Genco Shipping & Trading Limited

2020 Annual Report

2020 Financial & Corporate Information

The contents of this 2020 Annual Report have been excerpted from our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on February 24, 2021 (the "Form 10-K"). Such contents speak only as of the date of the Form 10-K. For updated information, please refer to our subsequent filings with the SEC, including our reports on Form 10-Q and Form 8-K.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

	For the Years Ended December 31,				
	2020	2019	2018	2017	2016
Income Statement Data:					
(U.S. dollars in thousands except for share and per share amounts)					
Revenues:					
Voyage revenues	$ 355,560	$ 389,496	$ 367,522	$ 209,698	$ 133,246
Service revenues	—	—	—	—	2,340
Total revenues	$ 355,560	$ 389,496	$ 367,522	$ 209,698	$ 135,586
Operating Expenses:					
Voyage expenses	156,985	173,043	114,855	25,321	13,227
Vessel operating expenses	87,420	96,209	97,427	98,086	113,636
Charter hire expenses	10,307	16,179	1,534	—	—
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,026, $2,057, $2,231, $4,053 and $20,680, respectively)	21,266	24,516	23,141	22,190	45,174
Technical management fees	6,961	7,567	8,000	7,659	8,932
Depreciation and amortization	65,168	72,824	68,976	71,776	76,330
Other operating income	—	—	—	—	(960)
Impairment of vessel assets	208,935	27,393	56,586	21,993	69,278
Loss (gain) on sale of vessels	1,855	168	(3,513)	(7,712)	(3,555)
Total operating expenses	558,897	417,899	367,006	239,313	322,062
Operating (loss) income	(203,337)	(28,403)	516	(29,615)	(186,476)
Other expense	(22,236)	(27,582)	(33,456)	(29,110)	(30,300)
Loss before reorganization items, net	(225,573)	(55,985)	(32,940)	(58,725)	(216,776)
Reorganization items, net	—	—	—	—	(272)
Net loss before income taxes	(225,573)	(55,985)	(32,940)	(58,725)	(217,048)
Income tax expense	—	—	—	—	(709)
Net loss	$ (225,573)	$ (55,985)	$ (32,940)	$ (58,725)	$ (217,757)
Net loss per share - basic (1)	$ (5.38)	$ (1.34)	$ (0.86)	$ (1.71)	$ (30.03)
Net loss per share - diluted (1)	$ (5.38)	$ (1.34)	$ (0.86)	$ (1.71)	$ (30.03)
Weighted average common shares outstanding - Basic (1)	41,907,597	41,762,893	38,382,599	34,242,631	7,251,231
Weighted average common shares outstanding - Diluted (1)	41,907,597	41,762,893	38,382,599	34,242,631	7,251,231

	For the Years Ended December 31,				
	2020	2019	2018	2017	2016
Balance Sheet Data:					
(U.S. dollars in thousands, at end of period)					
Cash, including restricted cash	$ 179,679	$ 162,249	$ 202,761	$ 204,946	$ 169,068
Total assets	1,232,809	1,528,892	1,627,470	1,520,959	1,568,960
Total debt (current and long-term, net of deferred financing costs)	439,575	482,730	535,148	515,392	513,020
Total equity	744,994	978,428	1,053,307	975,027	1,029,699
Other Data:					
(U.S. dollars in thousands)					
Net cash provided by (used in) operating activities	$ 36,896	$ 59,526	$ 65,907	$ 24,071	$ (52,307)
Net cash provided by (used in) investing activities (3)	37,439	(22,849)	(195,375)	17,405	25,051
Net cash (used in) provided by financing activities	(56,905)	(77,189)	127,283	(5,598)	55,435
EBITDA (2)	$ (139,020)	$ 44,699	$ 65,326	$ 41,997	(112,469)

(1) On July 7, 2016, we completed a one-for-ten reverse stock split with no change in par value per share. The authorized shares of the common stock were not adjusted. All common share and per share amounts of the Company prior to July 7, 2016 have retroactively adjusted to reflect the reverse stock split.

(2) 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 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:

	For the Years Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
Net loss	$ (225,573)	$ (55,985)	$ (32,940)	$ (58,725)	$ (217,757)
Net interest expense	21,385	27,860	29,290	28,946	28,249
Income tax expense	—	—	—	—	709
Depreciation and amortization	65,168	72,824	68,976	71,776	76,330
EBITDA (2)	$ (139,020)	$ 44,699	$ 65,326	$ 41,997	$ (112,469)

(3) In the first quarter of 2017, the Company adopted ASU 2016-18, which requires the Company to show the changes in the total cash, cash equivalents and restricted cash in the statement of cash flows. Changes in restricted cash were previously recorded as an investing cash inflow or outflow. The adoption of ASU 2016-18 resulted in a change in net cash provided by (used in) investing activities of $15.9 million during the year ended December 31, 2016.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the reader understand our results of operations and financial condition. The MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and notes thereto on pages 29 - 72.

The MD&A generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Discussions of 2018 items and year-to-year comparisons between 2019 and 2018 that are not included in this report can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on February 27, 2020.

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. After the sale of two of our Supramax vessels, our fleet will consist of 39 drybulk carriers, including 17 Capesize drybulk carriers, nine Ultramax drybulk carriers, and thirteen Supramax drybulk carriers with an aggregate carrying capacity of approximately 4,315,000 deadweight tons (“dwt”). The average age of our current fleet is 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. The majority of the vessels in our current fleet are presently engaged under time charter and spot market voyage charters that expire (assuming the option periods in the time charters are not exercised) between February 2021 and June 2021.

See pages 24 - 25 for a table of our current fleet.

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, earlier in 2020, 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’s economy has substantially improved, as various economic indicators such as fixed asset investment and industrial production rose as compared to the previous months of the year, which led to GDP growth of 3.2%, 4.9% and 6.5% during the second, third and fourth quarters of 2020, respectively. 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. Several economies around the world gradually eased measures taken earlier in 2020 resulting in improved activity levels from earlier year lows. The impact of the economic contraction remains highly dependent on the trajectory of COVID-19 and the timing of wide-scale vaccine distribution, which remains uncertain.

While global economic activity levels, led by China, have improved, 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, experienced reduced trade flows in 2020 due to lower end user demand resulting from a decline in global economic activity. As countries worldwide gradually reopened their respective economies in mid-2020, trade flows and demand for raw materials increased, particularly during the second half of 2020. Drybulk spot freight rates increased off of the year to date lows towards the end of the second quarter and remained firm in the second half of 2020. During the fourth quarter of 2020 and early 2021, there has been a resurgence of the virus in some European countries and the U.S. that may impact the sustainability of this recovery in addition to drybulk specific seasonality described in further detail below.

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 been 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. Although we have successfully completed a number of crew changes over the course of the pandemic to date, additional crew changes could remain challenging due to COVID-19 related factors. The extent to which the COVID-19 pandemic impacts our business going forward will depend on numerous evolving factors we cannot reliably predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity, including the possibility of recession or financial market instability.

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 the fourth quarter and extends into the early first quarter of the following year. In recent months, China has purchased large amounts of agricultural products that are transported on drybulk vessels which has helped support freight rates for the mid-sized and smaller vessel classes. It remains to be seen the stance the new U.S. administration will take towards China as well as any previously agreed upon trade deals. Any 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 resulted in an increase in prices for such fuel during the beginning of 2020. Following a decrease during the second quarter of 2020, fuel prices began to increase again during the third quarter of 2020 and continue to increase due to such demand.

In order to comply with regulations mandating a reduction in sulfur emissions from 3.5% to 0.5% as of the beginning of 2020, we entered into agreements to install exhaust gas cleaning systems ("scrubbers") on our 17 Capesize vessels, sixteen of which installations were completed by December 31, 2019, and the last of which the installation was completed by January 17, 2020. Additionally, we have transitioned to consuming IMO compliant fuels as of January 1, 2020 on our vessels that are not equipped with scrubbers and when our scrubbers may not be used. We will continue to evaluate all options to comply with IMO regulations. Our fuel costs and fuel inventories may increase as a result of these sulfur emission regulations. Low sulfur fuel is more expensive than standard marine fuel containing 3.5% sulfur content and may become more expensive or difficult to obtain as a result of increased demand. If the cost differential between low sulfur fuel and high sulfur fuel is significantly higher than anticipated, or if low sulfur fuel is not available at ports on certain trading routes, it may not be feasible or competitive to operate vessels on certain trading routes without installing scrubbers or without incurring deviation time to obtain compliant fuel. Conversely, if the cost differential between low sulfur fuel and high sulfur fuel is significantly lower than anticipated, or if regulations are passed negatively impacting the use of open-loop scrubbers, we may not realize the economic benefits or recover the cost of the scrubbers we have installed. In addition, a number of countries have imposed restrictions on the discharge of wash water from open loop scrubbers within their port limits. While there are no restrictions on using open loop scrubbers outside of port limits, any changes in these regulations or more stringent standards globally could impact the use of open loop scrubbers going forward.

Vessel Sales and Acquisitions

On December 17, 2020, we entered into an agreement to acquire three modern, eco Ultramax vessels in exchange for six of our older Handysize vessels. The Genco Magic, a 2014-built Ultramax vessel, and the Genco Vigilant and the Genco Freedom, both 2015-built Ultramax vessels, were delivered to the Company on December 23, 2020, January 28, 2021 and February 20, 2021, respectively. We delivered the Genco Ocean, Baltic Cove and Baltic Fox, all 2010-built Handysize vessels, and the Genco Spirit, Genco Avra and Genco Mare, all 2011-built Handysize vessels, on December 29, 2020, January 30, 2021, February 2, 2021, February 15, 2021, February 21, 2021 and February 24, 2021, respectively.

During 2020, we completed the sale of nine of our vessels, including the Genco Ocean as noted above, and have entered into agreements to sell ten additional vessels, including the remaining five Handysize vessels noted above. Of the additional five vessels we have entered into agreements to sell, excluding the five Handysize vessels noted above, we have completed the sale of three vessels during January and February 2021. Three vessels were classified as held for sale as of December 31, 2020 and the five Handysize vessels were classified as held for exchange as of December 31, 2020. During 2019, we completed the sale of four vessels, one of which was classified as held for sale as of December 31, 2018. We will continue to seek opportunities to renew our fleet going forward.

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 years ended December 31, 2020 and 2019 on a consolidated basis.

	For the Years Ended December 31,		Increase	
	2020	**2019**	**(Decrease)**	**% Change**
Fleet Data:				
Ownership days (1)				
Capesize	6,222.0	6,205.0	17.0	0.3 %
Panamax	64.8	736.6	(671.8)	(91.2)%
Ultramax	2,204.0	2,190.0	14.0	0.6 %
Supramax	7,176.0	7,300.0	(124.0)	(1.7)%
Handymax	—	—	—	— %
Handysize	3,290.0	4,590.9	(1,300.9)	(28.3)%
Total	18,956.8	21,022.5	(2,065.7)	(9.8)%
Chartered-in days (2)				
Capesize	—	227.3	(227.3)	(100.0)%
Panamax	—	—	—	— %
Ultramax	557.1	128.5	428.6	333.5 %
Supramax	567.2	658.7	(91.5)	(13.9)%
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	77.4	293.9	(216.5)	(73.7)%
Total	1,216.2	1,325.8	(109.6)	(8.3)%
Available days (owned & chartered-in fleet) (3)				
Capesize	6,158.2	5,573.9	584.3	10.5 %
Panamax	64.4	732.0	(667.6)	(91.2)%
Ultramax	2,657.5	2,299.3	358.2	15.6 %
Supramax	7,443.1	7,547.4	(104.3)	(1.4)%
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	3,298.2	4,824.9	(1,526.7)	(31.6)%
Total	19,635.9	20,994.9	(1,359.0)	(6.5)%
Available days (owned fleet) (4)				
Capesize	6,158.2	5,346.6	811.6	15.2 %
Panamax	64.4	732.0	(667.6)	(91.2)%
Ultramax	2,100.4	2,170.8	(70.4)	(3.2)%
Supramax	6,875.9	6,888.7	(12.8)	(0.2)%
Handymax	—	—	—	— %
Handysize	3,220.8	4,531.0	(1,310.2)	(28.9)%
Total	18,419.7	19,669.1	(1,249.4)	(6.4)%
Operating days (5)				
Capesize	6,093.0	5,525.4	567.6	10.3 %
Panamax	60.1	697.0	(636.9)	(91.4)%
Ultramax	2,642.8	2,240.1	402.7	18.0 %
Supramax	7,338.1	7,413.2	(75.1)	(1.0)%
Handymax	14.5	17.4	(2.9)	(16.7)%
Handysize	3,055.9	4,695.8	(1,639.9)	(34.9)%
Total	19,204.4	20,588.9	(1,384.5)	(6.7)%

	For the Years Ended December 31, 2020	2019	Increase (Decrease)	% Change
Fleet utilization (6)				
Capesize	98.2 %	98.4 %	(0.2)%	(0.2)%
Panamax	92.7 %	94.6 %	(1.9)%	(2.0)%
Ultramax	99.3 %	97.4 %	1.9 %	2.0 %
Supramax	97.6 %	97.3 %	0.3 %	0.3 %
Handymax	100.0 %	100.0 %	— %	— %
Handysize	92.2 %	97.3 %	(5.1)%	(5.2)%
Fleet average	97.1 %	97.5 %	(0.4)%	(0.4)%

	For the Years Ended December 31, 2020	2019	Increase (Decrease)	% Change
Average Daily Results:				
Time Charter Equivalent (7)				
Capesize	$ 14,977	$ 13,181	$ 1,796	13.6 %
Panamax	4,948	10,397	(5,449)	(52.4)%
Ultramax	10,320	10,994	(674)	(6.1)%
Supramax	7,957	8,939	(982)	(11.0)%
Handymax	—	—	—	— %
Handysize	5,987	8,157	(2,170)	(26.6)%
Fleet average	10,221	10,182	39	0.4 %
Major bulk vessels	14,977	13,181	1,797	13.6 %
Minor bulk vessels	7,832	9,063	(1,231)	(13.6)%
Daily vessel operating expenses (8)				
Capesize	$ 5,106	$ 5,076	$ 30	0.6 %
Panamax	3,290	4,621	(1,331)	(28.8)%
Ultramax	4,606	4,665	(59)	(1.3)%
Supramax	4,456	4,474	(18)	(0.4)%
Handymax	—	—	—	— %
Handysize	3,994	4,016	(22)	(0.5)%
Fleet average	4,612	4,576	36	0.8 %

(1) Ownership days. We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

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

(3) Available days (owned and chartered-in fleet). We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

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

(5) Operating days. We define operating days as the number of our total available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

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

(7) Time Charter Equivalent ("TCE"). 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.

