warrants Outstanding and Exercisable, June 30, 2020		
Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
8,557,461	$ 281.82	0.10

2015 Equity Incentive Plan

Stock Options

On February 25, 2020, the Company issued options to purchase 344,568 of the Company's shares of common stock to certain individuals with an exercise price of $7.06 per share. One third of the options become exercisable on each of the first three anniversaries of February 25, 2020, with accelerated vesting that may occur following a change in control of the Company, and all unexercised options expire on the sixth anniversary of the grant date. The fair value of each option was estimated on the date of the grant using the Cox-Ross-Rubinstein pricing formula, resulting in a value of $2.01 per share, or $693 in the aggregate. The assumptions used in the Cox-Ross-Rubinstein option pricing formula are as follows: volatility of 53.91% (representing the Company's historical volatility), a risk-free interest rate of 1.41%, a dividend yield of 7.13%, and expected life of 4 years (determined using the simplified method as outlined in SAB Topic 14 due to lack of historical exercise data).

For the three and six months ended June 30, 2020 and 2019, the Company recognized amortization expense of the fair value of these 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,	
	2020	2019	2020	2019
General and administrative expenses	$ 192	$ 229	$ 397	$ 411

Amortization of the unamortized stock-based compensation balance of $879 as of June 30, 2020 is expected to be expensed $389, $367, $111 and $12 during the remainder of 2020 and during the years ended December 31, 2021, 2022 and 2023, respectively. The following table summarizes the unvested option activity for the six months ended June 30, 2020:

	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at January 1, 2020 - Unvested	322,279	$ 9.41	4.72
Granted	344,568	7.06	2.01
Exercisable	(119,923)	9.87	5.05
Exercised	—	—	—
Forfeited	(3,378)	8.07	3.76
Outstanding at June 30, 2020 - Unvested	543,546	$ 7.83	$ 2.94

The following table summarizes certain information about the options outstanding as of June 30, 2020:

	Options Outstanding and Unvested, June 30, 2020			Options Outstanding and Exercisable, June 30, 2020		
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
$ 8.86	543,546	$ 7.83	5.22	293,792	$ 10.78	3.51

As of June 30, 2020 and December 31, 2019, a total of 837,338 and 496,148 stock options were outstanding, respectively.

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, 2020 and December 31, 2019, 373,588 and 326,247 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 described above.

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 anniversaries of the determined vesting date. The table below summarizes the Company's unvested RSUs for the six months ended June 30, 2020:

	Number of RSUs	Weighted Average Grant Date Price
Outstanding at January 1, 2020	162,096	$ 9.26
Granted	178,385	7.00
Vested	(50,672)	9.45
Forfeited	(1,490)	8.39
Outstanding at June 30, 2020	288,319	$ 7.83

The total fair value of the RSUs that vested during the six months ended June 30, 2020 and 2019 was $352 and $230, 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, 2020:

Unvested RSUs June 30, 2020			Vested RSUs June 30, 2020	
Number of RSUs	Weighted Average Grant Date Price	Weighted Average Remaining Contractual Life	Number of RSUs	Weighted Average Grant Date Price
288,319	$ 7.83	2.04	472,895	$ 11.25

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of June 30, 2020, unrecognized compensation cost of $1,274 related to RSUs will be recognized over a weighted-average period of 2.04 years.

For the three and six months ended June 30, 2020 and 2019, 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,	
	2020	2019	2020	2019
General and administrative expenses	$ 284	$ 340	$ 560	$ 610

14 - 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.

15 – SUBSEQUENT EVENTS

On August 5, 2020, the Company announced a regular quarterly dividend of $0.02 per share to be paid on or about August 25, 2020 to shareholders of record as of August 17, 2020. The aggregate amount of the dividend is expected to be approximately $0.8 million, which the Company anticipates will be funded from cash on hand at the time the payment is to be made.

On July 31, 2020, the Company completed the sale of the Baltic Breeze, a 2010-built Handysize vessel, to a third party for $7,900 less a 2.0% broker commission payable to a third party. Additionally, on July 7, 2020, the Company completed the sale of the Baltic Wind, a 2009-built Handysize vessel, to a third party for $7,750 less a 2.0% broker commission payable to a third party. The vessel assets for the Baltic Breeze and Baltic Wind have been classified as held for sale in the Condensed Consolidated Balance Sheet as of June 30, 2020. Refer also to Note 4 — Vessel Acquisitions and Dispositions. The Company expects to record a net loss on the sale of the Baltic Breeze during the third quarter of 2020 of between approximately $200 and $400. The Company expects to record a net loss on the sale of the Baltic Wind during the third quarter of 2020 of between $200 and $400.

These vessels served as collateral under the $495 Million Credit Facility; therefore, $4,797 and $4,575 of the net proceeds received from the sale of the Baltic Breeze and Baltic Wind, respectively, will remain classified as restricted cash for 360 days following the sale date. Those amounts can be used towards a loan prepayment under the facility or for the financing of a replacement vessel 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 these proceeds as a loan prepayment.

On July 15, 2020, the Company issued 42,642 restricted stock units to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $255. The awards will vest on the earlier of the date of the next annual shareholders meeting of the Company and the date that is fourteen months after the grant date.

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) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance, general and administrative expenses, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company's vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company's acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete maintenance, repairs, and installation of equipment to comply with applicable regulations on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers' compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and freight and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the relative cost and availability of low sulfur and high sulfur fuel or any additional scrubbers we may seek to install; (xix) our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; (xx) worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020; (xxi) our financial results for the year ending December 31, 2020 and other factors relating to determination of the tax treatment of dividends we have declared; (xxii) the duration and impact of the COVID-19 novel coronavirus epidemic, which may negatively affect general global and regional economic conditions, our ability to charter our vessels at all and the rates at which are able to do so; our ability to call on or depart from ports on a timely basis or at all; our ability to crew, maintain, and repair our vessels, 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, 2019 and subsequent reports on Form 8-K and Form 10-Q. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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 Marshall Islands company 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 51 drybulk vessels, including 17 Capesize drybulk carriers, six Ultramax drybulk carriers, 20 Supramax drybulk carriers and eight Handysize drybulk carriers, with an aggregate carrying capacity of approximately 4,768,000 dwt and an average age of approximately 10.1 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 34 - 35 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. 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, our fleet deployment strategy remains weighted towards short-term fixtures, which provides us with optionality on our sizeable fleet. 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.

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. 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 has 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 particular, the COVID-19 pandemic resulted in reduced industrial activity in China on which our business is substantially dependent, with temporary closures of factories and other facilities. The pandemic resulted in a 6.8% contraction in China's GDP during the first quarter of 2020, with the most significant impact occurring in January and February. Since March, China has shown substantial improvement, as various economic indicators such as fixed asset investment and industrial production rose as compared to the previous months of the year. However, economic activity levels in regions outside of China declined significantly beginning in the first quarter of 2020 and continuing into the second quarter of the year due to various forms of nationwide shutdowns being imposed to prevent the spread of COVID-19. India, Japan, Europe and the U.S., which are important drivers of demand for drybulk trade, have seen meaningful contractions in economic output in the year to date. The impact of the economic contraction remains highly dependent on the trajectory of COVID-19, which is uncertain.

While the drybulk earnings environment in 2020 was already trending lower in part due to Brazilian iron ore supply constraints, the onset and continued spread of COVID-19 further accentuated this decline. The Capesize market is heavily reliant on iron ore shipments, particularly from Brazil, which decreased by 11% through the first six months of 2020 as compared to the same period of 2019. Heavy rainfall in Brazil and operational issues at Vale's iron ore mines relating to the 2019 Brumadinho dam failure along with the impact from COVID-19 limited production and export

activity, although iron ore exports from Brazil have begun to recover and showed an improvement of nearly 40% in June compared to May 2020.

The outlook for China and the rest of the world remains uncertain and is highly dependent on the path of COVID-19 and measures taken by governments around the world in response to it. Drybulk commodities that are closely tied to global GDP growth, such as coal and various minor bulk cargoes, have experienced reduced trade flows to date due to lower end user demand resulting from a decline in global economic activity. As countries worldwide began to gradually reopen their respective economies since June 2020, trade flows and demand for raw materials have increased. Drybulk spot freight rates increased off of the year to date lows towards the end of the second quarter and have remained firm in the third quarter to date. However, the sustainability of this recovery cannot be predicted and could be affected by a resurgence of the virus.

As our vessels continue to 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 14-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 become increasingly challenging in recent months due to port and travel restrictions globally, as well as promoting the health and safety of both on and off signing crew members.

Onshore, our offices located in New York and Singapore are temporarily closed with our personnel working remotely. Our office in Copenhagen reopened in June 2020 following approximately three months during which our team worked remotely. Regarding our headquarters in New York, we are planning to implement a phased-in approach towards reopening the office; however a return date has not yet been determined. We currently have placed a ban on all non-essential travel.

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. 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. Please refer to Risk Factors (Part II, Item 1A of this Form 10-Q) for a discussion of these factors and other risks.

U.S.-China Trade Dispute

Over the course of 2018 and 2019, the United States imposed a series of tariffs on several goods imported from various countries. Certain of these countries, including China, undertook retaliatory actions by implementing tariffs on select U.S. products. Most notably in terms of drybulk trade volumes is China's tariff placed upon U.S. soybean exports, which could adversely affect drybulk rates. With the signing of the "phase one" trade agreement between China and the U.S. in January 2020, China has agreed in principle to purchase meaningful quantities of agricultural products, including soybeans, from the U.S. Peak North American grain season historically ramps up during September and into the fourth quarter. While China has recently agreed to purchase large amounts of agricultural products that are transported on drybulk vessels, it remains to be seen if trade volumes towards the end of this year will approach levels prior to the trade

dispute. A further deterioration in the trading relationship or a re-escalation of protectionist measures taken between these countries or others could lead to reduced volumes of drybulk trade.

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. This increased demand for low sulfur fuel has resulted in an increase in prices for such fuel and may result in additional increases.

We have installed scrubbers on our 17 Capesize vessels, 16 of which were completed during 2019 and one of which was completed in January 2020. The remainder of our fleet has begun consuming compliant, low sulfur fuel beginning in 2020, although we intend to continue to evaluate other options. During the course of 2019, we sold four of our vessels. Additionally, we have sold two of our vessels during the first quarter of 2020, sold two vessels during July 2020, and entered into an agreement to sell one additional vessel for which the sale is expected to be completed during the third quarter of 2020. 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. We currently contract with two independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

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, 2020 and 2019 on a consolidated basis.

	For the Three Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	1,547.0	1,547.0	—	— %
Panamax	—	182.0	(182.0)	(100.0)%
Ultramax	546.0	546.0	—	— %
Supramax	1,820.0	1,820.0	—	— %
Handymax	—	—	—	— %
Handysize	910.0	1,183.0	(273.0)	(23.1)%
Total	4,823.0	5,278.0	(455.0)	(8.6)%
Chartered-in days (2)				
Capesize	—	79.4	(79.4)	(100.0)%
Panamax	—	—	—	— %
Ultramax	114.2	66.0	48.2	73.0 %
Supramax	98.7	95.4	3.3	3.5 %
Handymax	—	—	—	— %
Handysize	35.6	106.6	(71.0)	(66.6)%
Total	248.5	347.4	(98.9)	(28.5)%
Available days (owned & chartered-in fleet) (3)				
Capesize	1,530.1	1,509.9	20.2	1.3 %
Panamax	—	182.0	(182.0)	(100.0)%
Ultramax	637.2	612.0	25.2	4.1 %
Supramax	1,782.0	1,788.2	(6.2)	(0.3)%
Handymax	—	—	—	— %
Handysize	942.5	1,233.6	(291.1)	(23.6)%
Total	4,891.8	5,325.7	(433.9)	(8.1)%
Available days (owned fleet) (4)				
Capesize	1,530.1	1,430.5	99.6	7.0 %
Panamax	—	182.0	(182.0)	(100.0)%
Ultramax	523.0	546.0	(23.0)	(4.2)%
Supramax	1,683.3	1,692.8	(9.5)	(0.6)%
Handymax	—	—	—	— %
Handysize	906.9	1,127.0	(220.1)	(19.5)%
Total	4,643.3	4,978.3	(335.0)	(6.7)%
Operating days (5)				
Capesize	1,529.6	1,494.3	35.3	2.4 %
Panamax	—	182.0	(182.0)	(100.0)%
Ultramax	635.6	610.8	24.8	4.1 %
Supramax	1,765.2	1,760.7	4.5	0.3 %
Handymax	—	—	—	— %
Handysize	896.7	1,189.1	(292.4)	(24.6)%
Total	4,827.1	5,236.9	(409.8)	(7.8)%
Fleet utilization (6)				
Capesize	98.9 %	97.7 %	1.2 %	1.2 %
Panamax	— %	100.0 %	(100.0)%	(100.0)%
Ultramax	99.7 %	99.8 %	(0.1)%	(0.1)%
Supramax	97.7 %	97.7 %	— %	— %
Handymax	— %	— %	— %	— %
Handysize	94.8 %	96.4 %	(1.6)%	(1.7)%

	For the Three Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Fleet average	97.8 %	97.7 %	0.1 %	0.1 %

	For the Three Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 9,466	$ 7,292	$ 2,174	29.8 %
Panamax	—	10,554	(10,554)	(100.0)%
Ultramax	7,848	9,873	(2,025)	(20.5)%
Supramax	5,301	6,971	(1,670)	(24.0)%
Handymax	—	—	—	— %
Handysize	3,952	6,517	(2,565)	(39.4)%
Fleet average	6,693	7,412	(719)	(9.7)%
Daily vessel operating expenses (8)				
Capesize	$ 5,049	$ 5,057	$ (8)	(0.2)%
Panamax	—	4,505	(4,505)	(100.0)%
Ultramax	3,829	4,738	(909)	(19.2)%
Supramax	4,190	4,456	(266)	(6.0)%
Handymax	—	—	—	— %
Handysize	3,864	4,246	(382)	(9.0)%
Fleet average	4,366	4,615	(249)	(5.4)%

	For the Six Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	3,094.0	3,077.0	17.0	0.6 %
Panamax	64.8	389.2	(324.4)	(83.4)%
Ultramax	1,092.0	1,086.0	6.0	0.6 %
Supramax	3,640.0	3,620.0	20.0	0.6 %
Handymax	—	—	—	— %
Handysize	1,874.7	2,353.0	(478.3)	(20.3)%
Total	9,765.5	10,525.2	(759.7)	(7.2)%
Chartered-in days (2)				
Capesize	—	79.4	(79.4)	(100.0)%
Panamax	—	—	—	— %
Ultramax	292.5	96.3	196.2	203.7 %
Supramax	302.8	281.8	21.0	7.5 %
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	60.7	165.5	(104.8)	(63.3)%
Total	670.5	640.4	30.1	4.7 %
Available days (owned & chartered-in fleet) (3)				
Capesize	3,058.4	3,038.7	19.7	0.6 %
Panamax	64.4	389.2	(324.8)	(83.5)%
Ultramax	1,305.6	1,182.2	123.4	10.4 %
Supramax	3,753.0	3,733.8	19.2	0.5 %
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	1,924.6	2,460.3	(535.7)	(21.8)%

	For the Six Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Total	10,120.5	10,821.6	(701.1)	(6.5)%
Available days (owned fleet) (4)				
Capesize	3,058.4	2,959.3	99.1	3.3 %
Panamax	64.4	389.2	(324.8)	(83.5)%
Ultramax	1,013.1	1,085.9	(72.8)	(6.7)%
Supramax	3,450.2	3,452.0	(1.8)	(0.1)%
Handymax	—	—	—	— %
Handysize	1,863.9	2,294.8	(430.9)	(18.8)%
Total	9,450.0	10,181.2	(731.2)	(7.2)%
Operating days (5)				
Capesize	3,057.8	3,006.6	51.2	1.7 %
Panamax	60.1	381.7	(321.6)	(84.3)%
Ultramax	1,303.3	1,142.3	161.0	14.1 %
Supramax	3,707.8	3,672.5	35.3	1.0 %
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	1,807.1	2,391.7	(584.6)	(24.4)%
Total	9,950.6	10,612.2	(661.6)	(6.2)%
Fleet utilization (6)				
Capesize	99.4 %	98.3 %	1.1 %	1.1 %
Panamax	92.7 %	98.1 %	(5.4)%	(5.5)%
Ultramax	99.8 %	96.6 %	3.2 %	3.3 %
Supramax	98.1 %	97.3 %	0.8 %	0.8 %
Handymax	100.0 %	100.0 %	— %	— %
Handysize	93.4 %	97.1 %	(3.7)%	(3.8)%
Fleet average	97.8 %	97.5 %	0.3 %	0.3 %

	For the Six Months Ended June 30,		Increase	
	2020	2019	(Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 13,062	$ 9,752	$ 3,310	33.9 %
Panamax	5,256	9,135	(3,879)	(42.5)%
Ultramax	7,973	9,151	(1,178)	(12.9)%
Supramax	5,911	7,887	(1,976)	(25.1)%
Handymax	—	—	—	— %
Handysize	4,867	6,732	(1,865)	(27.7)%
Fleet average	8,251	8,341	(90)	(1.1)%
Daily vessel operating expenses (8)				
Capesize	$ 4,968	$ 5,010	$ (42)	(0.8)%
Panamax	3,338	4,410	(1,072)	(24.3)%
Ultramax	4,233	4,520	(287)	(6.3)%
Supramax	4,200	4,362	(162)	(3.7)%
Handymax	—	—	—	— %
Handysize	3,874	4,131	(257)	(6.2)%
Fleet average	4,390	4,518	(128)	(2.8)%

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, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, 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, which we have recently updated and incorporated in the table above to better demonstrate the manner in which we evaluate our business, 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 and charter-hire expenses, divided by the number of the available days of our owned fleet during the period. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Voyage revenues (in thousands)	$ 74,206	$ 83,550	$ 172,542	$ 177,014
Voyage expenses (in thousands)	41,695	41,800	90,063	84,822
Charter hire expenses (in thousands)	1,432	4,849	4,507	7,267
	31,079	36,901	77,972	84,925
Total available days for owned fleet	4,643	4,978	9,450	10,181
Total TCE rate	$ 6,693	$ 7,412	$ 8,251	$ 8,341

(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 table represents the operating data for the three and six months ended June 30, 2020 and 2019 on a consolidated basis.

	For the Three Months Ended June 30,			
	2020	2019	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 74,206	$ 83,550	$ (9,344)	(11.2)%
Total revenues	74,206	83,550	(9,344)	(11.2)%
Operating Expenses:				
Voyage expenses	41,695	41,800	(105)	(0.3)%
Vessel operating expenses	21,058	24,358	(3,300)	(13.5)%
Charter hire expenses	1,432	4,849	(3,417)	(70.5)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $476 and $569, respectively)	5,471	5,799	(328)	(5.7)%
Technical management fees	1,724	1,885	(161)	(8.5)%
Depreciation and amortization	15,930	18,271	(2,341)	(12.8)%
Impairment of vessel assets	—	13,897	(13,897)	(100.0)%
Total operating expenses	87,310	110,859	(23,549)	(21.2)%
Operating loss	(13,104)	(27,309)	14,205	(52.0)%
Other expense	(5,100)	(7,167)	2,067	(28.8)%
Net loss	$ (18,204)	$ (34,476)	$ 16,272	(47.2)%
Net loss per share - basic	$ (0.43)	$ (0.83)	$ 0.40	(48.2)%
Net loss per share - diluted	$ (0.43)	$ (0.83)	$ 0.40	(48.2)%
Weighted average common shares outstanding - basic	41,900,901	41,742,301	158,600	0.4 %
Weighted average common shares outstanding - diluted	41,900,901	41,742,301	158,600	0.4 %
EBITDA (1)	$ 2,946	$ (9,154)	$ 12,100	(132.2)%

	For the Six Months Ended June 30,			
	2020	2019	Change	% Change
	(U.S. dollars in thousands, except for per share amounts)			
Revenue:				
Voyage revenues	$ 172,542	$ 177,014	$ (4,472)	(2.5)%
Total revenues	172,542	177,014	(4,472)	(2.5)%
Operating Expenses:				
Voyage expenses	90,063	84,822	5,241	6.2 %
Vessel operating expenses	42,871	47,549	(4,678)	(9.8)%
Charter hire expenses	4,507	7,267	(2,760)	(38.0)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $957 and $1,021, respectively)	11,238	12,109	(871)	(7.2)%
Technical management fees	3,578	3,825	(247)	(6.5)%
Depreciation and amortization	33,504	36,348	(2,844)	(7.8)%
Impairment of vessel assets	112,814	13,897	98,917	711.8 %
Loss (gain) on sale of vessels	486	(611)	1,097	(179.5)%
Total operating expenses	299,061	205,206	93,855	45.7 %
Operating loss	(126,519)	(28,192)	(98,327)	348.8 %
Other expense	(12,035)	(14,085)	2,050	(14.6)%
Net loss	$ (138,554)	$ (42,277)	$ (96,277)	227.7 %
Net loss per share - basic	$ (3.31)	$ (1.01)	(2.30)	227.7 %
Net loss per share - diluted	$ (3.31)	$ (1.01)	(2.30)	227.7 %
Weighted average common shares outstanding - basic	41,883,629	41,734,248	149,381	0.4 %
Weighted average common shares outstanding - diluted	41,883,629	41,734,248	149,381	0.4 %
EBITDA (1)	$ (93,479)	$ 8,370	$ (101,849)	(1,216.8)%