	Entire Fleet		Major Bulk		Minor Bulk	
	For the Years Ended December 31,		For the Years Ended December 31,		For the Years Ended December 31,	
	2020	2019	2020	2019	2020	2019
Voyage revenues (in thousands)	$ 355,560	$ 389,496	$ 164,813	$ 151,408	$ 190,747	$ 238,088
Voyage expenses (in thousands)	156,985	173,043	72,577	75,339	84,408	97,704
Charter hire expenses (in thousands)	10,307	16,179	3	5,598	10,304	10,581
	188,268	200,274	92,233	70,471	96,035	129,803
Total available days for owned fleet	18,420	19,669	6,158	5,347	12,262	14,323
Total TCE rate	$ 10,221	$ 10,182	$ 14,977	$ 13,181	$ 7,832	$ 9,063

(8) Daily vessel operating expenses. We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following tables represent the operating data and certain balance sheet and other data as of and for the years ended December 31, 2020 and 2019 on a consolidated basis.

	For the Years Ended December 31,			
	2020	2019	Change	% Change
Income Statement Data:				
(U.S. Dollars in thousands, except for per share amounts)				
Revenue:				
Voyage revenues	$ 355,560	$ 389,496	$ (33,936)	(8.7)%
Total revenues	355,560	389,496	(33,936)	(8.7)%
Operating Expenses:				
Voyage expenses	156,985	173,043	(16,058)	(9.3)%
Vessel operating expenses	87,420	96,209	(8,789)	(9.1)%
Charter hire expenses	10,307	16,179	(5,872)	(36.3)%
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,026 and $2,057, respectively)	21,266	24,516	(3,250)	(13.3)%
Technical management fees	6,961	7,567	(606)	(8.0)%
Depreciation and amortization	65,168	72,824	(7,656)	(10.5)%
Impairment of vessel assets	208,935	27,393	181,542	662.7 %
Loss on sale of vessels	1,855	168	1,687	1,004.2 %
Total operating expenses	558,897	417,899	140,998	33.7 %
Operating loss	(203,337)	(28,403)	(174,934)	615.9 %
Other expense	(22,236)	(27,582)	5,346	(19.4)%
Net loss	(225,573)	(55,985)	(169,588)	302.9 %
Net loss per share - basic	$ (5.38)	$ (1.34)	$ (4.04)	301.5 %
Net loss per share - diluted	$ (5.38)	$ (1.34)	$ (4.04)	301.5 %
Weighted average common shares outstanding - basic	41,907,597	41,762,893	144,704	0.3 %
Weighted average common shares outstanding - diluted	41,907,597	41,762,893	144,704	0.3 %

	For the Years Ended December 31,			
	2020	2019	Change	% Change
Balance Sheet Data:				
(U.S. Dollars in thousands, at end of period)				
Cash, including restricted cash	$ 179,679	$ 162,249	$ 17,430	10.7 %
Total assets	1,232,809	1,528,892	(296,083)	(19.4)%
Total debt (current and long-term, net of deferred financing fees)	439,575	482,730	(43,155)	(8.9)%
Total equity	744,994	978,428	(233,434)	(23.9)%
Other Data:				
(U.S. Dollars in thousands)				
Net cash provided by operating activities	$ 36,896	$ 59,526	$ (22,630)	(38.0)%
Net cash provided by (used in) investing activities	37,439	(22,849)	60,288	(263.9)%
Net cash used in financing activities	(56,905)	(77,189)	20,284	(26.3)%
EBITDA (1)	$ (139,020)	$ 44,699	$ (183,719)	(411.0)%

(1) EBITDA represents net loss plus net interest expense, taxes and depreciation and amortization. Refer to pages 1 - 2 included in Selected Consolidated Financial Data and Other Data where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate, the type of fixture our vessels are chartered on (spot market voyage charters or fixed rate time charters), and the amount of daily charterhire or freight rates that our vessels earn, that, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the drybulk shipping industry; and
- other factors affecting spot market charter rates for drybulk carriers.

During 2020, voyage revenues decreased by $33.9 million, or 8.7%, to $355.6 million as compared to $389.5 million during 2019. The decrease in voyage revenues was primarily due to the operation of fewer vessels in our fleet. During the first half of 2020, drybulk seasonal factors such as the timing of newbuilding deliveries, the Lunar New Year holiday celebration in China and weather-related cargo disruptions impacted the drybulk freight rate environment. These factors were further accentuated by the onset of COVID-19 and subsequent reactions to prevent its spread taken by various countries essential to drybulk trade flows. In mid-2020, a gradual reopening of economies contributed to increased trade flows and a firm freight rate environment during the second half of 2020 as compared to the first half of the year. During the second half of 2020, the economic recovery in China resulted in record volumes of seaborne iron ore imports to fuel all-time high steel production and replenish low inventory levels. This demand was aided by improved Brazilian iron ore exports, which has been constrained earlier in the year due to poor weather conditions and operational challenges from the Brumadinho dam collapse in January 2019.

The average Time Charter Equivalent ("TCE") rate of our overall fleet increased marginally by 0.4% to $10,221 a day during 2020 from $10,182 a day during 2019. The TCE for our major bulk vessels increased by 13.6% from $13,181 a day during 2019 to $14,977 a day during 2020. This increase was primarily a result of additional drydocking days during 2019 as a result of the installation of scrubbers on our Capesize vessels. The TCE for our minor bulk vessels decreased by 13.6% from $9,063 a day during 2019 to $7,832 a day during 2020 primarily a result of lower rates achieved by our Panamax and Handysize vessels, as well as offhire days associated with COVID-19 delays during 2020 and delays in the completion of the sale of the Baltic Breeze and Genco Bay during the third quarter of 2020.

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 and the timing of wide-scale vaccine distribution. 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, resulted in days in 2020 in which our vessels were unable to earn revenue and may continue to do so.

For 2020 and 2019, we had ownership days of 18,956.8 days and 21,022.5 days, respectively. The decrease in ownership days is primarily due to the sale of four vessels during 2019 and nine vessels during 2020 partially offset by the delivery of one vessel during 2020. Fleet utilization decreased marginally from 97.5% during 2019 to 97.1% during 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 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 experienced increased deviation time for certain of our vessels to undertake crew rotations during the third and fourth quarter of 2020. As such, we have experienced higher voyage expenses for certain crew changes that we have completed, which we expect to continue 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.

As a result of installing scrubbers on all of our 17 Capesize vessels, which accounted for approximately 50% of our fleet's fuel consumption in 2020, we realized significant fuel cost savings during 2020. The amount of savings we realize, and the amount of time in which we would recover our investment in scrubbers, depends on the spread between high sulfur and low sulfur fuel. The spread between these two fuel types is currently approximately $130 per metric ton, and was as high as $361 per metric ton and as low as $47 per metric ton during 2020.

Voyage expenses were $157.0 million and $173.0 million during 2020 and 2019, respectively. This decrease was primarily due to the operation of fewer vessels during 2020, as well as a decrease in bunker consumption.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased by $8.8 million from $96.2 million during 2019 to $87.4 million during 2020. This decrease was primarily due to fewer owned vessels during 2020 as compared to 2019.

Average daily vessel operating expenses for our fleet increased marginally by $36 per day from $4,576 per day during 2019 as compared to $4,612 in 2020. The increase in daily vessel operating expenses was predominantly due to higher crew related expenses, partially offset by lower drydocking related expenditures. 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 year ended December 31, 2020 were $22 above the weighted-average budgeted rate of $4,590 per vessel per day.

Restrictions on crew rotations led to a temporary decline in crewing related expenses of approximately $1 million during the first half of 2020. However, such costs began to increase in June 2020, reaching their highest level during the third quarter of 2020. Although we have completed a significant number of crew rotations, we still expect higher costs related to crew rotations surrounding COVID-19 restrictions. Travel and port restrictions together with promoting the health of the on-signing crew 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. We expect that crew costs for the crew that we utilize on our vessels will increase going forward due to expected higher wages, as well as the impact of COVID-19 restrictions.

Based on our management's estimates and budgets provided by our technical manager for our fleet, we expect our vessels to have average daily vessel operating expenses during 2021 of:

Vessel Type	**Average Daily Budgeted Amount**
Capesize	$ 5,390
Ultramax	4,825
Supramax	4,620

Based on these average daily budgeted amounts by vessel type, we expect our fleet to have average daily vessel operating expenses of $5,000 during 2021, reflecting our exit from the smaller, Handysize vessels and the greater weighting of our fleet towards Capesize vessels as well as an anticipated increase in COVID-19 related expenses, as well as higher crew costs and stores. The potential impacts of COVID-19 are beyond our control and are difficult to predict due to uncertainties surrounding the pandemic.

CHARTER HIRE EXPENSES-

Charter hire expenses decreased by $5.9 million from $16.2 million during 2019 to $10.3 million during 2020. The decrease was primarily due to fewer chartered-in days, as well as the chartering in of smaller class vessels during 2020 as compared to 2019.

GENERAL AND ADMINISTRATIVE EXPENSES-

We incur general and administrative expenses which relate to our onshore non-vessel-related activities. Our general and administrative expenses include our payroll expenses, including those relating to our executive officers, rent, legal, auditing and other professional expenses. General and administrative expenses include nonvested stock amortization expense which represent the amortization of stock-based compensation that has been issued to our Directors and employees pursuant to the 2015 Equity Incentive Plan. Refer to Note 16 — Stock-Based Compensation in our 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 have incurred additional expenses related to these overseas offices during 2020.

General and administrative expenses decreased by $3.3 million from $24.5 million during 2019 to $21.3 million during 2020. The decrease was primarily due to lower office rent and administrative expenses, as well as lower travel expenses and legal and professional fees.

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.

For the years ended December 31, 2020 and 2019, technical management fees were $7.0 million and $7.6 million, respectively. The decrease was a result of fewer owned vessels during 2020 as compared to 2019.

DEPRECIATION AND AMORTIZATION-

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years and we estimate the residual value by taking the estimated scrap value of $310 per lightweight ton multiplied by the weight of the ship in lightweight tons.

Depreciation and amortization expenses decreased by $7.7 million from $72.8 million during 2019 to $65.2 million during 2020. This decrease was primarily due to a decrease in depreciation for the twelve vessels that were sold during the fourth quarter of 2019 and 2020, as well as a decrease in depreciation for certain vessels in our fleet that were impaired during 2020. These decreases were partially offset by an increase in depreciation expense related to scrubber additions for our Capesize vessels.

IMPAIRMENT OF VESSEL ASSETS-

During 2020 and 2019, we recorded $208.9 million and $27.4 million of impairment of vessel assets, respectively. During 2020, we recorded impairment losses for 20 of our Supramax vessels and ten of our Handysize vessels. During 2019, we recorded impairment losses for three of our Handysize vessels and two of our Panamax vessels.

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

LOSS ON SALE OF VESSELS-

During 2020, we recorded a $1.9 million net loss on sale of vessels related primarily to the sale of the Genco Charger, Genco Thunder, Baltic Wind, Baltic Breeze, Genco Bay, Baltic Jaguar, Genco Loire, Genco Normandy and Genco Ocean. During 2019, we recorded a $0.2 million net loss on sale of vessels related primarily to the sale of the Genco Challenger, Genco Champion and Genco Raptor, which was largely offset by a net gain related to the sale of the Genco Vigour.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

Net interest expense decreased by $6.5 million to $21.4 million during 2020 as compared to $27.9 million during 2019. Net interest expense during the years ended December 31, 2020 and 2019 consisted of interest expense under our credit facilities and amortization of deferred financing costs for those facilities. The decrease is primarily due to a $9.5 million decrease in interest expense as a result of lower interest rates, as well as lower outstanding debt. This was offset by a $3.1 million decrease in interest income due to a decrease in interest earned on our time deposits and cash accounts. Refer to Note 7 — Debt in the Consolidated Financial Statements for information regarding our credit facilities.

IMPAIRMENT OF RIGHT-OF-USE ASSET –

During 2019, we recognized $0.2 million of impairment charges on our operating lease right-of-use asset in accordance with ASC 360. Refer to Note 13 — Leases in our Consolidated Financial Statements for further information.

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 $143.9 million as of December 31, 2020, which compares to a minimum liquidity requirement under our credit facilities of approximately $34 million as of the date of this report. Given quarterly amortization payments of $20.2 million which began 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 $21.2 million as of December 31, 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.