(1) EBITDA represents net (loss) income plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in 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 loss for each of the periods presented above:

(2)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Net loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)
Net interest expense	5,220	7,051	11,571	14,299
Income tax expense	—	—	—	—
Depreciation and amortization	15,930	18,271	33,504	36,348
EBITDA (1)	$ 2,946	$ (9,154)	$ (93,479)	$ 8,370

Results of Operations

The following tables set forth information about the current employment of the vessels in our fleet as of August 4, 2020:

Vessel	Year Built	Charter Expiration(1)	Cash Daily Rate(2)
Capesize Vessels			
Genco Augustus	2007	August 2020	Voyage
Genco Tiberius	2007	August 2020	Voyage
Genco London	2007	October 2020	Voyage
Genco Titus	2007	October 2020	Voyage
Genco Constantine	2008	July 2020	Voyage
Genco Hadrian	2008	August 2020	Voyage
Genco Commodus	2009	August 2020	$13,750
Genco Maximus	2009	August 2020	Voyage
Genco Claudius	2010	August 2020	Voyage
Genco Tiger	2011	August 2020	Voyage
Baltic Lion	2012	August 2020	Voyage
Baltic Bear	2010	September 2020	Voyage
Baltic Wolf	2010	October 2020	Voyage
Genco Resolute	2015	October 2020	Voyage
Genco Endeavour	2015	August 2020	Voyage
Genco Defender	2016	September 2020	Voyage
Genco Liberty	2016	September 2020	Voyage
Ultramax Vessels			
Baltic Hornet	2014	August 2020	$14,000
Baltic Wasp	2015	August 2020	$11,000
Baltic Scorpion	2015	September 2020	$8,000
Baltic Mantis	2015	September 2020	$23,625
Genco Weatherly	2014	September 2020	$20,000
Genco Columbia	2016	August 2020	$9,500
Supramax Vessels			
Genco Predator	2005	August 2020	$8,500
Genco Warrior	2005	September 2020	Voyage
Genco Hunter	2007	September 2020	$20,000
Genco Lorraine	2009	August 2020	Voyage
Genco Loire	2009	July 2020	Voyage
Genco Aquitaine	2009	August 2020	Voyage
Genco Ardennes	2009	August 2020	Voyage
Genco Auvergne	2009	August 2020	$8,500
Genco Bourgogne	2010	August 2020	$13,000
Genco Brittany	2010	August 2020	Voyage
Genco Languedoc	2010	September 2020	Voyage

Vessel	Year Built	Charter Expiration(1)	Cash Daily Rate(2)
Genco Normandy	2007	August 2020	$11,000
Genco Picardy	2005	October 2020	Voyage
Genco Provence	2004	August 2020	Voyage
Genco Pyrenees	2010	August 2020	Voyage
Genco Rhone	2011	September 2020	Voyage
Baltic Leopard	2009	August 2020	$8,000
Baltic Panther	2009	August 2020	Voyage
Baltic Jaguar	2009	August 2020	$9,000
Baltic Cougar	2009	September 2020	Voyage
Handysize Vessels			
Baltic Hare	2009	August 2020	Voyage
Baltic Fox	2010	August 2020	$6,000
Baltic Cove	2010	August 2020	$5,000
Genco Ocean	2010	September 2020	$15,750
Genco Bay	2010	July 2020	$8,000
Genco Avra	2011	July 2020	$11,500
Genco Mare	2011	September 2020	Voyage
Genco Spirit	2011	August 2020	$6,125

(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, 2020 compared to the three months ended June 30, 2019

VOYAGE REVENUES-

For the three months ended June 30, 2020, voyage revenues decreased by $9.3 million, or 11.2%, to $74.2 million as compared to $83.6 million for the three months ended June 30, 2019. The decrease in voyage revenues was primarily due to lower rates achieved by the majority of our vessels, as well as the operation of fewer vessels in our fleet. During the first quarter of 2020, a significant portion of our revenues were derived from forward cargoes and short-period time charters entered into before the COVID-19 pandemic began to have a significant economic effect. As such, our results for the first quarter were partially insulated from the impact of COVID-19. However, as previous contracts expired, we then redeployed our vessels based on current spot market freight rates at the time of contract expiration. We believe the pandemic resulted in lower drybulk rates from March through the majority of the second quarter of this year than we would have otherwise achieved in the absence of the virus, given lower demand for some of the cargoes we carry, including iron ore, coal and various minor bulk commodities.

The average Time Charter Equivalent ("TCE") rate of our fleet decreased 9.7% to $6,693 a day for the three months ended June 30, 2020 from $7,412 a day for the three months ended June 30, 2019. The decrease in TCE rates was primarily a result of lower rates achieved by our minor bulk vessels partially offset by higher rates for our Capesize vessels.

From mid-May through the end of the second quarter of 2020, drybulk freight rates began to improve, primarily driven by the Capesize sector. Capesize rates as reported by the Baltic Exchange reached a year to date low of $1,992 on May 14, 2020 and subsequently rebounded to $30,857 on June 30, 2020, a level not seen since the second half of 2019. We believe this significant rise in Capesize rates is largely attributable to increased iron ore exports from Brazil which improved by nearly 40% in June versus May to reach a year to date high, as well as continued strong demand for iron ore in China as steel production and industrial activity ramp up combined with a gradual reopening of economies globally.

Regarding minor bulk vessels, market conditions and freight rates remained at low levels despite steady gains experienced from May to the end of the second quarter. Subsequently, in the third quarter to date, we have seen an improvement in the earnings environment for both our major and minor bulk vessels as compared to the rates achieved during the first half of the year. We believe this improvement is primarily a result of a gradual reopening of economies globally together with continued growth in the Brazilian grain trade as well as seasonally stronger cargo flows for various other commodities.

The overall uncertainty surrounding the impact of COVID-19 on our business, together with reduced economic activity and in turn trade flows, could continue to negatively impact the revenue generated by our vessels. While we believe that the gradual reopening of economies affected by COVID-19 has begun to lead to increased global trade flows and a rise in drybulk shipping rates, the sustainability of the recovery cannot be predicted and could be affected by a resurgence of the virus. Furthermore, deviation time associated with positioning our vessels to countries in which we can undertake a crew rotation due to various travel and port restrictions related to COVID-19, has resulted in days in June 2020 and the third quarter of 2020 in which our vessels have been unable to earn revenue and may continue to do so.

For the three months ended June 30, 2020 and 2019, we had 4,823.0 and 5,278.0 ownership days, respectively. The decrease in ownership days is primarily due to the sale of four vessels during 2019 and two vessels during the first quarter of 2020.

VOYAGE EXPENSES-

In time charters, spot market-related time charters and pool agreements, 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.

Due to various travel and port restrictions relating to COVID-19 and our strong emphasis on maintaining the health and safety of both our on-signing and off-signing crew members, we anticipate increased deviation time for certain of our vessels to undertake crew rotations. Commencing during June 2020, we have experienced higher voyage expenses for certain crew changes that we have completed, which we expect to continue at least through the remainder of 2020 as a result of COVID-19 restrictions imposed by various counties. These increased voyage expenses are due to the incremental fuel consumption of deviating to certain ports on which we would ordinarily not call during a typical voyage.

Voyage expenses were $41.7 million and $41.8 million during the three months ended June 30, 2020 and 2019, respectively. The decrease is primarily attributable to changes in bunker prices.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased by $3.3 million from $24.4 million during the three months ended June 30, 2019 to $21.1 million during the three months ended June 30, 2020. The decrease was primarily due to fewer owned vessels during the second quarter of 2020 as compared to the second quarter of 2019, as well as lower drydocking and crew related expenses.

Daily vessel operating expenses decreased to $4,366 per vessel per day for the three months ended June 30, 2020 from $4,615 per day for the three months ended June 30, 2019. The decrease in daily vessel operating expense was predominantly due to lower drydocking and crew related expenses. Refer to "Capital Expenditures" below for further detail. 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, 2020 were $224 below the weighted-average budgeted rate of $4,590 per vessel per day for the entire year.

Restrictions on crew rotations led to a temporary decline in crewing related expenses of approximately $1 million during the first half of this year. However, such costs began to increase in June 2020, and we expect them to continue to increase at least through the remainder of 2020 as compared to budgeted figures set out at the beginning of the year. Travel and port restrictions together with ensuring the on-signing crew is healthy boarding the ship while the off-signing crew gets home safely have all been increasing challenges that shipowners are facing globally. As crew members worldwide have in many cases, including on certain of our vessels, exceeded the duration of their contracts there is an increased urgency to work towards completing more crew rotations in the coming months. Given this urgency, since June 2020, certain of these crew rotations have led to and could continue to lead to additional deviation time of our vessels as well as unbudgeted expenses due to testing, PPE, quarantine periods and higher than normal travel expenses due to increased airfare costs.

The timing of crew rotations remains dependent 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. In cases when crew rotations have been delayed further, we have paid some additional costs related to crew bonuses to retain the existing crew members on board since June 2020 and may continue to do so.

Our vessel operating expenses, which generally represent fixed costs for each vessel, 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.

CHARTER HIRE EXPENSES-

Charter hire expenses decreased by $3.4 million from $4.8 million during the three months ended June 30, 2019 to $1.4 million during the three months ended June 30, 2020. The decrease was primarily due to fewer chartered-in days, as well as the chartering in of smaller class vessels during the second quarter of 2020 as compared the second quarter of 2019.

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 Management Incentive Program (the "MIP") and the 2015 Equity Incentive Plan. Refer to Note 13 — 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 incurred additional general and administrative expenses during 2019 as a result of our global expansion to Singapore and Copenhagen and may incur additional such expenses related to these overseas offices during 2020.