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. On December 17, 2020, we entered into an amendment to the $495 Million Credit Facility that allowed us to enter into a vessel transaction in which we agreed to acquire three modern Ultramax vessels in exchange for six of our older Handysize vessels.

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 Consolidated Financial Statements.

As of December 31, 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 adopted a quarterly dividend policy following the third quarter of 2019 to pay a dividend of $0.175 per share. In light of market weakness and heightened economic uncertainty as a result of the COVID-19 pandemic, in May 2020, our Board of Directors determined following its quarterly review that it would be prudent to reduce our regular quarterly dividend beginning in the first quarter of 2020 to $0.02 per share 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 fourth quarter of 2020, as we announced a quarterly dividend of $0.02 per share on February 24, 2021. 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 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. As of December 31, 2020, we had unrestricted cash and cash equivalents of $143.9 million. We have commitments for amortization payments expected to be $20.2 million which began 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 in the future, 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 33 - 34 of the Form 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 of the Form 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.

<u>Non-U.S. Holders</u>

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 or 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 provided by operating activities for the years ended December 31, 2020 and 2019 was $36.9 million and $59.5 million, respectively. This decrease in cash provided by operating activities was primarily due to changes in working capital, offset by a decrease in drydocking related expenditures.

Net cash provided by investing activities during the year ended December 31, 2020 was $37.4 million as compared to $22.8 million net cash used in investing activities during the year ended December 31, 2019. This fluctuation was primarily due to an increase in net proceeds from the sale of vessels in 2020 as compared to 2019, as well as a decrease in scrubber and ballast water treatment system related expenditures.

Net cash used in financing activities during the years ended December 31, 2020 and 2019 was $56.9 million and $77.2 million, respectively. The decrease was primarily due to the $24.0 million drawdown on the $133 Million Credit Facility during 2020 and an $11.0 million decrease in the payment of dividends during 2020 as compared to 2019. These decreases were partially offset by a $10.3 million decrease in drawdowns under the $495 Million Credit Facility, as well as a $2.8 million and a $1.9 million increase in repayments under the $133 Million Credit Facility and $495 Million Credit Facility, respectively, during 2020 as compared to 2019.

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. On December 17, 2020, we entered into an amendment to the $495 Million Credit Facility that allowed us to enter into a vessel transaction in which we agreed to acquire three modern Ultramax vessels in exchange for six of our older Handysize vessels.

Refer to Note 7 — Debt in our Consolidated Financial Statements for information regarding our current credit facilities, including the underlying financial and non-financial covenants.

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

As of December 31, 2020 and 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, which in the past, have resulted in an immaterial adjustment. 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 December 31, 2020 and 2019.

Interest Rates

The effective interest rate for the years ended December 31, 2020, 2019 and 2018 include interest rates associated with the interest expense for our various credit facilities including the following: the $133 Million Credit Facility; the $495 Million Credit Facility; the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities (until these facilities were refinanced with the $495 Million Credit Facility on June 5, 2018).

The effective interest rate for the aforementioned credit facilities, including the cost associated with unused commitment fees, if applicable, was 3.71%, 5.31% and 5.71% during 2020, 2019 and 2018, respectively. The interest rate on the debt, excluding unused commitment fees, ranged from 2.65% to 3.50%; 4.05% to 5.76% and 3.83% to 8.43% during 2020, 2019 and 2018, respectively.

Contractual Obligations

The following table sets forth our contractual obligations and their scheduled maturity dates as of December 31, 2020. The table incorporates the employment agreement entered into in September 2007 with our Chief Executive Officer and President, John C. Wobensmith, as amended. The interest and borrowing fees and scheduled credit agreement payments below reflect the $495 Million Credit Facility and the $133 Million Credit Facility, as well as other fees associated with the facilities. The following table also incorporates the future lease payments associated with our office leases. Refer to Note 13 — Leases in our Consolidated Financial Statements for further information regarding the terms of our lease agreements. Lastly, the table incorporates the remaining contractual purchase obligations for the purchase of ballast water treatment systems for 11 of our vessels, refer to “Capital Expenditures” below for further information. All of our time charter-in agreements with third parties are less than twelve months and have not been included below.

	Total	Less Than One Year (1)	One to Three Years	Three to Five Years	More than Five Years
		(U.S. dollars in thousands)			
Credit Agreements	$ 449,228	$ 80,642	$ 368,586	$ —	$ —
Interest and borrowing fees	28,617	13,521	15,096	—	—
Ballast water treatment system obligations	5,336	3,780	1,556	—	—
Executive employment agreement	467	467	—	—	—
Office leases	11,130	2,230	4,608	4,292	—
Totals	$ 494,778	$ 100,640	$ 389,846	$ 4,292	$ —

Interest expense has been estimated using 0.13% based on one-month LIBOR plus the applicable margin of 3.25% for the $460 million tranche of the $495 Million Credit Facility; 2.50% for the $35 million tranche of the $495 Million Credit Facility; 2.50% for the $108 million tranche of the $133 Million Credit Facility; and 3.00% for the $25 million tranche of the $133 Million Credit Facility.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. After the sale of two Supramax vessels, our fleet will consist of 39 drybulk vessels, including 17 Capesize drybulk carriers, nine Ultramax drybulk carriers and thirteen Supramax drybulk carriers.

As previously announced, we have initiated 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 22 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 year 2021. Additionally, for our vessels that were scheduled to drydock in 2017 and 2018, the USCG has granted an extension that enables us to defer installation to the next scheduled out of water drydocking. Any newbuilding vessels that we acquire will have a USCG approved system or at least an AMS installed when the vessel is being built.

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

During the second half of 2018, we have entered into agreements for the purchase of BWTS for 36 of our vessels. The cost of these systems will vary based on the size and specifications of each vessel and whether the systems will be installed in China. Based on the contractual purchase price of the BWTS and the estimated installation fees, the Company estimates the cost of the systems to be approximately $0.9 million for Capesize, $0.6 million for Supramax and $0.5 million for Handysize vessels. The BWTS will be installed during a vessel's scheduled drydocking and these costs will be capitalized and depreciated over the remainder of the life of the vessel. During 2020 and 2019, we completed the installation of BWTS on nine and 17 of our vessels, respectively. Eight of these vessels have since been sold. We anticipate that we will complete the installation of BWTS on five vessels during 2021 and five vessels during 2022. We intend to fund the remaining BWTS purchase price and installation fees using cash on hand.

Under maritime regulations that went into effect January 1, 2020, our vessels were required to reduce sulfur emissions, for which the principal solutions are the use of scrubbers or buying fuel with low sulfur content. We have completed the installation of scrubbers on our 17 Capesize vessels, 16 of which were completed as of December 31, 2019 and the last one of which was completed on January 17, 2020. The remainder of our vessels are consuming 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 December 31, 2020, we have paid $42.7 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 2022 to be:

Year	**Estimated Drydocking Cost (1)**	**Estimated BWTS Cost (2)**	**Estimated Off-hire Days (3)**
	(U.S. dollars in millions)		
2021	$ 7.7	$ 4.0	170
2022	$ 7.5	$ 4.0	185

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

Actual length of drydocking will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expenses 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 2020 and 2019, we incurred a total of $8.6 million and $14.6 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Fourteen vessels completed their respective drydockings during 2020, which included one vessel that began its drydocking during the fourth quarter of 2019. We estimate that eight of our vessels will be drydocked during 2021 and seven of our vessels will be drydocked during 2022.

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 is 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

The discussion and analysis of our financial condition and results of operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For an additional description of our significant accounting policies, see Note 2 to our Consolidated Financial Statements included in this report.

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 below under the heading "Impairment of long-lived assets."

During the years ended December 31, 2020, 2019 and 2018, we recorded losses of $208.9 million, $27.4 million and $56.6 million related to the impairment of our vessel assets. During the year ended December 31, 2020, we recorded impairment for 20 of our Supramax vessels (the Genco Loire, the Genco Lorraine, the Genco Normandy, the Genco Picardy, the Genco Predator, the Genco Provence, the Genco Warrior, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard, the Baltic Panther, the Genco Aquitaine, the Genco Ardennes, the Genco Auvergne, the Genco Bourgogne, the Genco Brittany, the Genco Hunter, the Genco Languedoc, the Genco Pyrenees and the Genco Rhone) and ten of our Handysize vessels (the Genco Avra, the Genco Bay, the Genco Mare, the Genco Ocean, the Genco Spirit, the Baltic Breeze, the Baltic Cove, the Baltic Fox, the Baltic Hare and the Baltic Wind). During the year ended

December 31, 2019, we recorded impairment for two of our Panamax vessels (the Genco Raptor and Genco Thunder) and three of our Handysize vessels (the Genco Challenger, the Genco Champion and the Genco Charger). During the year ended December 31, 2018, we recorded impairment for one of our Panamax vessels (the Genco Surprise), one of our Handymax vessels (the Genco Muse), and eight of our Supramax vessels (the Genco Cavalier, the Genco Loire, the Genco Lorraine, the Genco Normandy, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard and the Baltic Panther). Refer to Note 2 — Summary of Significant Accounting Policies in our Consolidated Financial Statements for further information regarding the impairment recorded during the years ended December 31, 2020, 2019 and 2018.

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 bank 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 December 31, 2020. Refer to Note 7 — Debt in our Consolidated Financial Statements for additional information. 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 as of December 31, 2020 and 2019. Vessels have been grouped according to their collateralized status as of December 31, 2020 and does not include any vessels held for sale or held for exchange. The carrying value of 15 Supramax vessels as noted above reflect the impairment loss recorded during 2020 for these vessels (the Genco Lorraine, the Genco Picardy, the Genco Predator, the Genco Provence, the Genco Warrior, the Baltic Leopard, the Genco Aquitaine, the Genco Ardennes, the Genco Auvergne, the Genco Bourgogne, the Genco Brittany, the Genco Hunter, the Genco Languedoc, the Genco Pyrenees and the Genco Rhone). The carrying value of the Genco Charger as of December 31, 2019 reflects the impairment loss recorded during 2019 for this vessel.

As of December 31, 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 as of December 31, 2020, with the exception of nine of the Supramax vessels that were impaired as of December 31, 2020 (the Genco Aquitaine, the Genco Ardennes, the Genco Auvergne, the Genco Bourgogne, the Genco Brittany, the Genco Hunter, the Genco Languedoc, the Genco Pyrenees and the Genco Rhone) and the Genco Magic that was acquired on December 23, 2020. As of 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 as of 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 as of December 31, 2020 of all of the vessels in our fleet, with the exception of the ten aforementioned vessels, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual basis, from $0 million to $18.3 million per vessel, and $260.8 million on an aggregate fleet basis. The amount by which the carrying value as of December 31, 2019 of all of the vessels in our fleet, with the exception of the Genco Charger, exceeded the valuation of such vessels for covenant compliance purposes ranged, on an individual basis, from $1.6 million to $18.1 million per vessel, and $418.1 million on an aggregate fleet basis. The average amount by which the carrying value of these vessels exceeded the valuation of such vessels for covenant compliance purposes was $9.0 million and $7.9 million as of December 31, 2020 and 2019, respectively. 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 December 31, 2020	December 31, 2019
$495 Million Credit Facility				
Genco Commodus	2009	2009	$ 37,356	$ 39,472
Genco Maximus	2009	2009	37,355	39,498
Genco Claudius	2010	2009	39,091	41,314
Baltic Bear	2010	2010	38,813	40,967
Baltic Wolf	2010	2010	39,050	41,163
Baltic Lion	2009	2013	30,811	32,199
Genco Tiger	2010	2013	29,020	30,115
Baltic Scorpion	2015	2015	24,520	25,583
Baltic Mantis	2015	2015	24,768	25,835
Genco Hunter	2007	2007	8,250	17,121
Genco Warrior	2005	2007	7,422	15,053
Genco Aquitaine	2009	2010	9,000	17,046
Genco Ardennes	2009	2010	9,000	17,080
Genco Auvergne	2009	2010	9,000	17,094
Genco Bourgogne	2010	2010	9,750	17,802
Genco Brittany	2010	2010	9,750	17,829
Genco Languedoc	2010	2010	9,750	17,609
Genco Loire	2009	2010	—	10,777
Genco Lorraine	2009	2010	7,751	10,748
Genco Normandy	2007	2010	—	8,717
Baltic Leopard	2009	2009	7,840	10,773
Baltic Jaguar	2009	2010	—	10,782
Baltic Panther	2009	2010	—	10,784
Baltic Cougar	2009	2010	—	10,791
Genco Picardy	2005	2010	7,890	14,669
Genco Provence	2004	2010	6,930	14,164
Genco Pyrenees	2010	2010	9,750	17,528
Genco Rhone	2011	2011	10,625	18,610
Genco Bay	2010	2010	—	16,411
Genco Ocean	2010	2010	—	16,562
Genco Avra	2011	2011	—	17,505
Genco Mare	2011	2011	—	17,546
Genco Spirit	2011	2011	—	17,614
Baltic Wind	2009	2010	—	15,996
Baltic Cove	2010	2010	—	16,490
Baltic Breeze	2010	2010	—	16,603
Baltic Fox	2010	2013	—	15,995
Baltic Hare	2009	2013	—	15,395
Genco Constantine	2008	2008	34,179	36,450
Genco Augustus	2007	2007	32,049	34,330
Genco London	2007	2007	31,587	33,600
Genco Titus	2007	2007	32,306	33,590
Genco Tiberius	2007	2007	32,007	34,276
Genco Hadrian	2008	2008	34,633	36,638
Genco Predator	2005	2007	7,816	14,846
Genco Charger	2005	2007	—	5,099
Baltic Hornet	2014	2014	23,055	24,086
Baltic Wasp	2015	2015	23,308	24,340

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of December 31, 2020	December 31, 2019
Genco Magic	2014	2020	14,683	—
TOTAL			$ 689,115	$ 1,034,495
$133 Million Credit Facility				
Genco Endeavour	2015	2018	44,069	45,947
Genco Resolute	2015	2018	44,320	46,093
Genco Columbia	2016	2018	25,553	26,627
Genco Weatherly	2014	2018	20,740	21,676
Genco Liberty	2016	2018	47,676	49,506
Genco Defender	2016	2018	47,641	49,517
			$ 229,999	$ 239,366
Consolidated Total			$ 919,114	$ 1,273,861

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, net of commission, 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 Consolidated Financial Statements for information regarding the sale of vessel assets and the classification of vessel assets held for sale and exchange as of December 31, 2020 and 2019.