For the three months ended June 30, 2020 and 2019, general and administrative expenses were $5.5 million and $5.8 million, respectively. The $0.3 million decrease was primarily due to lower office rent and administrative expenses.

TECHNICAL MANAGEMENT FEES-

We incur management fees 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 $1.7 million and $1.9 million during the three months ended June 30, 2020 and 2019, respectively.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense decreased by $2.3 million to $15.9 million during the three months ended June 30, 2020 as compared to $18.3 million during the three months ended June 30, 2019. This decrease was primarily due to a decrease in depreciation expense for the ten Handysize and four Supramax vessels that were impaired during the first quarter of 2020, as well as a decrease for the five vessels that were sold during the fourth quarter of 2019 and the first quarter of 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions in our Condensed Consolidated Financial Statements. These decreases were partially offset by an increase in depreciation expense related to scrubber additions for our Capesize vessels.

IMPAIRMENT OF VESSEL ASSETS-

There was no impairment of vessel assets during the three months ended June 30, 2020. During the three months ended June 30, 2019, we recorded $13.9 million of impairment of vessel assets.

On August 2, 2019, we entered into an agreement to sell the Genco Challenger, a 2003-built Handysize vessel, for $5,250 less a 2.0% broker commission payable to a third party. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of June 30, 2019, we reduced the carrying value of the Genco Challenger to the net sales price on June 30, 2019. This resulted in an impairment loss of $4.4 million during the three months ended June 30, 2019.

At June 30, 2019, we determined that the expected estimated future undiscounted cash flows for the Genco Champion, a 2006-built Handysize vessel, and the Genco Charger, a 2005-built Handysize vessel, did not exceed the net book value of these vessels as of June 30, 2019. As such, we adjusted the value of these vessels to their respective fair market values as of June 30, 2019. This resulted in an impairment loss of $9.5 million during the three months ended June 30, 2019.

Refer to Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statement for further information.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE –

Net interest expense decreased by $1.9 million from $7.1 million during the three months ended June 30, 2019 to $5.2 million during the three months ended June 30, 2020. Net interest expense during the three months ended June 30, 2020 and 2019 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. This decrease was primarily due to a $2.7 million decrease in interest expense as a result of lower interest rates as a result of the reduction in LIBOR, as well as lower outstanding debt. This was offset by a $0.8 million decrease in interest income due to a decrease in interest earned on our time deposits and cash accounts.

IMPAIRMENT OF RIGHT-OF-USE ASSET –

During the second quarter of 2019, we recognized $0.2 million of impairment charges on our operating lease right-of-use asset in accordance with ASC 360.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019

VOYAGE REVENUES-

For the six months ended June 30, 2020, voyage revenues decreased by $4.5 million, or 2.5%, to $172.5 million as compared to $177.0 million for the six months ended June 30, 2019. The decrease in voyage revenues was primarily due to the sale of five vessels during the fourth quarter of 2019 and the first quarter of 2020, as well as a decrease in revenue earned by our minor bulk vessels. These decreases were partially offset by an increase in revenue earned by our Capesize vessels. Refer to the discussion above included under the section "Three months ended June 30, 2020 compared to the three months ended June 30, 2019 – Voyage Revenues" for further information. During the six months ended June 30, 2019, Capesize freight rates were negatively impacted due to the Vale dam breach and tropical cyclone Veronica.

The average Time Charter Equivalent ("TCE") rate of our fleet decreased marginally by 1.1% to $8,251 a day for the six months ended June 30, 2020 from $8,341 a day for the six months ended June 30, 2019.

For the six months ended June 30, 2020 and 2019, we had 9,765.5 and 10,525.2 ownership days, respectively. The decrease in ownership days is primarily due to the sale of four vessels during 2019 and two vessels during the first quarter of 2020. Fleet utilization increased to 97.8% during the six months ended June 30, 2020 from 97.5% during the six months ended June 30, 2019, primarily due to less offhire during the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

VOYAGE EXPENSES-

Voyage expenses increased by $5.2 million from $84.8 million during the six months ended June 30, 2019 as compared to $90.1 million during the six months ended June 30, 2020. This increase was primarily due to the onset of IMO 2020, in which our non-scrubber fitted minor bulk fleet consumed more expensive low sulfur fuel as opposed to high sulfur fuel in order to comply with sulfur emissions regulations that took effect on January 1, 2020. Although fuel prices decreased during the second quarter of 2020, the initial low sulfur fuel that was purchased for our vessels during the end of 2019 and the first quarter of 2020 and consumed during the six months ended June 30, 2020 was at a higher cost basis. This was partially offset by savings in fuel costs on our Capesize vessels, which are all fitted with scrubbers and continue to consume the less expensive high sulfur fuel.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased by $4.7 million from $47.5 million during the six months ended June 30, 2019 to $42.9 million during the six months ended June 30, 2020. The decrease was primarily due to fewer owned vessels during the six months ended June 30, 2020, as well a decrease in drydocking and crew related expenses.

Daily vessel operating expenses decreased to $4,390 per vessel per day for the six months ended June 30, 2020 from $4,518 per day for the six months ended June 30, 2019. The decrease in daily vessel operating expense was primarily due to lower crew and drydocking related expenses, partially offset by higher insurance and spare parts expenses. 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 six months ended June 30, 2020 were $200 below the weighted-average budgeted rate of $4,590 per vessel per day for the entire year.

CHARTER HIRE EXPENSES-

Charter hire expenses decreased by $2.8 million from $7.3 million during the six months ended June 30, 2019 to $4.5 million during the six months ended June 30, 2020. The decrease was primarily due to lower daily charter hire rates for third party time charter-in vessels. During the first half of 2020, we chartered in 20 third-party vessels as compared to 19 vessels during the first half of 2019

GENERAL AND ADMINISTRATIVE EXPENSES-

For the six months ended June 30, 2020 and 2019, general and administrative expenses were $11.2 million and $12.1 million, respectively. The $0.9 million decrease was primarily due to lower office rent and administrative expenses, as well as lower legal and professional fees associated with our credit facilities.

TECHNICAL MANAGEMENT FEES-

Technical management fees were $3.6 million and $3.8 million during the six months ended June 30, 2020 and 2019, respectively.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization expense decreased by $2.8 million to $33.5 million during the six months ended June 30, 2020 as compared to $36.3 million during the six months ended June 30, 2019. This decrease was primarily due to a decrease in depreciation expense for the ten Handysize and four Supramax vessels that were impaired during the first quarter of 2020, as well as a decrease for the five vessels that were sold during the fourth quarter of 2019 and the first quarter of 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions in our Condensed Consolidated Financial Statements. These decreases were partially offset by an increase in depreciation expense related to scrubber additions for our Capesize vessels.

IMPAIRMENT OF VESSEL ASSETS-

During the six months ended June 30, 2020 and 2019, we recorded $112.8 million and $13.9 million of impairment of vessel assets, respectively.

On February 24, 2020, the Board of Directors determined to dispose of ten of our Handysize vessels; the Baltic Hare, the Baltic Fox, the Baltic Wind, the Baltic Cove, the Baltic Breeze, the Genco Ocean, the Genco Bay, the Genco Avra, the Genco Mare and the Genco Spirit, at times and on terms to be determined in the future. Given this decision, and that the revised estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel given the estimated probabilities of whether the vessels will be sold, we have adjusted the values of these older vessels to their respective fair market values during the first quarter of 2020. Subsequent to February 24, 2020, we have entered into agreements to sell three of these vessels during the first quarter of 2020, namely the Baltic Wind, the Baltic Breeze and the Genco Bay, which were adjusted to their net sales prices. Total impairment recorded during the first half of 2020 related to these ten Handysize vessels was $85.8 million.

At March 31, 2020, we determined that the expected estimated future undiscounted cash flows for four of our Supramax vessels; the Genco Picardy, the Genco Predator, the Genco Provence and the Genco Warrior; did not exceed the net book value of these vessels as of March 31, 2020. As such, we adjusted the carrying value of these vessels to their respective fair market values as of March 31, 2020. This resulted in an impairment loss of $27.0 million during the first half of 2020.

On August 2, 2019, we entered into an agreement to sell the Genco Challenger, a 2003-built Handysize vessel, for $5,250 less a 2.0% broker commission payable to a third party. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of June 30, 2019, we reduced the carrying value of the Genco Challenger to the net sales price on June 30, 2019. This resulted in an impairment loss of $4.4 million during the six months ended June 30, 2019.

At June 30, 2019, we determined that the expected estimated future undiscounted cash flows for the Genco Champion, a 2006-built Handysize vessel, and the Genco Charger, a 2005-built Handysize vessel, did not exceed the net book value of these vessels as of June 30, 2019. As such, we adjusted the value of these vessels to their respective fair market values as of June 30, 2019. This resulted in an impairment loss of $9.5 million during the six months ended June 30, 2019.

LOSS (GAIN) ON SALE OF VESSELS-

During the first half of 2020, we recorded a net loss on sale of vessels of $0.5 million related primarily to the sale of the Genco Charger on February 24, 2020 and Genco Thunder on March 5, 2020. During the first half of 2019, we recorded a net gain on sale of vessels of $0.6 million related primarily to the sale of the Genco Vigour on January 28, 2019.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE –

Net interest expense decreased by $2.7 million from $14.3 million during the six months ended June 30, 2019 to $11.6 million during the six months ended June 30, 2020. Net interest expense during the six months ended June 30, 2020 and 2019 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. This decrease was primarily due to a $4.3 million decrease in interest expense as a result of lower interest rates, as well as lower outstanding debt. This was offset by a $1.6 million decrease in interest income due to a decrease in interest earned on our time deposits and cash accounts.

IMPAIRMENT OF RIGHT-OF-USE ASSET –

During the first half of 2019, we recognized $0.2 million of impairment charges on our operating lease right-of-use asset in accordance with ASC 360.

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 and under our ongoing fleet renewal program, drydocking for our vessels, and satisfying working capital requirements as may be needed to support our business and make required payments under our indebtedness. 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 $127.7 million as of June 30, 2020, which compares to a minimum liquidity requirement under our credit facilities of approximately $37 million as of the date of this report. Given quarterly amortization payments of $19.0 million during the third quarter of 2020 and $20.2 million beginning on December 31, 2020 under our credit facilities, anticipated capital expenditures related to drydockings and the installation of ballast water treatment systems (“BWTS”), as well as any quarterly dividend payments, we anticipate to continue to have significant cash expenditures. However, if market conditions were to worsen significantly due to the current COVID-19 pandemic or other causes, then our cash resources may decline to a level that may put at risk our ability to service timely our debt and capital expenditure commitments.