Deferred drydocking costs

Our vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. We defer the costs associated with drydockings as they occur and amortize these costs on a straight-line basis over the period between drydockings. Deferred drydocking costs include actual costs incurred at the drydock yard; cost of travel, lodging and subsistence of our personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. We believe that these criteria are consistent with U.S. GAAP guidelines and industry practice and that our policy of deferral reflects the economics and market values of the vessels. Costs that are not related to drydocking, including routine maintenance and repairs, are expensed as incurred. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Impairment of long-lived assets

We follow the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") subtopic 360-10, "Property, Plant and Equipment" ("ASC 360-10") which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, we perform an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

Weaker supply and demand fundamentals experienced in recent years have negatively impacted the drybulk industry. General market volatility has endured as a result of uncertainty about the growth rate of the world economy and the Chinese economy in particular, on which the drybulk industry depends to a significant degree. Additional unforeseen events such as the COVID-19 pandemic and the dam breach that occurred in Brazil at a mine operated by Vale during 2019 have also negatively impacted the market. As a result of these factors and the increased supply of drybulk vessels, freight rates and charter rates have remained volatile in recent years.

When indicators of impairment are present and our estimate of future undiscounted cash flows for any vessel is lower than the vessel's carrying value, the carrying value is written down, by recording a charge to operations, to the vessel's fair market value if the fair market value is lower than the vessel's carrying value.

We determined that as of December 31, 2020, the future income streams expected to be earned by such vessels over their remaining operating lives and upon disposal on an undiscounted basis would be sufficient to recover their carrying values. After the impairment of nine of our Supramax vessels as of December 31, 2020 resulting in $67.2 million of impairment during 2020, our estimated future undiscounted cash flows exceeded each of our vessels' carrying values by a margin of approximately 22% - 115% of the carrying value. Our vessels remain fully utilized and have a relatively long average remaining useful life of approximately 15 years in which to recover sufficient cash flows on an undiscounted basis to recover their carrying values as of December 31, 2020. Management will continue to monitor developments in charter rates in the markets in which it participates with respect to the expectation of future rates over an extended period of time that are utilized in the analyses.

In developing estimates of future undiscounted cash flows, we make assumptions and estimates about the vessels' future performance, with the significant assumptions being related to charter rates, fleet utilization, vessels' operating expenses, vessels' capital expenditures and drydocking requirements, vessels' residual value and the estimated remaining useful life of each vessel. The assumptions used to develop estimates of future undiscounted cash flows are based on historical trends. Specifically, we utilize the rates currently in effect for the duration of their current time charters or spot market voyage charters, without assuming additional profit sharing. For periods of time where our vessels are not fixed on time charters or spot market voyage charters, we utilize an estimated daily time charter equivalent for our vessels' unfixed days based on the most recent ten year historical one-year time charter average. In addition, we consider the current market rate environment and, if necessary, adjust our estimates of undiscounted cash flows to reflect the current rate environment. Further, for our older vessels, those vessels in operation for at least 18 years, we evaluate the current rate environment compared to the ten-year historical one-year time charter rate and adjust the rate to better reflect the expected cash flows over the remaining useful lives of those vessels. Older vessels are inherently more susceptible to impairment from weakness in the charter rate environment as their shorter remaining useful lives provide for less of an opportunity for them to benefit from potentially stronger rates in the future. It is reasonably possible that the estimate of undiscounted cash flows may change in the near term due to changes in current rates which adversely affect the average rates being utilized and could result in impairment of certain of our older vessels. Actual equivalent drybulk shipping rates are currently lower than the estimated rates. We believe current rates have been driven by seasonal issues, as well as a number of factors that have affected demand growth and overall sentiment in the drybulk market as discussed under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Voyage Revenues."

Of the inputs that the Company uses for its impairment analysis, future charter rates are the most significant and most volatile. Based on the sensitivity analysis performed by the Company, the Company would record impairment on its vessels for time charter declines from their most recent ten-year historical one-year time charter averages as follows (this table excludes any vessels held for sale or vessels held for exchange as of December 31, 2020):

	Percentage Decline from Ten-Year Historical One-Year Time Charter Average at Which Point Impairment Would be Recorded	
Vessel Class	**As of December 31, 2020**	**As of December 31, 2019**
Capesize	(23.0)%	(9.1)%
Ultramax (1)	(12.3)%	(18.8)%
Supramax (2)	(14.2)%	(3.8)%
Handysize	— %	(6.2)%

(1) We excluded the Genco Magic from this sensitivity analysis as the vessel was recently acquired on December 23, 2020.

(2) We excluded the Genco Aquitaine, the Genco Ardennes, the Genco Auvergne, the Genco Bourgogne, the Genco Brittany, the Genco Hunter, the Genco Languedoc, the Genco Pyrenees and the Genco Rhone from this sensitivity analysis as these vessels were impaired during the fourth quarter of 2020.

For our impairment analysis, we utilize the ten-year historical one-year time charter average, as well as considering the current rate environment, to project future charter rates, which we believe appropriately takes into account the volatility and highs and lows of the shipping cycle.

Our time charter equivalent (TCE) rates for our fiscal years ended December 31, 2020 and 2019, respectively, were above or (below) the ten-year historical one-year time charter average as of such dates as follows:

	TCE Rates as Compared with Ten-Year Historical One-Year Time Charter Average (as percentage above/(below))	
Vessel Class	**As of December 31, 2020**	**As of December 31, 2019**
Capesize	2.1 %	(19.8)%
Panamax	— %	(9.2)%
Ultramax	(6.1)%	(9.7)%
Supramax	(19.3)%	(18.2)%
Handysize	— %	(6.4)%

The projected net operating cash flows are determined by considering the future voyage revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the unfixed days over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by brokerage and address commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and required capital expenditures adjusted annually for inflation, assuming fleet utilization of 98%. The salvage value used in the impairment test is estimated to be $310 per light weight ton, consistent with our vessels' depreciation policy discussed above.

Although we believe that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how long charter rates and vessel values will remain at their currently low levels or whether they will improve by any significant degree. Charter rates may remain at depressed levels for a prolonged period of time, which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

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. As of December 31, 2020 and 2019, we did not have any interest rate swap agreements to manage interest costs and the risks 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 years ended December 31, 2020, 2019 and 2018, we were subject to the following interest rates on the outstanding debt under our credit facilities (refer to Note 7 — Debt in our Consolidated Financial Statements for effective dates and termination dates for our credit facilities outlined below):

- $133 Million Credit Facility —

    - $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 3.0% 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 the 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.

  - $400 Million Credit Facility — three-month LIBOR plus 3.75% until June 5, 2018, when this credit facility was refinanced with the $495 Million Credit Facility

- $98 Million Credit Facility — three-month LIBOR plus 6.125% until June 5, 2018, when this credit facility was refinanced with the $495 Million Credit Facility

- 2014 Term Loan Facilities — three-month or six-month LIBOR plus 2.50% until June 5, 2018, when this credit facility was refinanced with the $495 Million Credit Facility

A 1% increase in LIBOR would result in an increase of $5.0 million in interest expense for the year ended December 31, 2020.

From time to time, the Company may consider derivative financial instruments such as swaps and caps or other means to protect itself against interest rate fluctuations.

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 December 31, 2020 and 2019, we did not have any derivative financial instruments.

Refer to the "Interest rate risk" section above for further information regarding interest rate swap agreements.

Currency and exchange rate risk

The international shipping industry's functional currency is the U.S. Dollar. 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Genco Shipping & Trading Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Genco Shipping & Trading Limited and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2021, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of Vessel Assets – Future Charter Rates – Refer to Note 2 of the consolidated financial statements

Critical Audit Matter Description

The Company's evaluation of vessel assets for impairment involves an initial assessment of each vessel asset to determine whether events or changes in circumstances exist that may indicate that the carrying amount of the vessel asset may no longer be recoverable.

If indicators of impairment exist for a vessel asset, the Company determines the recoverable amount by estimating the undiscounted future cash flows associated with the vessel. If the Company's estimate of undiscounted future cash flows for any vessel asset for which indicators of impairment exist is lower than the vessel asset's carrying value, and the vessel's carrying value is greater than its fair market value, the carrying value is written down, by recording a charge to operations, to the vessel asset's fair market value. The Company makes significant assumptions and judgments to determine the undiscounted future cash flows expected to be generated over the remaining useful life of the asset, including estimates and assumptions related to the future charter rates, fleet utilization, vessel operating expenses, vessel capital expenditures and drydocking requirements, vessel residual value and the estimated remaining useful life of each vessel. Projected future charter rates are the most significant and volatile assumption that the Company uses for its impairment analysis. Total vessel assets as of December 31, 2020, were $919.1 million, net of impairment losses recorded during 2020 of $208.9 million.

We identified future charter rates used in the undiscounted future cash flows analysis as a critical audit matter because of the complex judgments made by management to estimate future charter rates and the significant impact they have on undiscounted cash flows expected to be generated over the remaining useful life of the vessel. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimate of future charter rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future charter rates utilized in the undiscounted future cash flows included the following, among others:

- We tested the effectiveness of controls over management's review of the impairment analysis, including the future charter rates used within the undiscounted future cash flows analysis.

- We evaluated the reasonableness of the Company's estimate of future charter rates through the performance of the following procedures:

    - Evaluated the Company's methodology for estimating the future charter rates which reflect the rates currently in effect for the duration of their current charters, without assuming additional profit sharing. For periods of time where the vessels are not fixed on time charters or spot market voyage charters, the Company estimates the future daily time charter equivalent for the vessels' unfixed days based on the most recent ten-year historical one-year time charter average for the vessel class, as well as also considering the current rate environment, to project future charter rates.

    - Compared the future charter rates utilized in the undiscounted future cash flow analysis to 1) the Company's historical rates, 2) historical rate information by vessel class published by third parties and 3) other external market sources, including analysts' reports and freight forward agreement curves.

    - Obtained from the Company's management the assumptions used in the future charter rates and considered the consistency of the assumptions used with evidence obtained in other areas of the audit. This included 1) internal communications by management to the board of directors and 2) external communications by management to analysts and investors.

/s/ Deloitte & Touche LLP

New York, New York
February 24, 2021
We have served as the Company's auditor since 2005.

Genco Shipping & Trading Limited

Consolidated Balance Sheets as of December 31, 2020 and 2019

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

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 143,872	$ 155,889
Restricted cash	35,492	6,045
Due from charterers, net of a reserve of $669 and $1,064, respectively	12,991	13,701
Prepaid expenses and other current assets	10,856	10,049
Inventories	21,583	27,208
Vessels held for sale	22,408	10,303
Total current assets	247,202	223,195
Noncurrent assets:		
Vessels, net of accumulated depreciation of $204,201 and $288,373, respectively	919,114	1,273,861
Vessels held for exchange	38,214	—
Deferred drydock, net of accumulated amortization of $8,124 and $11,862 respectively	14,689	17,304
Fixed assets, net of accumulated depreciation and amortization of $2,266 and $2,154, respectively	6,393	5,976
Operating lease right-of-use assets	6,882	8,241
Restricted cash	315	315
Total noncurrent assets	985,607	1,305,697
Total assets	$ 1,232,809	$ 1,528,892
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 22,793	$ 49,604
Current portion of long-term debt	80,642	69,747
Deferred revenue	8,421	6,627
Current operating lease liabilities	1,765	1,677
Total current liabilities:	113,621	127,655
Noncurrent liabilities:		
Long-term operating lease liabilities	8,061	9,826
Contract liability	7,200	—
Long-term debt, net of deferred financing costs of $9,653 and $13,094, respectively	358,933	412,983
Total noncurrent liabilities	374,194	422,809
Total liabilities	487,815	550,464
Commitments and contingencies (Note 14)		
Equity:		
Common stock, par value $0.01; 500,000,000 shares authorized; 41,801,753 and 41,754,413 shares issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	418	417
Additional paid-in capital	1,713,406	1,721,268
Accumulated deficit	(968,830)	(743,257)
Total equity	744,994	978,428
Total liabilities and equity	$ 1,232,809	$ 1,528,892

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Operations for the Years Ended December 31, 2020, 2019 and 2018
(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

	For the Years Ended December 31,		
	2020	2019	2018
Revenues:			
Voyage revenues	$ 355,560	$ 389,496	$ 367,522
Total revenues	355,560	389,496	367,522
Operating expenses:			
Voyage expenses	156,985	173,043	114,855
Vessel operating expenses	87,420	96,209	97,427
Charter hire expenses	10,307	16,179	1,534
General and administrative expenses (inclusive of nonvested stock amortization expense of $2,026, $2,057 and $2,231, respectively)	21,266	24,516	23,141
Technical management fees	6,961	7,567	8,000
Depreciation and amortization	65,168	72,824	68,976
Impairment of vessel assets	208,935	27,393	56,586
Loss (gain) on sale of vessels	1,855	168	(3,513)
Total operating expenses	558,897	417,899	367,006
Operating loss	(203,337)	(28,403)	516
Other (expense) income:			
Other (expense) income	(851)	501	367
Interest income	1,028	4,095	3,801
Interest expense	(22,413)	(31,955)	(33,091)
Impairment of right-of-use asset	—	(223)	—
Loss on debt extinguishment	—	—	(4,533)
Other expense	(22,236)	(27,582)	(33,456)
Net loss	$ (225,573)	$ (55,985)	$ (32,940)
Net loss per share-basic	$ (5.38)	$ (1.34)	$ (0.86)
Net loss per share-diluted	$ (5.38)	$ (1.34)	$ (0.86)
Weighted average common shares outstanding-basic	41,907,597	41,762,893	38,382,599
Weighted average common shares outstanding-diluted	41,907,597	41,762,893	38,382,599

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2020, 2019 and 2018
(U.S. Dollars in Thousands)

	For the Years Ended December 31,		
	2020	**2019**	**2018**
Net loss	$ (225,573)	$ (55,985)	$ (32,940)
Other comprehensive income	—	—	—
Comprehensive loss	$ (225,573)	$ (55,985)	$ (32,940)

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Equity
(U.S. Dollars in Thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Equity
Balance — January 1, 2018	$ 345	$ 1,628,355	$ (654,332)	$ 974,368
Net loss			(32,940)	(32,940)
Issuance of 7,015,000 shares of common stock	70	109,578		109,648
Issuance of 97,466 shares of vested RSUs	1	(1)		—
Nonvested stock amortization		2,231		2,231
Balance — December 31, 2018	$ 416	$ 1,740,163	$ (687,272)	$ 1,053,307
Net loss			(55,985)	(55,985)
Issuance of 109,943 shares of vested RSUs	1	(1)		—
Cash dividends declared ($0.50 per share)		(20,951)		(20,951)
Nonvested stock amortization		2,057		2,057
Balance — December 31, 2019	$ 417	$ 1,721,268	$ (743,257)	$ 978,428
Net loss			(225,573)	(225,573)
Issuance of 47,341 shares of vested RSUs, net of forfeitures of 1,490 shares	1	(1)		—
Cash dividends declared ($0.235 per share)		(9,887)		(9,887)
Nonvested stock amortization		2,026		2,026
Balance — December 31, 2020	$ 418	$ 1,713,406	$ (968,830)	$ 744,994

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited
Consolidated Statements of Cash Flows
(U.S. Dollars in Thousands)

	For the Years Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net loss	$ (225,573)	$ (55,985)	$ (32,940)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	65,168	72,824	68,976
Amortization of deferred financing costs	3,903	3,788	3,035
Payment of PIK interest	—	—	(5,341)
Right-of-use asset amortization	1,359	1,246	—
Amortization of nonvested stock compensation expense	2,026	2,057	2,231
Impairment of right-of-use asset	—	223	—
Impairment of vessel assets	208,935	27,393	56,586
Loss (gain) on sale of vessels	1,855	168	(3,513)
Loss on debt extinguishment	—	—	4,533
Insurance proceeds for protection and indemnity claims	569	494	303
Insurance proceeds for loss of hire claims	78	—	58
Change in assets and liabilities:			
Decrease (increase) in due from charterers	710	8,605	(10,099)
Increase in prepaid expenses and other current assets	(1,938)	(789)	(6,626)
Decrease (increase) in inventories	5,625	2,340	(14,215)
Decrease in other noncurrent assets	—	—	514
(Decrease) increase in accounts payable and accrued expenses	(17,355)	13,172	2,571
Increase in deferred revenue	1,794	223	1,190
Decrease in operating lease liabilities	(1,677)	(1,592)	—
Increase in deferred rent	—	—	880
Deferred drydock costs incurred	(8,583)	(14,641)	(2,236)
Net cash provided by operating activities	36,896	59,526	65,907
Cash flows from investing activities:			
Purchase of vessels and ballast water treatment systems, including deposits	(4,485)	(13,960)	(241,872)
Purchase of scrubbers (capitalized in Vessels)	(10,973)	(31,750)	—
Purchase of other fixed assets	(4,580)	(4,714)	(1,462)
Net proceeds from sale of vessels	56,993	26,963	44,330
Insurance proceeds for hull and machinery claims	484	612	3,629
Net cash provided by (used in) investing activities	37,439	(22,849)	(195,375)
Cash flows from financing activities:			
Proceeds from the $133 Million Credit Facility	24,000	—	108,000
Repayments on the $133 Million Credit Facility	(9,160)	(6,320)	(1,580)
Proceeds from the $495 Million Credit Facility	11,250	21,500	460,000
Repayments on the $495 Million Credit Facility	(72,686)	(70,776)	(15,000)
Repayments on the $400 Million Credit Facility	—	—	(399,600)

	For the Years Ended December 31,		
	2020	2019	2018
Repayments on the $98 Million Credit Facility	—	—	(93,939)
Repayments on the 2014 Term Loan Facilities	—	—	(25,544)
Payment of debt extinguishment costs	—	—	(2,962)
Proceeds from issuance of common stock	—	—	110,249
Payment of common stock issuance costs	—	(105)	(496)
Cash dividends paid	(9,847)	(20,877)	—
Payment of deferred financing costs	(462)	(611)	(11,845)
Net cash (used in) provided by financing activities	(56,905)	(77,189)	127,283
Net increase (decrease) in cash, cash equivalents and restricted cash	17,430	(40,512)	(2,185)
Cash, cash equivalents and restricted cash at beginning of period	162,249	202,761	204,946
Cash, cash equivalents and restricted cash at end of period	$ 179,679	$ 162,249	$ 202,761

See accompanying notes to consolidated financial statements.

1 - GENERAL INFORMATION

The accompanying 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. GS&T is incorporated under the laws of the Marshall Islands and as of December 31, 2020, is the direct or indirect owner of all of the outstanding shares or limited liability company interests of the following subsidiaries: Genco Ship Management LLC; Genco Investments LLC; Genco RE Investments LLC; Genco Shipping Pte. Ltd.; Genco Shipping A/S; Baltic Trading Limited ("Baltic Trading"); and the ship-owning subsidiaries as set forth below under "Other General Information."

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 any future impact of COVID-19 on the Company's operational and financial performance, which may take some time to materialize and may not be fully reflected in the results for 2020. However, an increase in the severity or duration or a resurgence of the COVID-19 pandemic and the timing of wide-scale vaccine distribution could have a material adverse effect on the Company's business, results of operations, cash flows, financial condition, the carrying value of the Company's assets, the fair values of the Company's vessels, and the Company's ability to pay dividends.

On June 19, 2018, the Company closed an equity offering of 7,015,000 shares of common stock at an offering price of $16.50 per share. The Company received net proceeds of $109,648 after deducting underwriters' discounts and commissions and other expenses.

Other General Information

As of December 31, 2020, 2019 and 2018, the Company's fleet consisted of 47, 55 and 59 vessels, respectively.

Below is the list of Company's wholly owned ship-owning subsidiaries as of December 31, 2020:

Wholly Owned Subsidiaries	**Vessel Acquired**	**Dwt**	**Delivery Date**		**Year Built**
Genco Augustus Limited	Genco Augustus	180,151	8/17/07		2007
Genco Tiberius Limited	Genco Tiberius	175,874	8/28/07		2007
Genco London Limited	Genco London	177,833	9/28/07		2007
Genco Titus Limited	Genco Titus	177,729	11/15/07		2007
Genco Warrior Limited	Genco Warrior	55,435	12/17/07		2005
Genco Predator Limited	Genco Predator	55,407	12/20/07		2005
Genco Hunter Limited	Genco Hunter	58,729	12/20/07		2007
Genco Constantine Limited	Genco Constantine	180,183	2/21/08		2008
Genco Hadrian Limited	Genco Hadrian	169,025	12/29/08		2008
Genco Commodus Limited	Genco Commodus	169,098	7/22/09		2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09		2009
Genco Claudius Limited	Genco Claudius	169,001	12/30/09		2010
Genco Avra Limited	Genco Avra	34,391	5/12/11		2011
Genco Mare Limited	Genco Mare	34,428	7/20/11		2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/11		2011
Genco Aquitaine Limited	Genco Aquitaine	57,981	8/18/10		2009
Genco Ardennes Limited	Genco Ardennes	58,018	8/31/10		2009
Genco Auvergne Limited	Genco Auvergne	58,020	8/16/10		2009
Genco Bourgogne Limited	Genco Bourgogne	58,018	8/24/10		2010
Genco Brittany Limited	Genco Brittany	58,018	9/23/10		2010
Genco Languedoc Limited	Genco Languedoc	58,018	9/29/10		2010
Genco Lorraine Limited	Genco Lorraine	53,417	7/29/10		2009
Genco Picardy Limited	Genco Picardy	55,257	8/16/10		2005
Genco Provence Limited	Genco Provence	55,317	8/23/10		2004
Genco Pyrenees Limited	Genco Pyrenees	58,018	8/10/10		2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/11		2011
Genco Weatherly Limited	Genco Weatherly	61,556	7/26/18		2014
Genco Columbia Limited	Genco Columbia	60,294	9/10/18		2016
Genco Endeavour Limited	Genco Endeavour	181,060	8/15/18		2015
Genco Resolute Limited	Genco Resolute	181,060	8/14/18		2015
Genco Defender Limited	Genco Defender	180,021	9/6/18		2016
Genco Liberty Limited	Genco Liberty	180,032	9/11/18		2016
Genco Magic Limited	Genco Magic	63,446	12/23/20		2014
Baltic Lion Limited	Baltic Lion	179,185	4/8/15	(1)	2012
Baltic Tiger Limited	Genco Tiger	179,185	4/8/15	(1)	2011
Baltic Leopard Limited	Baltic Leopard	53,446	4/8/10		2009
Baltic Panther Limited	Baltic Panther	53,350	4/29/10		2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10		2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10		2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10		2010
Baltic Cove Limited	Baltic Cove	34,403	8/23/10		2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13		2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13		2009
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14		2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15		2015
Baltic Scorpion Limited	Baltic Scorpion	63,462	8/6/15		2015
Baltic Mantis Limited	Baltic Mantis	63,470	10/9/15		2015

(1) The delivery date for these vessels represents the date that the vessel was purchased from Baltic Trading.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying 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.

Business geographics

The Company's vessels regularly move between countries in international waters, over hundreds of trade routes and, as a result, the disclosure of geographic information is impracticable.

Vessel acquisitions

When the Company enters into an acquisition transaction, it determines whether the acquisition transaction was the purchase of an asset or a business based on the facts and circumstances of the transaction. As is customary in the shipping industry, the purchase of a vessel is normally treated as a purchase of an asset as the historical operating data for the vessel is not reviewed nor is it material to the Company's decision to make such acquisition.

When a vessel is acquired with an existing time charter, the Company allocates the purchase price to the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management's estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to voyage revenues over the remaining term of the charter.

Segment reporting

The Company reports financial information and evaluates its operations by voyage revenues and not by the length of ship employment for its customers, i.e., spot or time charters. Each of the Company's vessels serve the same type of customer, have similar operation and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment, the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

Revenue recognition

Since the Company's inception, revenues have been generated from time charter agreements, spot market voyage charters, pool agreements and spot market-related time charters. Voyage revenues also include the sale of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Time charters

A time charter involves placing a vessel at the charterer's disposal for a set period of time during which the charterer may use the vessel in return for the payment by the charterer of a specified daily hire rate, including any ballast bonus payments received pursuant to the time charter agreement. Spot market-related time charters are the same as other time charter agreements, except the time charter rates are variable and are based on a percentage of the average daily rates as published by the Baltic Dry Index ("BDI").

The Company records time charter revenues, including spot market-related time charters, over the term of the charter as service is provided. Revenues are recognized on a straight-line basis as the average revenue over the term of the respective time charter agreement for which the performance obligations are satisfied beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. The Company records spot market-related time charter revenues over the term of the charter as service is provided based on the rate determined based on the BDI for each respective billing period. As such, the revenue earned by the Company's vessels that are on spot market-related time charters is subject to fluctuations of the spot market. Time charter contracts, including spot market-related time charters, are considered operating leases and therefore do not fall under the scope of ASC 606 (as defined under "Recent accounting pronouncements" below) because (i) the vessel is an identifiable asset; (ii) the Company does not have substantive substitution rights; and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives economic benefit from such use.

The Company has identified that time charter agreements, including fixed rate time charters and spot market-related time charters, contain a lease in accordance with ASC 842 (as defined under "Recent accounting pronouncements" below). Refer to Note 12 — Voyage Revenues for further discussion.

Spot market voyage charters

In a spot market voyage charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage, which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried or occasionally on a lump sum basis. The charter party generally has a minimum amount of cargo. The charterer is liable for any short loading of cargo or "dead" freight. The contract generally has a "demurrage" or "despatch" clause. As per this clause, the charterer reimburses the Company for any potential delays exceeding the allowed laytime as per the charter party clause at the ports visited which is recorded as demurrage revenue. Conversely, the charterer is given credit if the loading/discharging activities happen within the allowed laytime known as despatch resulting in a reduction in revenue. The voyage contracts generally have variable consideration in the form of demurrage or despatch. The amount of revenue earned as demurrage or despatch paid by the Company for the years ended December 31, 2020, 2019 and 2018 is not material.