Our credit facilities contain collateral maintenance covenants that require the aggregate appraised value of collateral vessels to be at least 135% 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. Outstanding borrowings under our revolving credit facility, which total $24.0 million as of June 30, 2020, make it more difficult to satisfy the collateral maintenance requirement under our $133 Million Credit Facility. 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. Please refer to Risk Factors (Part II, Item 1A of this Form 10-Q) for a further discussion of risks related to our liquidity and capital resources.

We entered into the $495 Million Credit Facility on May 31, 2018, which was initially used to refinance our prior credit facilities: the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities on June 5, 2018 and originally allowed borrowings of up to $460 million. On February 28, 2019, we entered into an amendment to the $495 Million Credit Facility that provides for an additional tranche of up to $35 million to finance a portion of the acquisitions, installations, and related costs for exhaust cleaning systems (or "scrubbers") for 17 of the Company's Capesize vessels. On June 5, 2020, we entered into an amendment to the $495 Million Credit Facility to extend the period that collateral vessels can be sold or disposed of without prepayment of the loan if a replacement vessel or vessels meeting certain requirements are included as collateral from 180 days to 360 days.

We entered into the $133 Million Credit Facility on August 14, 2018, which was initially used to finance a portion of the purchase price for the six vessels that were purchased during the third quarter of 2018 and originally allowed borrowings of up to $108 million. On June 11, 2020, we entered into an amendment to the $133 Million Credit Facility that provides us with a $25 million revolving credit facility to be used for general corporate and working capital purposes. Refer to Note 7 — Debt in our Condensed Consolidated Financial Statements.

At June 30, 2020, we were in compliance with all financial covenants under the $495 Million Credit facility and the $133 Million Credit Facility.

Dividends

Our Board of Directors has adopted a quarterly dividend policy following the third quarter of 2019 to pay a dividend of $0.175 per share. However, in light of market weakness at the time and heightened economic uncertainty as a result of the COVID-19 pandemic, our Board of Directors determined it would be prudent to reduce our regular quarterly dividend for the first quarter of 2020 to $0.02 per share following its quarterly review in order to support our balance sheet and liquidity position and better position us for an eventual economic recovery. Furthermore, our Board of Directors determined to maintain this dividend level for the second quarter of 2020, as we announced a quarterly dividend of $0.02 per share on August 5, 2020. Our Board expects to reassess the payment of dividends as appropriate from time to time. Our declaration and payment of dividends is subject to a number of conditions and restrictions as described below.

On November 5, 2019, we entered into amendments with our lenders to the dividend covenants of the credit agreements for our $495 Million Credit Facility and our $133 Million Credit Facility. Under the terms of these two facilities as so amended, dividends or repurchases of our stock are subject to customary conditions. We may pay dividends or repurchase stock under these facilities to the extent our total unrestricted cash and cash equivalents are greater than $100 million and 18.75% of our total indebtedness, whichever is higher; if we cannot satisfy this condition, we are subject to a limitation of 50% of consolidated net income for the quarter preceding such dividend payment or stock repurchase if the collateral maintenance test ratio is 200% or less for such quarter, for which purpose the full commitment of up to $35 million of our new scrubber tranche is assumed to be drawn. At June 30, 2020, we had unrestricted cash and cash equivalents of $127.7 million. We have commitments for amortization payments expected to be $19.0 million during the third quarter of 2020 and $20.2 million beginning on December 31, 2020 under our credit facilities. Therefore, if we do not generate cash flow from operations, we would be unlikely to be able to declare or pay dividends after the end of 2020, except to the extent of permissible dividends from net income.

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 and related economic conditions 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 41 – 42 in the 2019 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 2019 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 Flow

Net cash used in operating activities for the six months ended June 30, 2020 was $9.0 million as compared to net cash provided by operating activities of $14.8 million for the six months ended June 30, 2019. This decrease in cash provided by operating activities was primarily due to an increase in amounts due from charterers as of June 30, 2020 based on the timing of freight payments and other changes in working capital.

Net cash used by investing activities during the six months ended June 30, 2020 and 2019 was $0.6 million and $13.7 million, respectively. This decrease was primarily due to an increase in net proceeds from the sale of vessels in 2020 year to date as compared to 2019, as well as a decrease in ballast water treatment system related expenditures.

Net cash used in financing activities during the six months ended June 30, 2020 and 2019 was $9.8 million and $38.5 million, respectively. The decrease was primarily due to the $24.0 million drawdown on the $133 Million Credit Facility and the $11.3 million drawdown on the $495 Million Credit Facility during the first half of 2020. Additionally, there was a $1.3 million decrease in repayments under the $495 Million Credit Facility during the six months ended June 30, 2020 as compared to the same period during 2019. These decreases were partially offset by $8.1 million payment of dividends during the first half of 2020.

Credit Facilities

We entered into the $133 Million Credit Facility on August 14, 2018, which was initially used to finance a portion of the purchase price for the six vessels that were purchased during the third quarter of 2018. On June 11, 2020, we entered into an amendment to the $133 Million Credit Facility which provided us with a $25 million revolving credit facility to be used for general corporate and working capital purposes. Additionally, we entered into the $495 Million Credit Facility on May 31, 2018, which was initially used to refinance our prior credit facilities. On February 28, 2019, we entered into an amendment to the $495 Million Credit Facility, which provides for an additional tranche of up to $35 million to finance a portion of the acquisitions, installations, and related costs for exhaust cleaning systems (or “scrubbers”) for 17 of our Capesize vessels. On June 5, 2020, we entered into an amendment to the $495 Million Credit Facility to extend the period that collateral vessels can be sold or disposed of without prepayment of the loan if a replacement vessel or vessels meeting certain requirements are included as collateral from 180 days to 360 days.

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

At June 30, 2020 and December 31, 2019, we did not have any interest rate swap agreements. 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 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, 2020 and December 31, 2019.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Our fleet currently consists of 51 drybulk vessels, including 17 Capesize drybulk carriers, six Ultramax drybulk carriers, 20 Supramax drybulk carriers and eight Handysize 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 on 17 of our vessels in the aggregate 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 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 42 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 $0.9 million for Capesize, $0.6 million for Supramax and $0.5 million for Handysize vessels. These costs will be capitalized and depreciated over the remainder of the life of the vessel. During 2019 and the first half of 2020, we completed the installation of BWTS on 17 and five of our vessels, respectively. 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 VLSFO. The costs for the scrubber equipment and installation will be capitalized and 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. During February 2019, we entered into an amendment to our $495 Million Credit Facility for an additional tranche of up to $35 million to cover a portion of the expenses to the acquisition and installation of scrubbers on our 17 Capesize vessels. We have funded the remainder of the costs with cash on hand. For vessels on which we did not install scrubbers, we incurred additional costs during 2019 in order to transition these vessels from high sulfur fuel to compliant low sulfur fuel.

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. Through June 30, 2020, we have paid $42.6 million in cash installments towards our scrubber program and have drawn down $32.8 million under the scrubber tranche under our $495 Million Credit Facility.

We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, BWTS costs, and scheduled off-hire days for our fleet through 2021 to be:

Year	Estimated Drydocking Cost (1)	Estimated BWTS Cost (2)	Estimated Off-hire Days (3)
	(U.S. dollars in millions)		
Remainder of 2020	$ 4.3	$ 2.0	120
2021	$ 9.3	$ 5.5	230

(1) Estimated drydocking costs during the remainder of 2020 and 2021 include $2.1 million and $2.1 million of costs, respectively, for vessels that could potentially be sold. Refer to “Impairment of long-lived assets” section in Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements.

(2) Estimated BWTS costs during the remainder of 2020 and 2021 include $1.1 million and $1.5 million of costs, respectively, for vessels that could potentially be sold. Refer to “Impairment of long-lived assets” section in Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements.

(3) Estimated offhire days during the remainder of 2020 and 2021 include 60 days and 60 days, respectively, for vessels that could potentially be sold. Refer to “Impairment of long-lived assets” section in Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements.

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 (with the exception of certain scrubber costs as noted above). 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, 2020 and 2019, we incurred a total of $5.6 million and $5.5 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Nine vessels completed their respective drydockings during the six months ended June 30, 2020, which included one vessel that began its drydocking during the fourth quarter of 2019. We estimate that six of our vessels will be drydocked during the remainder of 2020 and 11 of our vessels will be drydocked during 2021.

As of January 17, 2020, we have 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

There have been no changes or updates to our critical accounting policies as disclosed in the 2019 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 $310/lwt based on the 15-year average scrap value of steel. An increase in the residual value of the vessels will 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 2019 10-K.

During the six months ended June 30, 2020, we recorded losses of $112.8 million related to the impairment of vessel assets. There was $85.8 million of impairment expense recorded during the six months ended June 30, 2020 for the remaining ten of our Handysize vessels; the Baltic Hare, the Baltic Fox, the Baltic Wind, the Baltic Cove, the Baltic Breeze, the Genco Ocean, the Genco Bay, the Genco Avra, the Genco Mare and the Genco Spirit. On February 24, 2020, our Board of Directors determined to dispose of these vessels at times and on terms to be determined in the future. Given this decision, and that the revised estimated future undiscounted cash flows for each of these older vessels did not

exceed the net book value for each vessel given the estimated probabilities of whether the vessels will be sold, we adjusted the values of these older vessels to their respective fair market values during the first quarter of 2020. Subsequent to February 24, 2020, we have entered into agreements to sell three of these vessels during the first quarter of 2020, namely the Baltic Wind, the Baltic Breeze and the Genco Bay, which were adjusted to their net sales price. Refer to Note 2 — Summary of Significant Accounting Policies in our Condensed Consolidated Financial Statements for further information.

Additionally, at March 31, 2020, we determined that the expected estimated future undiscounted cash flows for four of our Supramax vessels; the Genco Picardy, the Genco Predator, the Genco Provence and the Genco Warrior; did not exceed the net book value of these vessels as of March 31, 2020. As such, we adjusted the carrying value of these vessels to their respective fair market values as of March 31, 2020. This resulted in an impairment loss of $27.0 million during the six months ended June 30, 2020.

There was no impairment of vessel assets recorded during the three months ended June 30, 2020.

During the three and six months ended June 30, 2019, we recorded a loss of $13.9 million related to the impairment of vessel assets. There was $4.4 million of impairment expense recorded during the three and six months ended June 30, 2019 for the Genco Challenger. On August 2, 2019, we entered into an agreement to sell the Genco Challenger. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel at June 30, 2019, the vessel value was adjusted to its net sales price as of June 30, 2019. At June 30, 2019, the Company determined that the expected estimated future undiscounted cash flows for the Genco Champion and the Genco Charger did not exceed the net book value of these vessels as of June 30, 2019. As such, the Company adjusted the value of these vessels to their respective fair market values as of June 30, 2019. This resulted in an impairment loss of $9.5 million during the three and six months ended June 30, 2019.

Pursuant to our credit facilities, 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 credit facilities. 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 $495 Million Credit Facility and $133 Million Credit Facility as of June 30, 2020. We obtained valuations for all of the vessels in our fleet pursuant to the terms of the $495 Million Credit Facility and the $133 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, 2020 and December 31, 2019. Vessels have been grouped according to their collateralized status as of June 30, 2020. The carrying value of the ten Handysize vessels and four Supramax vessels as noted above reflect the impairment loss recorded during the six months ended June 30, 2020. The carrying value of the Genco Thunder and Genco Charger at December 31, 2019 reflect the impairment loss recorded during 2019 for these vessels.

At June 30, 2020, the vessel valuations of all of our vessels for covenant compliance purposes under our credit facilities as of the most recent compliance testing date were lower than their carrying values at June 30, 2020, with the exception of the Baltic Wind, the Genco Avra, the Genco Mare and the Genco Spirit, which were impaired during the six months ended June 30, 2020 as noted above. At December 31, 2019, 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 lower than their carrying values at December 31, 2019, with the exception of the Genco Charger, which was impaired during the year ended December 31, 2019.

The amount by which the carrying value at June 30, 2020 of all of the vessels in our fleet, with the exception of the four aforementioned vessels, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual vessel basis, from $0.1 million to $17.7 million per vessel, and $357.7 million on an aggregate fleet basis. The amount by which the carrying value at December 31, 2019 of all of the vessels in our fleet, with the exception of the one aforementioned vessel, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual vessel basis, from $1.3 million to $18.1 million per vessel, and $419.4 million on an aggregate fleet basis. The average amount by which the carrying value of our vessels exceeded the valuation of such vessels for covenant compliance purposes was $7.3 million at June 30, 2020 and $7.8 million as of December 31, 2019. 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.

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of June 30, 2020	Carrying Value (U.S. dollars in thousands) as of December 31, 2019
$495 Million Credit Facility				
Genco Commodus	2009	2009	$ 38,453	$ 39,472
Genco Maximus	2009	2009	38,435	39,498
Genco Claudius	2010	2009	40,215	41,314
Baltic Bear	2010	2010	39,901	40,967
Baltic Wolf	2010	2010	40,117	41,163
Baltic Lion	2009	2013	31,500	32,199
Genco Tiger	2010	2013	29,533	30,115
Genco Thunder	2007	2008	—	10,303
Baltic Scorpion	2015	2015	25,053	25,583
Baltic Mantis	2015	2015	25,302	25,835
Genco Hunter	2007	2007	16,563	17,121
Genco Warrior	2005	2007	7,676	15,053
Genco Aquitaine	2009	2010	16,584	17,046
Genco Ardennes	2009	2010	16,619	17,080
Genco Auvergne	2009	2010	16,791	17,094
Genco Bourgogne	2010	2010	17,561	17,802
Genco Brittany	2010	2010	17,611	17,829
Genco Languedoc	2010	2010	17,416	17,609
Genco Loire	2009	2010	10,516	10,777
Genco Lorraine	2009	2010	10,480	10,748
Genco Normandy	2007	2010	8,498	8,717
Baltic Leopard	2009	2009	10,517	10,773
Baltic Jaguar	2009	2010	10,544	10,782
Baltic Panther	2009	2010	10,529	10,784
Baltic Cougar	2009	2010	10,543	10,791
Genco Picardy	2005	2010	8,167	14,669
Genco Provence	2004	2010	7,169	14,164
Genco Pyrenees	2010	2010	17,323	17,528
Genco Rhone	2011	2011	18,143	18,610
Genco Bay	2010	2010	7,810	16,411
Genco Ocean	2010	2010	7,913	16,562
Genco Avra	2011	2011	8,384	17,505
Genco Mare	2011	2011	8,386	17,546
Genco Spirit	2011	2011	8,388	17,614
Baltic Wind	2009	2010	7,654	15,996
Baltic Cove	2010	2010	7,911	16,490
Baltic Breeze	2010	2010	7,788	16,603
Baltic Fox	2010	2013	8,846	15,995
Baltic Hare	2009	2013	8,179	15,395
Genco Constantine	2008	2008	35,291	36,450
Genco Augustus	2007	2007	33,200	34,330
Genco London	2007	2007	32,599	33,600
Genco Titus	2007	2007	33,327	33,590
Genco Tiberius	2007	2007	33,147	34,276
Genco Hadrian	2008	2008	35,676	36,638
Genco Predator	2005	2007	8,093	14,846

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of June 30, 2020	December 31, 2019
Genco Charger	2005	2007	—	5,099
Baltic Hornet	2014	2014	23,571	24,086
Baltic Wasp	2015	2015	23,825	24,340
TOTAL			$ 897,747	$ 1,044,798
$133 Million Credit Facility				
Genco Endeavour	2015	2018	45,014	45,947
Genco Resolute	2015	2018	45,242	46,093
Genco Columbia	2016	2018	26,093	26,627
Genco Weatherly	2014	2018	21,210	21,676
Genco Liberty	2016	2018	48,659	49,506
Genco Defender	2016	2018	48,628	49,517
			$ 234,846	$ 239,366
Consolidated Total			$ 1,132,593	$ 1,284,164

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 and the classification of the vessel assets held for sale as of June 30, 2020 and December 31, 2019.

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. At June 30, 2020 and December 31, 2019, we did not have any interest rate swap agreements to manage interest costs and the risk associated with changing interest rates.

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, 2020 and 2019, we were subject to the following interest rates on the outstanding debt under our credit facilities:

- $133 Million Credit Facility — one-month LIBOR plus 2.50% effective August 17, 2018 when the initial draw down on this facility was made.
    - $108 Million Tranche — one-month LIBOR plus 2.50% effective August 17, 2018 when the initial draw down on this facility was made.
    - $25 Million Tranche — one-month LIBOR plus 3.00% effective June 15, 2020 when the initial draw down on this facility was made.
- $495 Million Credit Facility —
    - $460 Million Tranche – one-month LIBOR plus 3.25% effective June 5, 2018, when the initial $460 million draw down on this tranche of this facility was made. The applicable

margin was reduced to 3.00% from March 5, 2019 to August 9, 2019 pursuant to terms of the facility.

- $35 Million Tranche – one-month LIBOR plus 2.50% effective August 28, 2019 when the initial draw down on this tranche of this facility was made.

A 1% increase in LIBOR would result in an increase of $2.5 million in interest expense for the six months ended June 30, 2020.

Derivative financial instruments

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. As of June 30, 2020 and December 31, 2019, we did not have any derivative financial instruments.

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

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 2019 10-K, and Part II, "Item 1A. Risk Factors" in our quarterly report on Form 10-Q for the quarterly period ended March 31, 2020, which could materially affect our business, financial condition or future results. Below is updated information for the following risk factors:

The COVID-19 pandemic and measures to contain its spread have impacted the markets in which we operate and could have a material adverse impact on our business and its operations.

The COVID-19 pandemic and measures to contain its spread have negatively impacted 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 negative impacts could continue or worsen, even after the pandemic itself diminishes or ends. The COVID-19 pandemic may have far-reaching repercussions on our business and industry that are currently unknown. Governments in affected countries have imposed travel bans, quarantines, and other emergency public health measures, and a number of countries implemented lockdown measures. Depending on the course of the pandemic, such measures could be newly imposed or reimposed in certain countries. Companies, including us, have also taken precautions, such as requiring employees to work remotely and imposing travel restrictions, while some other businesses have been required to close entirely. The COVID-19 pandemic resulted in reduced industrial activity in China on which our business is substantially dependent, with temporary closures of factories and other facilities, and we believe it resulted in lower drybulk rates during the first half of 2020, given lower demand for some of the cargoes we carry, including iron ore and coal. Economic activity has also declined in other major industrial and financial centers of the world, including the United States, the European Union, Japan, India, South Korea and Brazil. Deterioration of worldwide, regional, or national economic conditions and activity could result in further reduced demand for the cargoes we carry and drybulk shipping services and may also negatively affect our charters, suppliers, and other parties with which we do business.

Moreover, we face significant risks to our personnel and operations due to the COVID-19 pandemic. Our crews face risk of exposure to COVID-19 as a result of travel to ports in which cases of COVID-19 have been reported. Our shore-based personnel likewise face risk of such exposure, as we are headquartered in New York, an area that has been severely impacted by the spread of COVID-19. Ongoing disruption of normal business activities due to COVID-19 and the imposition of measures to prevent or limit its spread may result in severe operational disruptions and delays. Measures against COVID-19 in a number of countries have restricted crew rotations on our vessels, which may continue or become more severe. As a result, since June 2020, we have experienced and may continue to experience disruptions to our normal vessel operations caused by increased deviation time associated with positioning our vessels to countries in which we can undertake a crew rotation in compliance with such measures. Delays in crew rotations have led to issues with crew fatigue and may continue to do so, which may result in delays or other operational issues. The occurrence of one or more of the foregoing events or circumstances could have a material adverse effect on our business, results of operations, cash flows, financial condition, values of our vessels, and ability to pay dividends.

The COVID-19 pandemic and measures to contain its spread could have a material adverse impact on our financial condition, compliance with our credit facility covenants, and ability to pay dividends.

Restrictions on crew rotations on our vessels resulting from the imposition of measures against COVID-19 pose risks to our financial condition and liquidity in a number of ways. Since June 2020, these restrictions have led to deviation time associated with positioning our vessels for crew rotations as described in the preceding risk factor, and we expect this will continue at least through the remainder of 2020. As crew members worldwide have in many cases, including on certain of our vessels, exceeded the duration of their contracts, there is an increased urgency to work towards completing more crew rotations in the coming months. Accordingly, we have had and expect to continue to have increased expenses due to incremental fuel consumption and days in which our vessels are unable to earn revenue in order to deviate to certain ports on which we would ordinarily not call during a typical voyage. We may also incur additional expenses associated with testing, personal protective equipment, quarantines, and travel expenses such as

airfare costs in order to perform crew rotations in the current environment. Since June 2020, delays in crew rotations have also caused us to incur additional costs related to crew bonuses paid to retain the existing crew members on board and may continue to do so.