Revenue for spot market voyage charters is recognized ratably over the total transit time of each voyage, which commences at the time the vessel arrives at the loading port and ends at the time the discharge of cargo is completed at the discharge port.

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 12 — 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 ($697), ($829) and $3,000 during the years ended December 31, 2020, 2019 and 2018, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Loss on debt extinguishment

During the year ended December 31, 2018, the Company recorded $4,533 related to the loss on the extinguishment of debt in accordance with Accounting Standards Codification ("ASC") 470-50 — "Debt – Modifications and Extinguishments" ("ASC 470-50"). This loss was recognized as a result of the refinancing of the $400

Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities with the $495 Million Credit Facility on June 5, 2018 as described in Note 7 — Debt.

Due from charterers, net

Due from charterers, net includes accounts receivable from charters, including receivables for spot market voyages, net of the provision for doubtful accounts. At each balance sheet date, the Company records the provision based on a review of all outstanding charter receivables. Included in the standard time charter contracts with the Company's customers are certain performance parameters which, if not met, can result in customer claims. As of December 31, 2020 and 2019, the Company had a reserve of $669 and $1,064, respectively, against the due from charterers balance and an additional accrual of $358 and $577, respectively, in deferred revenue, each of which is primarily associated with estimated customer claims against the Company including vessel performance issues under time charter agreements.

Revenue is based on contracted charterparties. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise concerning the responsibility of lost time and revenue. Accordingly, the Company periodically assesses the recoverability of amounts outstanding and estimates a provision if there is a possibility of non-recoverability. The Company believes its provisions to be reasonable based on information available.

Inventories

Inventories consist of consumable bunkers and lubricants that are stated at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

Vessel operating expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, and other miscellaneous expenses. Vessel operating expenses are recognized when incurred.

Charter hire expenses

During the second quarter of 2018, the Company began chartering-in third party vessels. The costs to charter-in these vessels, which primarily include the daily charter hire rate net of commissions or net freight revenue, are recorded as Charter hire expenses. The Company recorded $10,307, $16,179 and $1,534 of charter hire expenses during the years ended December 31, 2020, 2019 and 2018, respectively.

Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost that is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation expense for vessels for the years ended December 31, 2020, 2019 and 2018 was $58,008, $66,351 and $64,012, respectively.

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

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 November 3, 2020, November 27, 2020 and November 30, 2020, the Company entered into agreements to sell the Baltic Panther, the Baltic Hare and the Baltic Cougar, respectively. The relevant vessel assets have been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2020. The Baltic Panther, the Baltic Hare and the Baltic Cougar were sold on January 4, 2021, January 15, 2021 and February 24, 2021, respectively. 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 Consolidated Balance Sheet as of December 31, 2019. The vessel was sold on March 5, 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions for details of the agreement.

Vessels held for exchange

The vessel assets for the remaining five vessels to be exchanged as part of an agreement entered into by the Company on December 17, 2020 have been classified as vessels held for exchange in the Consolidated Balance Sheet as of December 31, 2020 in the amount of $38,214, after recognition of impairment. This includes the vessel assets for the Baltic Cove, the Baltic Fox, the Genco Avra, the Genco Mare and the Genco Spirit. These vessels were exchanged during the first quarter of 2021. Refer to Note 4 — Vessel Acquisitions and Dispositions for details of the agreement and Note 19 — Subsequent Events.

Contract liability

The Company has recorded a contract liability of $7,200 as of December 31, 2020 which is related to the timing of the exchange of vessels pursuant to the agreement entered into by the Company on December 17, 2020 to exchange six of the Company's Handysize vessels for three Ultramax vessels owned by the counterparty. As of December 31, 2020, the Company completed the exchange of one of its Handysize vessels, the Genco Ocean, for one Ultramax vessel, the Genco Magic. The $7,200 contract liability represents the excess of fair value of the vessels received as of December 31, 2020 over the fair value of the vessel contributed to the counterparty. The exchange of the remainder of the vessels under the agreement were completed during the first quarter of 2021. Refer to Note 4 — Vessel Acquisitions and Dispositions for details of the agreement and Note 19 — Subsequent Events.

Fixed assets, net

Fixed assets, net is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are based on a straight line basis over the estimated useful life of the specific asset placed in service. The following table is used in determining the typical estimated useful lives:

Description	Useful lives
Leasehold improvements	Lesser of the estimated useful life of the asset or life of the lease
Furniture, fixtures & other equipment	5 years
Vessel equipment	2-15 years
Computer equipment	3 years

Depreciation and amortization expense for fixed assets for the years ended December 31, 2020, 2019 and 2018 was $1,562, $989 and $335, respectively.

Deferred drydocking costs

The Company's vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. The Company defers the costs associated with the drydockings as they occur and amortizes these costs on a straight-line basis over the period between drydockings. Costs deferred as part of a vessel's drydocking include actual costs incurred at the drydocking yard; cost of travel, lodging and subsistence of personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Amortization expense for drydocking for the years ended December 31, 2020, 2019 and 2018 was $5,598, $5,484 and $4,629, respectively, and is included in Depreciation and amortization expense in the Consolidated Statements of Operations. All other costs incurred during drydocking are expensed as incurred.

Impairment of long-lived assets

During the years ended December 31, 2020, 2019 and 2018, the Company recorded $208,935, $27,393 and $56,586, respectively, related to the impairment of vessel assets in accordance with ASC 360 — "Property, Plant and Equipment" ("ASC 360"). ASC 360 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

When the Company performs its analysis of the anticipated undiscounted future net cash flows, the Company utilizes various assumptions based on historical trends. Specifically, the Company utilizes the rates currently in effect for the duration of their current time charters or spot market voyage charters, without assuming additional profit sharing. For periods of time during which the Company's vessels are not fixed on time charters or spot market voyage charters, the Company utilizes an estimated daily time charter equivalent for the vessels' unfixed days based on the most recent ten year historical one-year time charter average. In addition, the Company considers the current market rate environment and, if necessary, will adjust its estimates of future undiscounted cash flows to reflect the current rate environment. The projected undiscounted future net cash flows are determined by considering the future voyage revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the unfixed days over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by brokerage and address commissions, expected outflows for vessels' maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and required capital expenditures adjusted annually for inflation, assuming fleet utilization of 98%. The salvage value used in the impairment test is estimated to be $310 per light weight ton, consistent with the Company's depreciation policy.

On January 22, 2021, the Company entered into an agreement to sell the Genco Lorraine, a 2009-built Supramax vessel, to a third party for $7,950 less a 2.5% commission payable to a third party. Additionally, on January 25, 2021, the Company entered into an agreement to sell the Baltic Leopard, a 2009-built Supramax vessel, to a third party for $8,000 less a 2.0% commission payable to a third party. As the undiscounted cash flows, including the net sales price, did not exceed the net book value of the Genco Lorraine and Baltic Leopard as of December 31, 2020, the vessels values for the Genco Lorraine and Baltic Leopard were adjusted to their net sales prices of $7,751 and $7,840 as of December 31, 2020, respectively. This resulted in an impairment loss of $404 and $399 for the Genco Lorraine and Baltic Leopard, respectively, during the year ended December 31, 2020.

As of December 31, 2020, the Company determined that the expected estimated future undiscounted cash flows for nine of its Supramax vessels, the Genco Aquitaine, the Genco Ardennes, the Genco Auvergne, the Genco Bourgogne, the Genco Brittany, the Genco Hunter, the Genco Languedoc, the Genco Pyrenees and the Genco Rhone, did not exceed the net book value of these vessels. The Company adjusted the carrying value of these vessels to their respective fair market values as of December 31, 2020 which resulted in an impairment loss of $67,200 during the year ended December 31, 2020.

On December 17, 2020, the Company entered into an agreement to acquire three Ultramax vessels in exchange for six of our Handysize vessels. The six Handysize vessels include the Genco Ocean, the Baltic Cove and the Baltic Fox, all 2010-built Handysize vessels, and the Genco Avra, the Genco Mare and the Genco Spirit, all 2011-built Handysize vessels. The values for these six Handysize vessels were adjusted to their total fair market value of $46,000 as of the date of the agreement less a 1.0% commission payable to a third party which resulted in an impairment loss of $4,647 during the year ended December 31, 2020.

On November 30, 2020, the Company entered into an agreement to sell the Genco Cougar, a 2009-built Supramax vessel, to a third party for $7,600 less a 3.0% commission payable to a third party. Therefore, the vessel value for the Baltic Cougar was adjusted to its net sales price of $7,372 as of December 31, 2020. This resulted in an impairment loss of $790 during the year ended December 31, 2020.

On November 27, 2020, the Company entered into an agreement to sell the Baltic Hare, a 2009-built Handysize vessel, to a third party for $7,750 less a 2.0% commission payable to a third party. Therefore, the vessel value for the Baltic Hare was adjusted to its net sales price of $7,595 as of December 31, 2020. This resulted in an impairment loss of $769 during the year ended December 31, 2020.

On November 3, 2020, the Company entered into an agreement to sell the Baltic Panther, a 2009-built Supramax vessel, to a third party for $7,510 less a 3.0% 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 September 30, 2020, the vessel value for the Baltic Panther was adjusted to its net sales price of $7,285 as of September 30, 2020. This resulted in an impairment loss of $3,713 during the year ended December 31, 2020.

On October 16, 2020, the Company entered into an agreement to sell the Genco Loire, a 2009-built Supramax vessel, to a third party for $7,650 less a 2.0% 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 September 30, 2020, the vessel value for the Genco Loire was adjusted to its net sales price of $7,497 as of September 30, 2020. This resulted in an impairment loss of $3,408 during the year ended December 31, 2020.

On September 30, 2020, the Company determined that the expected estimated future undiscounted cash flows for three of its Supramax vessels, the Genco Lorraine, the Baltic Cougar and the Baltic Leopard, did not exceed the net book value of these vessels as of September 30, 2020. The Company adjusted the carrying value of these vessels to their respective fair market values as of September 30, 2020. This resulted in an impairment loss of $7,963 during the year ended December 31, 2020.

On September 25, 2020, the Company entered into an agreement to sell the Baltic Jaguar, a 2009-built Supramax vessel, to a third party for $7,300 less a 3.0% commission payable to a third party. Therefore, the vessel value for the Baltic Jaguar was adjusted to its net sales price of $7,081 as of September 30, 2020. This resulted in an impairment loss of $4,140 during the year ended December 31, 2020.

On September 17, 2020, the Company entered in an agreement to sell the Genco Normandy, a 2007-built Supramax vessel, to a third party for $5,850 less a 2.0% commission payable to a third party. Therefore, the vessel value for the Genco Normandy was adjusted to its net sales price of $5,733 as of September 30, 2020. This resulted in an impairment loss of $2,679 during the year ended December 31, 2020.

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 $27,055 during the year ended December 31, 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 year ended December 31, 2020.

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. As the anticipated undiscounted cash flows, including the net sales price, did not exceed the net book value of the vessel as of December 31, 2019, the vessel value for the Genco Charger was adjusted to its net sales price of $5,099 as of December 31, 2019. This resulted in an impairment loss of $1,314 during the year ended December 31, 2019.

On November 4, 2019, the Company entered into an agreement to sell the Genco Raptor, a 2007-built Panamax vessel, to a third party for $10,200 less a 2.0% 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 September 30, 2019, the vessel value for the Genco Raptor was adjusted to its net sales price of $9,996 as of September 30, 2019. This resulted in an impairment loss of $5,812 during the year ended December 31, 2019.

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. Therefore, the vessel value for the Genco Thunder was adjusted to its net sales price of $10,192 as of September 30, 2019. This resulted in an impairment loss of $5,749 during the year ended December 31, 2019.

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. Therefore, the vessel value for the Genco Champion was adjusted to its net sales price of $6,402 as of September 30, 2019. This resulted in an impairment loss of $621 during the year ended December 31, 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. 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 year ended December 31, 2019.

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 year ended December 31, 2019.

On July 24, 2018, the Company entered into an agreement to sell the Genco Surprise, a 1998-built Panamax vessel, for $5,300 less a 3.0% 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, 2018, the vessel value for the Genco Surprise was adjusted to its net sales price of $5,141 as of June 30, 2018. This resulted in an impairment loss of $184 during the year ended December 31, 2018.

On February 27, 2018, the Board of Directors determined to dispose of the Company's following nine vessels: the Genco Cavalier, the Genco Loire, the Genco Lorraine, the Genco Muse, the Genco Normandy, the Baltic Cougar, the Baltic Jaguar, the Baltic Leopard and the Baltic Panther, at times and on terms to be determined in the future. Given this decision, and that the estimated future undiscounted cash flows for each of these older vessels did not exceed the net book value for each vessel, we adjusted the values of these older vessels to their respective fair market values during the year ended December 31, 2018. This resulted in an impairment loss of $56,402 during the year ended December 31, 2018.

Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the sale of the aforementioned vessels.

Loss (gain) on sale of vessels

During the years ended December 31, 2020, 2019 and 2018, the Company recorded net (losses) gains of ($1,855), ($168) and $3,513, respectively, related to the sale of vessels. The ($1,855) net loss recognized during the year ended December 31, 2020 related primarily to the sale of the Genco Charger, the Genco Thunder, the Baltic Wind, the Baltic Breeze, the Genco Bay, the Baltic Jaguar, the Genco Loire, the Genco Normandy and the Genco Ocean. The ($168) net loss recognized during the year ended December 31, 2019 related primarily to the sale of the Genco Challenger, the Genco Champion and the Genco Raptor which was largely offset by a net gain related to the sale of the Genco Vigour. The $3,513 net gain recognized during the year ended December 31, 2018 related primarily to the sale of the Genco Progress, the Genco Cavalier, the Genco Explorer, the Genco Muse, the Genco Beauty and the Genco Knight. Refer to Note 4 — Vessel Acquisitions and Dispositions for further detail regarding the sale of these vessels.

Deferred financing costs

Deferred financing costs, which are presented as a direct deduction within the outstanding debt balance in the Company's Consolidated Balance Sheets, consist of fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in Interest expense in the Consolidated Statements of Operations.

Cash and cash equivalents

The Company considers highly liquid investments, such as money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Current and non-current restricted cash includes cash that is restricted pursuant to our credit facilities, refer to Note 7 — Debt. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same amounts shown in the Consolidated Statements of Cash Flows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 143,872	$ 155,889
Restricted cash - current	35,492	6,045
Restricted cash - noncurrent	315	315
Cash, cash equivalents and restricted cash	$ 179,679	$ 162,249

United States Gross Transportation Tax

Pursuant to Section 883 of the U.S. Internal Revenue Code of 1986 (as amended) (the “Code”), qualified income derived from the international operations of ships is excluded from gross income and exempt from U.S. federal income tax if a company engaged in the international operation of ships meets certain requirements (the “Section 883 exemption”). Among other things, in order to qualify, the Company must be incorporated in a country that grants an equivalent exemption to U.S. corporations and must satisfy certain qualified ownership requirements.

The Company is incorporated in the Marshall Islands. Pursuant to the income tax laws of the Marshall Islands, the Company is not subject to Marshall Islands income tax. The Marshall Islands has been officially recognized by the Internal Revenue Service as a qualified foreign country that currently grants the requisite equivalent exemption from tax. The Company is not taxable in any other jurisdiction, with the exception of Genco Management (USA) Limited, Genco Shipping Pte. Ltd. and Genco Shipping A/S, as noted in the “Income taxes” section below.

The Company will qualify for the Section 883 exemption if, among other things, (i) the Company’s stock is treated as primarily and regularly traded on an established securities market in the United States (the “publicly traded test”) or (ii) the Company satisfies the qualified shareholder test or (iii) the Company satisfies the controlled foreign corporation test (the “CFC test”). Under applicable Treasury Regulations, the publicly traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of the Company’s stock (which the Company sometimes refers to as “5% shareholders”), together own 50% or more of the Company’s stock (by vote and value) for more than half the days in such year (which the Company sometimes refers to as the “five percent override rule”), unless an exception applies. A foreign corporation satisfies the qualified shareholder test if more than 50 percent of the value of its outstanding shares is owned (or treated as owned by applying certain attribution rules) for at least half of the number of days in the foreign corporation's taxable year by one or more “qualified shareholders.” A qualified shareholder includes a foreign corporation that, among other things, satisfies the publicly traded test. A foreign corporation satisfies the CFC test if it is a “controlled foreign corporation” and one or more qualified U.S. persons own more than 50 percent of the total value of all the outstanding stock.

Based on the publicly traded requirement of the Section 883 regulations, the Company believes that it qualified for exemption from income tax on income derived from the international operations of vessels during the years ended December 31, 2020, 2019 and 2018. In order to meet the publicly traded requirement, the Company’s stock must be treated as being primarily and regularly traded for more than half the days of any such year. Under the Section 883 regulations, the Company’s qualification for the publicly traded requirement may be jeopardized if 5% shareholders own, in the aggregate, 50% or more of the Company’s common stock for more than half the days of the year. Management believes that during the years ended December 31, 2020, 2019 and 2018, the combined ownership of its 5% shareholders did not equal 50% or more of its common stock for more than half the days of each of those years.

If the Company does not qualify for the Section 883 exemption, the Company’s U.S. source shipping income, i.e., 50% of its gross shipping income attributable to transportation beginning or ending in the U.S. (but not both beginning and ending in the U.S.) is subject to a 4% tax without allowance for deductions (the “U.S. gross transportation tax”).

During the years ended December 31, 2020, 2019 and 2018, the Company qualified for Section 883 exemption and, therefore, did not record any U.S. gross transportation tax.

Income taxes

To the extent the Company’s U.S. source shipping income, or other U.S. source income, is considered to be effectively connected income, as described below, any such income, net of applicable deductions, would be subject to the U.S. federal corporate income tax, imposed at a 21% rate effective 2018. In addition, the Company may be subject to a 30% "branch profits" tax on such income, and on certain interest paid or deemed paid attributable to the conduct of such trade or business. Shipping income is generally sourced 100% to the United States if attributable to transportation exclusively between United States ports (the Company is prohibited from conducting such voyages), 50% to the United

States if attributable to transportation that begins or ends, but does not both begin and end, in the United States (as described in "United States Gross Transportation Tax" above) and otherwise 0% to the United States.

The Company's U.S. source shipping income would be considered effectively connected income only if:

- the Company has, or is considered to have, a fixed place of business in the U.S. involved in the earning of U.S. source shipping income; and
- substantially all of the Company's U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the U.S.

The Company does not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the U.S. on a regularly scheduled basis. Based on the current shipping operations of the Company and the Company's expected future shipping operations and other activities, the Company believes that none of its U.S. source shipping income will constitute effectively connected income. However, the Company may from time to time generate non-shipping income that may be treated as effectively connected income.

The Company established Genco Shipping Pte. Ltd. ("GSPL"), which is based in Singapore, on September 8, 2017. GSPL applied for and was awarded the Maritime Sector Incentive – Approved International Shipping Enterprise ("MSI-AIS") status under Section 13F of the Singapore Income Tax Act ("SITA") by the Maritime and Port Authority of Singapore. The award is for an initial period of 10 years, commencing on August 15, 2018, and is subject to a review of performance at the end of the initial five year period. The MSI-ASI status provides for a tax exemption on income derived by GSPL from qualifying shipping operations under Section 13F of the SITA. Income from non-qualifying activities is taxable at the prevailing Singapore Corporate income tax rate (currently 17%). During the years ended December 31, 2020, 2019 and 2018, there was no income tax recorded by GSPL.

During 2018, the Company established Genco Shipping A/S, which is a Danish-incorporated corporation which is based in Copenhagen and considered to be a resident for tax purposes in Denmark. Genco Shipping A/S was subject to corporate taxes in Denmark a rate of 22% during 2018, 2019 and 2020. During the years ended December 31, 2020, 2019 and 2018, Genco Shipping A/S recorded $407, $241 and $79, respectively, of income tax in Other income (expense) in the Consolidated Statements of Operations.

Deferred revenue

Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as income when earned. Additionally, deferred revenue includes estimated customer claims mainly due to time charter performance issues. Refer to "Revenue recognition" above for description of the Company's revenue recognition policy.

Nonvested stock awards

The Company follows ASC Subtopic 718-10, "Compensation — Stock Compensation" ("ASC 718-10"), for nonvested stock issued under its equity incentive plans. Stock-based compensation costs from nonvested stock have been classified as a component of additional paid-in capital in the Consolidated Statements of Equity.

Accounting estimates

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

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk are amounts due from charterers and cash and cash equivalents. With respect to amounts due from charterers, the Company attempts to limit its credit risk by performing ongoing credit evaluations and, when deemed necessary, requires letters of credit, guarantees or collateral. The Company earned all of its voyage revenues from 166, 170 and 182 customers during the years ended December 31, 2020, 2019 and 2018.

For the years ended December 31, 2020, 2019 and 2018, there were no customers that individually accounted for more than 10% of voyage revenues.

As of December 31, 2020 and 2019, the Company maintains all of its cash and cash equivalents with five and four financial institutions, respectively. None of the Company's cash and cash equivalents balance is covered by insurance in the event of default by these financial institutions.

Fair value of financial instruments

The estimated fair values of the Company's financial instruments, such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2020 and 2019 due to their short-term maturity or the variable-rate nature of the respective borrowings under the credit facilities. See Note 8 — Fair Value of Financial Instruments for additional disclosure on the fair value of long-term debt.

Recent accounting pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." 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 consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, "Disclosure Framework: Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13")," which changes 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 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 consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASC 842"), which replaced the existing guidance in ASC 840 – Leases ("ASC 840"). This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability for leases with lease terms of more than twelve months. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line total lease expense. Accounting by lessors will remain largely unchanged from current U.S. GAAP. The requirements of this standard include an increase in required disclosures. This ASU was effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Lessees and lessors were required to apply the new standard at the beginning of the earliest period presented in the financial statements in which they first apply the new guidance, using a modified retrospective transition method. In July 2018, the FASB issued ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements" which provided clarifications and improvements to ASC 842, including allowing entities to elect an additional transition method with which to adopt ASC 842. The approved transition method enables entities to apply the transition requirements at the effective date of ASC 842 (rather than at the beginning of the earliest comparative period presented as currently required) with the effect of the initial application of ASC 842 recognized as a cumulative-effect adjustment to retained earnings in the period of adoption. As a result, an entity's reporting for the comparative periods presented in the year of adoption would continue to be in accordance with ASC 840, including the disclosure requirements of ASC 840. The Company adopted ASC 842 on January 1, 2019 using this transition method.

The new guidance provides a number of optional practical expedients in the transition. The Company had elected the package of practical expedients, which among other things, allows the carryforward of the historical lease classification. Further, upon implementation of the new guidance, the Company has elected the practical expedients to combine lease and non-lease components and to not recognize right-of-use assets and lease liabilities for short-term leases. Upon adoption of ASC 842 on January 1, 2019, the Company recorded a right-of-use asset of $9,710 and an operating lease liability of $13,095 in the Consolidated Balance Sheets. Refer to Note 13 — Leases for further information regarding our operating lease agreement and the effect of the adoption of ASC 842 from a lessor perspective.

Pursuant to ASC 842, the Company has identified revenue from its time charter agreements as lease revenue. Refer to Note 12 — Voyage revenues for additional information regarding the adoption of ASC 842 from a lessor perspective.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09" or "ASC 606"), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2017, and interim periods therein, and shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption (the "modified retrospective transition method"). The Company adopted ASC 606 during the first quarter of 2018 using the modified retrospective transition method applied to all contracts and determined that the only impact was to spot market voyage charter contracts that were not completed as of January 1, 2018. Upon adoption, the Company recognized the cumulative effect of adopting this guidance as an adjustment to its opening balance of accumulated deficit as of January 1, 2018. Prior periods were not retrospectively adjusted. The adoption of ASC 606 did not have a financial impact on the recognition of revenue generated from time charter agreements, spot market-related time charters and pool agreements. Refer to Note 12 — Voyage Revenues for further discussion of the financial impact on the Company's consolidated financial statements.

3 - CASH FLOW INFORMATION

For the year ended December 31, 2020, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $857 for the Purchase of vessels and ballast water treatment systems, including deposits, $5 for the Purchase of scrubbers, $142 for the Purchase of other fixed assets and $99 for the Net proceeds from sale of vessels. For the year ended December 31, 2020, the Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expense consisting of $114 for Cash dividends paid.

For the year ended December 31, 2019, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $548 for the Purchase of vessels and ballast water treatment systems, including deposits, $9,520 for the Purchase of scrubbers, $413 for the Purchase of other fixed assets and $118 for the Net proceeds from sale of vessels. For the year ended December 31, 2019, the Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $74 for Cash dividends paid.

For the year ended December 31, 2018, the Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $2,228 for the Purchase of vessels and ballast water treatment systems, including deposits, $428 for the Purchase of Scrubbers, $262 for the Net proceeds from sale of vessels and $360 for the Purchase of other fixed assets. For the year ended December 31, 2018, the Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $105 for the Payment of common stock issuance costs and $1 for Payment of deferred financing costs.

During the year ended December 31, 2020, the Company made a reclassification of $22,408 from Vessels, net of accumulated depreciation to Vessels held for sale as the Company entered into agreements to sell the Baltic Panther, the Baltic Hare and the Baltic Cougar prior to December 31, 2020. Additionally, during the year ended December 31, 2020, the Company made a reclassification of $38,214 from Vessels, net of accumulated depreciation to Vessels held for exchange as the Company entered into an agreement to exchange the Baltic Cove, the Baltic Fox, the Genco Avra, the Genco Mare and the Genco Spirit prior to December 31, 2020. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the year ended December 31, 2019, the Company made a reclassification of $10,303 from Vessels, net of accumulated depreciation and Fixed assets, net of accumulated depreciation to Vessels held for sale due to the approval by the Board of Directors to sell the Genco Thunder prior to December 31, 2019. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the year ended December 31, 2018, the Company made a reclassification of $5,702 from Vessels, net of accumulated depreciation to Vessels held for sale due to the approval by the Board of Directors to sell the Genco Vigour prior to December 31, 2018. Refer to Note 4 — Vessel Acquisitions and Dispositions.

During the years ended December 31, 2020, 2019 and 2018, cash paid for interest, excluding the PIK interest paid as a result of the refinancing of the $400 Million Credit Facility, was $18,420, $28,376 and $30,167, respectively. Refer to Note 7 — Debt.

During the years ended December 31, 2020, 2019 and 2018, there was no cash paid for income taxes.

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.