Moreover, COVID-19 and measures against it have led to a highly difficult environment in which to dispose of vessels. The ability and willingness of potential buyers to consummate vessel transactions has been limited as a result of general economic conditions, the availability of financing, and their ability to inspect vessels in the current environment. Constraints regarding crew changes have caused us to incur additional expenses and waiting time that has reduced earnings from our vessels in order to comply with the terms of agreements we have entered into for the disposition of certain of our vessels. These conditions may continue, and we may be unable to comply with such terms at all. As a result of the foregoing, we may therefore experience a material adverse impact on our financial condition, compliance with our credit facility covenants, and ability to pay dividends.

Our credit facilities contain collateral maintenance covenants that require the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under each such facility. If the values of our vessels were to decline further significantly as a result of COVID-19 or otherwise, we may not satisfy this collateral maintenance requirement. Outstanding borrowings under our revolving credit facility, which total $24.0 million as of June 30, 2020, may make it more difficult to satisfy the collateral maintenance requirement under our $133 Million Credit Facility. 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.

We also reduced our quarterly dividend to $0.02 per share in order to maintain our cash reserves in the face of uncertainties presented by COVID-19. Our credit facilities permit the payment of dividends to the extent our unrestricted cash and cash equivalents are greater than $100 million and 18.75% of our total indebtedness, whichever is higher (or a specified percentage of consolidated net income for the preceding quarter). At June 30, 2020, we had cash for this purpose of $127.7 million. We have commitments for amortization payments expected to be $19.0 million during the third quarter of 2020 and $20.2 million per quarter beginning December 31, 2020 under our credit facilities. Therefore, if we do not generate cash flow from operations, we would be unlikely to be able to declare or pay dividends after the end of 2020, except to the extent of permissible dividends from net 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	Certificate of Designations of Rights, Preferences and Privileges of Series A Preferred Stock of Genco Shipping & Trading Limited, dated as of November 14, 2016.(7)
3.8	Amended and Restated By-Laws of Genco Shipping & Trading Limited, dated July 9, 2014.(1)
3.9	Amendment to Amended and Restated By-Laws, dated June 4, 2018.(8)
3.10	Second Amendment to Amended and Restated By-Laws, dated July 15, 2020.(6)
4.1	Form of Specimen Stock Certificate of Genco Shipping & Trading Limited.(1)
4.2	Form of Specimen Warrant Certificate of Genco Shipping & Trading Limited.(1)
10.1	Letter Amendment dated as of April 29, 2020 by and among Genco Shipping & Trading Limited as Borrower, Nordea Bank ABP, New York Branch, as Administrative Agent, and Security Agent, and the Lenders party thereto, pertaining to the $495 Million Credit Facility.(*)
10.2	Letter Amendment dated as of April 29, 2020 by and among Genco Shipping & Trading Limited as Borrower, Credit Agricole Corporate and Investment Bank, as Administrative Agent and Security Agent, and the Lenders party thereto, pertaining to the $133 Million Credit Facility.(*)
10.3	Fourth Amendment to Amended and Restated Credit Agreement dated as of June 5, 2020 by and among Genco Shipping & Trading Limited as Borrower, the Subsidiary Guarantors party thereto, the Lenders party thereto, and Nordea Bank ABP, New York Branch, as Administrative Agent and Security Agent, pertaining to the $495 Million Credit Facility.(*)
10.4	Amendment and Restatement Agreement dated as of June 11, 2020 by and among Genco Shipping & Trading Limited as Borrower, the Subsidiary Guarantors party thereto, the Revolving Lenders and other lenders party thereto, and Crédit Agricole Corporate & Investment Bank, as Administrative Agent and as Security Agent, pertaining to the $133 Million Credit Facility.(9)
10.5	Form of Director Restricted Stock Unit Agreement dated as of July 15, 2020.(*)
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, 2020 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019 (Unaudited), (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2020 and 2019 (Unaudited), (iii) Condensed Consolidated Statements of Comprehensive Loss for the three and six months ended June 30, 2020 and 2019 (Unaudited), (iv) Condensed Consolidated Statements of Equity for the three and six months ended June 30, 2020 and 2019 (Unaudited), (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2020 and 2019 (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 November 15, 2016.

(8) 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.

(9) Incorporated by reference to Genco Shipping & Trading Limited's Report on Form 8-K, filed with the Securities and Exchange Commission on June 12, 2020.

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 5, 2020

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

DATE: August 5, 2020

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

Exhibit 10.1

GENCO SHIPPING & TRADING LIMITED
299 Park Avenue, 12th Floor
New York, New York 10171

April 29, 2020

Nordea Bank ABP, New York Branch,
as Administrative Agent and as Security Agent
1211 Avenue of the Americas, 23rd Floor,
New York, New York 10036
Attention: Shipping, Offshore and Oil Services

and

Lenders party to the
Credit Agreement referred to below

Re: Letter Amendment

Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement, dated as of February 28, 2019 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among Genco Shipping & Trading Limited, a company incorporated under the laws of the Republic of the Marshall Islands ("Borrower"), Nordea Bank ABP, New York Branch, as administrative agent (in such capacity, "Administrative Agent") and as security agent (in such capacity, "Security Agent"), and the lenders from time to time a party thereto ("Lenders"). Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Credit Agreement.

Borrower desires that it and the Subsidiary Guarantors enter into certain hedging or similar agreements in respect of commodities and that the Credit Agreement be amended to permit the Borrower and the Subsidiary Guarantors to enter such agreements. In order to permit the Borrower and the Subsidiary Guarantors to enter into such hedging or similar agreements, the Borrower hereby requests, and the Agent and the Lenders signatory hereto (constituting Required Lenders) hereby agree, that Section 8.19 of the Credit Agreement be hereby amended by restating the language preceding the first proviso set forth therein to read as follows:

"The Borrower will not and will not permit any Subsidiary Guarantor to enter into Hedging Agreements or other hedging or similar agreements other than (i) Hedging Agreements and (ii) other hedging or similar agreements meant (as to this clause (ii)) to hedge against the price of commodities (including bunkers or fuel and including any bunker or fuel spread transactions), in each case entered into in the ordinary course of business and not for speculative purposes;"

This letter agreement is limited precisely as written and shall not be deemed a waiver of or consent to the modification of or deviation from any other term or condition of the Credit Agreement and the other Credit Documents or any of the other instruments or agreements referred to therein except as set forth herein, or prejudice any right or rights which any of the

Lenders or the Administrative Agent now have or may have in the future or in connection with the Credit Agreement, as amended hereby, the other Credit Documents or any of the other instruments or agreements referred therein. This letter agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument. A complete set of counterparts shall be lodged with the Borrower and the Administrative Agent. This letter agreement and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the laws of the State of New York.

This letter agreement shall become effective when the Borrower and the Lenders constituting Required Lenders shall have signed a counterpart hereof (whether the same or different counterparts.) This letter agreement may be delivered by facsimile or other electronic transmission. This letter agreement shall constitute a Credit Document. From and after the effective date hereof, all references in the Credit Agreement and the other Credit Documents to the Credit Agreement shall be deemed references to the Credit Agreement as modified hereby.

[*Signatures on Following Pages*]

Very truly yours,

GENCO SHIPPING & TRADING LIMITED, as Borrower

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

NORDEA BANK ABP, NEW YORK BRANCH

as Administrative Agent, Security
Agent and a Lender

By: /s/ Oddbjørn Warpe
Name: Oddbjørn Warpe
Title: Executive Director

/s/ Martin Lunder
Martin Lunder
Managing Director

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK,
as a Lender

By: /s/ Georgios Gkanasoulis
Name: Georgios Gkanasoulis
Title: Director

By: /s/ Manon Didier
Name: Manon Didier
Title: Vice President

CTBC BANK CO. LTD., as a Lender

By: /s/ Ting Chen
Name: Ting Chen
Title: Senior Vice President

DANISH SHIP FINANCE A/S, as a Lender

By: /s/ Michael Frisch
Name: Michael Frisch
Title: COO

By: /s/ Ole Stærgaard
Name: Ole Stærgaard
Title: Senior Relationship Manager

DEUTSCHE BANK AG FILIALE
DEUTSCHLANDGESCHÄFT,
as a Lender

By:	/s/ Tilman Stein	/s/ Dr. Bastian Dühmert
Name:	Tilman Stein	Dr. Bastian Dühmert
Title:	Director	Director

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL),
as a Lender

By:	/s/ Arne Juell-Skielse	/s/ Olof Kajerdt
Name:	Arne Juell-Skielse	Olof Kajerdt
Title:		

ABN AMRO CAPITAL USA LLC, as a Lender

By: /s/ Maria Fahey
Name: Maria Fahey
Title: Director

By: /s/ Amit Wynalda
Name: Amit Wynalda
Title: Executive Director

Exhibit 10.2

GENCO SHIPPING & TRADING LIMITED
299 Park Avenue, 12th Floor
New York, New York 10171

April 29, 2020

Credit Agricole Corporate and Investment Bank,
as Administrative Agent and as Security Agent
12 Place des Etas-Unis
92120 Montrouge, France,

Attention: Clementine Costil/Romy Roussel

And

Lenders party to the
Credit Agreement referred to below

Re: Letter Amendment

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of August 14, 2018 (as amended, restated or otherwise modified from time to time, the "Credit Agreement"), by and among Genco Shipping & Trading Limited, a company incorporated under the laws of the Republic of the Marshall Islands ("Borrower"), Credit Agricole Corporate and Investment Bank, as administrative agent (in such capacity, "Administrative Agent") and as security agent (in such capacity, "Security Agent"), and the lenders from time to time a party thereto ("Lenders"). Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned thereto in the Credit Agreement.

Borrower desires that it and the Subsidiary Guarantors enter into certain hedging or similar agreements in respect of commodities and that the Credit Agreement be amended to permit the Borrower and the Subsidiary Guarantors to enter such agreements. In order to permit the Borrower and the Subsidiary Guarantors to enter into such hedging or similar agreements, the Borrower hereby requests, and the Agent and the Lenders signatory hereto (constituting Required Lenders) hereby agree, that Section 8.18 of the Credit Agreement be hereby amended by restating the language preceding the first proviso set forth therein to read as follows:

"The Borrower will not and will not permit any Subsidiary Guarantor to enter into Hedging Agreements or other hedging or similar agreements other than (i) Hedging Agreements and (ii) other hedging or similar agreements meant (as to this clause (ii)) to hedge against the price of commodities (including bunkers or fuel and including any bunker or fuel spread transactions), in each case entered into in the ordinary course of business and not for speculative purposes;"

This letter agreement is limited precisely as written and shall not be deemed a waiver of or consent to the modification of or deviation from any other term or condition of the Credit

Agreement and the other Credit Documents or any of the other instruments or agreements referred to therein except as set forth herein, or prejudice any right or rights which any of the Lenders or the Administrative Agent now have or may have in the future or in connection with the Credit Agreement, as amended hereby, the other Credit Documents or any of the other instruments or agreements referred therein. This letter agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument. A complete set of counterparts shall be lodged with the Borrower and the Administrative Agent. This letter agreement and the rights and obligations of the parties hereto shall be construed in accordance with and governed by the laws of the State of New York.

This letter agreement shall become effective when the Borrower and the Lenders constituting Required Lenders shall have signed a counterpart hereof (whether the same or different counterparts.) This letter agreement may be delivered by facsimile or other electronic transmission. This letter agreement shall constitute a Credit Document. From and after the effective date hereof, all references in the Credit Agreement and the other Credit Documents to the Credit Agreement shall be deemed references to the Credit Agreement as modified hereby.

[*Signatures on Following Pages*]

Very truly yours,

GENCO SHIPPING & TRADING LIMITED, as Borrower

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

AGREED AND ACKNOWLEDGED:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Administrative Agent, Security Agent and a Lender

By: /s/ Georgios Gkanasoulis
Name: Georgios Gkanasoulis
Title: Director

By: /s/ Manon Didier
Name: Manon Didier
Title: Vice President

SKANDINAVISKA ENSKILDA BANKEN AB
(PUBL), as a Lender

By:	/s/ Arne Juell-Skielse	/s/ Olof Kajerdt
Name:	Arne Juell-Skielse	Olof Kajerdt
Title:		

Exhibit 10.3

EXECUTION VERSION

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Fourth Amendment"), dated as of June 5, 2020, by and among Genco Shipping & Trading Limited, a company incorporated under the laws of the Republic of the Marshall Islands (the "Borrower"), the Subsidiary Guarantors party hereto, the Lenders party hereto and Nordea Bank ABP, New York Branch, as Administrative Agent (in such capacity, the "Administrative Agent") and Security Agent (in such capacity, the "Security Agent"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Credit Agreement referred to below.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent, the Security Agent and the Lenders party thereto are party to that certain Amended and Restated Credit Agreement, dated as of February 28, 2019 (as amended pursuant to that certain First Amendment to Amended and Restated Credit Agreement, dated as of June 28, 2019, that certain Second Amendment to Credit Agreement, dated as of November 5, 2019, that certain Letter Amendment to Amended and Restated Credit Agreement, dated as of April 29, 2020, and as further amended, restated, supplemented and/or otherwise modified from time to time prior to the date hereof, the "Credit Agreement").

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement.

WHEREAS, subject to the terms and conditions of this Fourth Amendment, the parties hereto wish to amend certain provisions of the Credit Agreement as herein provided.

NOW, THEREFORE, it is agreed:

I. Amendments to Credit Agreement.

1. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of "Technical Manager" appearing therein in its entirety to read as follows:

> ""Technical Manager" shall mean any of Anglo-Eastern Shipmanagement, Synergy Group, Vships USA LLC and Wallem Ship Management Limited, or any Affiliates of the foregoing which provide such technical management services, or one or more other technical managers selected by the Borrower and reasonably acceptable to the Required Lenders."

2. Section 4.02(b)(ii)(2) of the Credit Agreement is hereby amended by deleting each reference to "180" appearing therein and substituting "360" in lieu thereof.

II. Miscellaneous Provisions.

1. In order to induce the Lenders to enter into this Fourth Amendment, the Borrower hereby represents and warrants that (i) no Default or Event of Default exists as of the Fourth

Amendment Effective Date (as defined below) after giving effect to this Fourth Amendment and (ii) all of the representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects on the Fourth Amendment Effective Date after giving effect to this Fourth Amendment, with the same effect as though such representations and warranties had been made on and as of the Fourth Amendment Effective Date (it being understood that any representation or warranty that by its terms is made as of a specific date shall be true and correct in all material respects as of such specific date).

2. This Fourth Amendment is limited precisely as written and shall not be deemed to (i) be a waiver of or a consent to the modification of or deviation from any other term or condition of the Credit Agreement and the other Credit Documents or any of the other instruments or agreements referred to therein except as set forth herein or (ii) prejudice any right or rights which any of the Lenders or the Administrative Agent now have or may have in the future under or in connection with the Credit Agreement, as amended hereby, the other Credit Documents or any of the other instruments or agreements referred to therein. The Administrative Agent, the Security Agent and the Lenders expressly reserve all their rights and remedies except as expressly set forth in this Fourth Amendment.

3. This Fourth Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be lodged with the Borrower and the Administrative Agent.

4. **THIS FOURTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

5. This Fourth Amendment shall become effective as of the date (the "Fourth Amendment Effective Date") when:

(i) the Borrower, the Subsidiary Guarantors and the Lenders constituting Required Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of email) the same to White & Case LLP, 1221 Avenue of the Americas, New York, NY 10036; Attention: Evan Rahn (email: evan.rahn@whitecase.com); and

(ii) the Borrower shall have paid to the Administrative Agent all reasonable out-of-pocket costs and expenses incurred in connection with the Fourth Amendment and the other Credit Documents (including, without limitation, the reasonable fees and expenses of White & Case LLP).

6. From and after the Fourth Amendment Effective Date, all references in the Credit Agreement and each of the other Credit Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement, as modified hereby. From and after the Fourth Amendment Effective Date, this Fourth Amendment shall for all purposes constitute a Credit Document.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Fourth Amendment as of the date first above written.

GENCO SHIPPING & TRADING LIMITED,

as the Borrower

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

[Signature page to Genco Fourth Amendment]

GENCO RAPTOR LLC,
GENCO THUNDER LLC,
GENCO CAVALIER LLC,

each as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Manager and Chief Financial Officer

BALTIC TRADING LIMITED,
GENCO HOLDINGS LIMITED,

each as a Subsidiary Guarantor

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

GENCO INVESTMENTS LLC,
By: Genco Shipping & Trading Limited, its Sole Member,
as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Chief Financial Officer and Executive Vice President, Finance

[Signature page to Genco Fourth Amendment]

BALTIC BEAR LIMITED
BALTIC BREEZE LIMITED
BALTIC COUGAR LIMITED
BALTIC COVE LIMITED
BALTIC FOX LIMITED
BALTIC HARE LIMITED
BALTIC HORNET LIMITED
BALTIC JAGUAR LIMITED
BALTIC LEOPARD LIMITED
BALTIC LION LIMITED
BALTIC MANTIS LIMITED
BALTIC PANTHER LIMITED
BALTIC SCORPION LIMITED
BALTIC TIGER LIMITED
BALTIC WASP LIMITED
BALTIC WIND LIMITED
BALTIC WOLF LIMITED
GENCO AQUITAINE LIMITED
GENCO ARDENNES LIMITED
GENCO AUGUSTUS LIMITED
GENCO AUVERGNE LIMITED
GENCO AVRA LIMITED
GENCO BAY LIMITED
GENCO BOURGOGNE LIMITED
GENCO BRITTANY LIMITED
GENCO CHALLENGER LIMITED
GENCO CHAMPION LIMITED
GENCO CHARGER LIMITED
GENCO CLAUDIUS LIMITED
GENCO COMMODUS LIMITED
GENCO CONSTANTINE LIMITED
GENCO HADRIAN LIMITED
GENCO HUNTER LIMITED
GENCO LANGUEDOC LIMITED
GENCO LOIRE LIMITED
GENCO LONDON LIMITED
GENCO LORRAINE LIMITED
GENCO MARE LIMITED
GENCO MAXIMUS LIMITED
GENCO NORMANDY LIMITED
GENCO OCEAN LIMITED
GENCO PICARDY LIMITED
GENCO PREDATOR LIMITED
GENCO PROVENCE LIMITED
GENCO PYRENEES LIMITED
GENCO RHONE LIMITED
GENCO SPIRIT LIMITED
GENCO TIBERIUS LIMITED
GENCO TITUS LIMITED
GENCO WARRIOR LIMITED

each as a Subsidiary Guarantor

By: /s/ Apostolos Zafolias
Name: Apostolos Zafolias
Title: Director and Vice President

[Signature page to Genco Fourth Amendment]

NORDEA BANK ABP, NEW YORK BRANCH,
individually, as Administrative
Agent, Security Agent and a Lender

By: /s/ Oddbjørn Warpe
Name: Oddbjørn Warpe
Title: Executive Director

By: /s/ Martin Lunder
Name: Martin Lunder
Title: Managing Director

[Signature page to Genco Fourth Amendment]

SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), as a
Lender

By: /s/ Arne Juell-Skielse /s/ Olof Kajerdt
Name: Arne Juell-Skielse Olof Kajerdt
Title:

[Signature page to Genco Fourth Amendment]

ABN AMRO CAPITAL USA LLC, as a Lender

By: /s/ Maria Fahey
Name: Maria Fahey
Title: Director

By: /s/ Amit Wynalda
Name: Amit Wynalda
Title: Executive Director

[Signature page to Genco Fourth Amendment]

DEUTSCHE BANK AG FILIALE DEUTSCHLANDGESCHÄFT, as a Lender

By: /s/ Tilman Stein
Name: Tilman Stein
Title: Director

By: /s/ Scheller
Name: Scheller
Title: Director

[Signature page to Genco Fourth Amendment]

DANISH SHIP FINANCE A/S, as a Lender

By: /s/ Flemming Møller
Name: Flemming Møller
Title: EVP

By: /s/ Ole Stærgaard
Name: Ole Stærgaard
Title: Senior Relationship Manager

[Signature page to Genco Fourth Amendment]

CTBC BANK CO. LTD., as a Lender

By: /s/ Ting Chen
Name: Ting Chen
Title: Senior Vice President

By: _____
Name:
Title:

[Signature page to Genco Fourth Amendment]

Exhibit 10.5

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

* * * * *

Participant: _____

Grant Date: July 15, 2020

Number of Restricted Stock Units granted: 14,214

* * * * *

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: _____

Title: _____

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, 2020 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 5, 2020

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, 2020 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 5, 2020

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, 2020, 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 5, 2020

/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, 2020, 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 5, 2020

/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.