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. These restricted stock units vested on July 15, 2020. 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 $8.065, as adjusted for the special dividend declared on November 5, 2019, to certain individuals. The fair value of these restricted stock units and stock options were $890 and $904, respectively.

On May 15, 2018, the Company issued 14,268 restricted stock units to certain members of the Board of Directors. These restricted stock units vested on May 15, 2019. The aggregate fair value of these restricted stock units was $255.

On February 27, 2018, the Company issued 37,436 restricted stock units and options to purchase 122,608 shares of the Company's stock at an exercise price of $13.365, as adjusted for the special dividend declared on November 5, 2019, to certain individuals. The fair value of these restricted stock units and stock options were $512 and $926, respectively.

Refer to Note 16 — Stock-Based Compensation for further information regarding the aforementioned grants.

4 - VESSEL ACQUISITIONS AND DISPOSITIONS

Vessel Exchange

On December 17, 2020, the Company entered into an agreement to acquire three Ultramax vessels in exchange for six Handysize vessels for a fair value of $46,000 less a 1.0% commission payable to a third party. The Genco Magic, a 2014-built Ultramax vessel, and the Genco Vigilant and the Genco Freedom, both 2015-built Ultramax vessels, were delivered to the Company on December 23, 2020, January 28, 2021 and February 20, 2021, respectively. The Genco Ocean, the Baltic Cove and the Baltic Fox, all 2010-built Handysize vessels, were delivered to the buyers on December 29, 2020, January 30, 2021 and February 2, 2021, respectively. The Genco Spirit, the Genco Avra and the Genco Mare, all 2011-built Handysize vessels, were delivered to the buyers on February 15, 2021, February 21, 2021 and February 24, 2021, respectively. As of December 31, 2020, the vessel assets for the Baltic Cove, the Baltic Fox, the Genco Avra, the Genco Mare and the Genco Spirit have been classified as held for exchange in the Consolidated Balance Sheet.

Vessel Acquisitions

On June 6, 2018, the Company entered into an agreement for the en bloc purchase of four drybulk vessels, including two Capesize drybulk vessels and two Ultramax drybulk vessels for approximately $141,000. Each vessel was built with a fuel-saving "eco" engine. The Genco Resolute, a 2015-built Capesize vessel, was delivered on August 14, 2018 and the Genco Endeavour, a 2015-built Capesize vessel, was delivered on August 15, 2018. The Genco Weatherly, a 2014-built Ultramax vessel, was delivered on July 26, 2018 and the Genco Columbia, a 2016-built Ultramax vessel, was delivered on September 10, 2018. The Company utilized a combination of cash on hand and proceeds from the $133 Million Credit Facility to finance the purchase.

On July 12, 2018, the Company entered into agreements to purchase two 2016-built Capesize drybulk vessels for an aggregate purchase price of $98,000. The Genco Defender was delivered on September 6, 2018, and the Genco Liberty was delivered on September 11, 2018. The Company utilized a combination of cash on hand and proceeds from the $133 Million Credit Facility to finance the purchase.

Vessel Dispositions

During November 2020, the Company entered into agreements to sell the Baltic Cougar, the Baltic Hare and the Baltic Panther. These vessels have been classified as held for sale in the Consolidated Balance Sheet as of December 31, 2020. The sale of the Baltic Hare, Baltic Panther and Baltic Cougar were completed on January 15, 2021, January 4, 2021 and February 24, 2021, respectively.

During the fourth quarter of 2020, the Company completed the sale of the Genco Bay, the Baltic Jaguar, the Genco Loire and the Genco Normandy on October 1, 2020, October 16, 2020, November 18, 2020 and December 8, 2020, respectively. During the third quarter of 2020, the Company completed the sale of the Baltic Wind and Baltic Breeze on July 7, 2020 and July 31, 2020, respectively. During the first quarter of 2020, the Company completed the sale of the Genco Charger and Genco Thunder on February 24, 2020 and March 5, 2020, respectively.

On September 25, 2019, the Company entered into an agreement to sell the Genco Thunder. The vessel assets have been classified as held for sale in the Consolidated Balance Sheets as of December 31, 2019.

As of December 31, 2020, the Genco Normandy, Genco Loire, Baltic Jaguar, Genco Bay, Baltic Breeze, Baltic Wind, Genco Thunder and Genco Charger served as collateral under the $495 Million Credit Facility; therefore $35,492 of the net proceeds received from the sale of these vessels will remain classified as restricted cash for 360 days following the respective sale dates, which has been reflected as restricted cash in the Consolidated Balance Sheet as of December 31, 2020. Refer to Note 7 — Debt for amendment to the $495 Million Credit Facility.

During the fourth quarter of 2019, the Company completed the sale of the Genco Challenger, the Genco Champion and Genco Raptor on October 10, 2019, October 21, 2019 and December 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 sales dates. Additionally, the Genco Raptor served as collateral under the $495 Million Credit Facility. As of December 31, 2019, a total amount of $6,045 was reflected as restricted cash in the Consolidated Balance Sheet for the Genco Raptor. The Company made a $6,045 loan prepayment for the Genco Raptor on December 7, 2020 pursuant to the terms of the $495 Million Credit Facility. 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. Refer to Note 7 — Debt for further information.

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.

On November 21, 2018, the Company entered into an agreement to sell the Genco Knight, a 1999-built Panamax vessel, to a third party for $6,200 less a 3.0% broker commission payable to a third party. The sale was completed on December 26, 2018.

On November 15, 2018, the Company entered into an agreement to sell the Genco Beauty, a 1999-built Panamax vessel, to a third party for $6,560 less a 3.0% broker commission payable to a third party. The sale was completed on December 17, 2018.

On October 31, 2018, the Company entered into an agreement to sell the Genco Muse, a 2001-built Handymax vessel, to a third party for $6,660 less a 2.0% broker commission payable to a third party. The sale was completed on December 5, 2018.

On August 30, 2018, the Company entered into an agreement to sell the Genco Cavalier, a 2007-built Supramax vessel, to a third party for $10,000 less a 2.5% broker commission payable to a third party. The sale was completed on October 16, 2018. This vessel served as collateral under the $495 Million Credit Facility; therefore, $4,947 of the net proceeds received from the sale was required to be used as a loan prepayment under the $495 Million Credit Facility which was made on April 15, 2019. Refer to Note 7 — Debt for further information.

On July 24, 2018, the Company entered into an agreement to sell the Genco Surprise, a 1998-built Panamax vessel, for $5,300 less a 3.0% broker commission payable to a third party. The sale was completed on August 7, 2018.

On June 27, 2018, the Company reached agreements to sell the Genco Explorer and the Genco Progress, both 1999-built Handysize vessels, to a third party for $5,600 each less a 3.0% broker commission payable to a third party. The sale of the Genco Progress was completed on September 13, 2018 and the sale of the Genco Explorer was completed on November 13, 2018.

With the exception of the Genco Cavalier, the aforementioned six vessels that were sold during the year ended December 31, 2018 and the Genco Vigour did not serve as collateral under any of the Company's credit facilities; therefore the Company was not required to pay down any indebtedness with the proceeds from the sales.

Refer to the "Impairment of vessel assets" and the "Loss (gain) on sale of vessels" sections in Note 2 — Summary of Significant Accounting Policies for discussion of impairment expense and the loss (gain) on sale of vessels recorded during the years ended December 31, 2020, 2019 and 2018 for the aforementioned vessels.

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 16 — 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 298,834, 162,096 and 149,170 shares of restricted stock and restricted stock units excluded from the computation of diluted net loss per share during the years ended December 31, 2020, 2019 and 2018, respectively, because they were anti-dilutive. There were 837,338, 496,148 and 255,608 stock options excluded from the computation of diluted net loss per share during the years ended December 31, 2020, 2019 and 2018, respectively, because they were anti-dilutive. (refer to Note 16 — 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 16 — Stock-Based Compensation) if the impact is dilutive under the treasury stock method. The equity warrants have a 7-year term which commenced on the day following the Effective Date and are exercisable for one tenth of a share of the Company's common stock. All MIP Warrants during the years ended December 31, 2020, 2019 and 2018 were excluded from the computation of diluted net loss per share because they were anti-dilutive. The MIP Warrants expired on August 7, 2020. There were 3,936,761 equity warrants excluded from the computation of diluted net loss per share during the years ended December 31, 2020, 2019 and 2018 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 Years Ended December 31, 2020	2019	2018
Common shares outstanding, basic:			
Weighted-average common shares outstanding, basic	41,907,597	41,762,893	38,382,599
Common shares outstanding, diluted:			
Weighted-average common shares outstanding, basic	41,907,597	41,762,893	38,382,599
Dilutive effect of warrants	—	—	—
Dilutive effect of stock options	—	—	—
Dilutive effect of restricted stock awards	—	—	—
Weighted-average common shares outstanding, diluted	41,907,597	41,762,893	38,382,599

6 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020, 2019 and 2018, the Company did not identify any related party transactions.

7 - DEBT

Long-term debt consists of the following:

	December 31, 2020	December 31, 2019
Principal amount	$ 449,228	$ 495,824
Less: Unamortized debt financing costs	(9,653)	(13,094)
Less: Current portion	(80,642)	(69,747)
Long-term debt, net	$ 358,933	$ 412,983

	December 31, 2020		December 31, 2019	
	Principal	Unamortized Debt Issuance Cost	Principal	Unamortized Debt Issuance Cost
$495 Million Credit Facility	$ 334,288	$ 8,222	$ 395,724	$ 11,642
$133 Million Credit Facility	114,940	1,431	100,100	1,452
Total debt	$ 449,228	$ 9,653	$ 495,824	$ 13,094

As of December 31, 2020 and 2019, $9,653 and $13,094 of deferred financing costs, respectively, were presented as a direct deduction within the outstanding debt balance in the Company's Consolidated Balance Sheets. Amortization expense for deferred financing costs for the years ended December 31, 2020, 2019 and 2018 was $3,903,

$3,788 and $3,035, respectively. This amortization expense is recorded as a component of Interest expense in the Consolidated Statements of Operations.

Effective June 5, 2018, the portion of the unamortized deferred financing costs for the $400 Million Credit Facility and 2014 Term Loan Facilities that was identified as a debt modification, rather than an extinguishment of debt, is being amortized over the life of the $495 Million Credit Facility in accordance with ASC 470-50. During the year ended December 31, 2018, the Company paid $2,962 of debt extinguishment costs in relation to the refinancing of the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities with the $495 Million Credit Facility.

On November 5, 2019, the Company entered into amendments with its lenders to the dividend covenants of the credit agreements for the $495 Million Credit Facility and the $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. The Company may pay dividends or repurchase stock under these facilities to the extent its total cash and cash equivalents are greater than $100,000 and 18.75% of our total indebtedness, whichever is higher; if the Company cannot satisfy this condition, the Company is 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 $35,000 of the scrubber tranche under the $495 Million Credit Facility is assumed to be drawn.

$133 Million Credit Facility

On August 14, 2018, the Company entered into a five-year senior secured credit facility (the "$108 Million Credit Facility") with Crédit Agricole Corporate & Investment Bank ("CACIB"), as Structurer and Bookrunner, CACIB and Skandinaviska Enskilda Banken AB (Publ) as Mandate Lead Arrangers, CACIB as Administrative Agent and as Security Agent, and the other lenders party thereto from time to time. The Company has used proceeds from the $108 Million Credit Facility to finance a portion of the purchase price for the six vessels, including four Capesize Vessels and two Ultramax vessels, which were delivered to the Company during the three months ended September 30, 2018 (refer to Note 4 — Vessel Acquisitions and Dispositions). These six vessels also serve as collateral under the $108 Million Credit Facility. The Company drew down a total of $108,000 during the third quarter of 2018, which represents 45% of the appraised value of the six vessels.

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"). On June 15, 2020, the Company drew down $24,000 under the Revolver.

The $133 Million Credit Facility provides for the following key terms in relation to the $108,000 tranche:

- The final maturity date is August 14, 2023.

- Borrowings bear interest at London Interbank Offered Rate ("LIBOR") plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months EBITDA.

- Scheduled amortization payments reflect a repayment profile whereby the facility shall have been repaid to nil when the average vessel aged of the collateral vessels reaches 20 years. Based on this, the required repayments are $1,580 per quarter commencing on December 31, 2018, with a final balloon payment on the maturity date.

- Mandatory prepayments are to be applied to remaining amortization payments pro rata, while voluntary prepayments are to be applied to remaining amortization payments in order of maturity.

The $133 Million Credit Facility provides for the following key terms in relation to the $25,000 Revolver tranche:

- 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 $133 Million Credit Facility provides for the following key terms:

- Pursuant to the November 5, 2019 amendment, the Company may pay dividends or repurchase stock to the extent the Company's total cash and cash equivalents are greater than $100,000 and 18.75% of its total indebtedness, whichever is higher; if the Company cannot satisfy this condition, the Company is 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.
- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants (including a collateral maintenance test) and other customary conditions.
- Key financial covenants are substantially similar to those under the Company's $495 Million Credit Facility and include:
  - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30,000 and 7.5% of total indebtedness;
  - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;
  - debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
  - collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the $133 Million Credit Facility.

As of December 31, 2020, there was no availability under the $133 Million Credit Facility. Total debt repayments of $9,160, $6,320 and $1,580 were made during the years ended December 31, 2020, 2019 and 2018, respectively, under the $133 Million Credit Facility. As of December 31, 2020 and 2019, the total outstanding net debt balance was $113,509 and $98,648, respectively.

As of December 31, 2020, the Company was in compliance with all of the financial covenants under the $133 Million Credit Facility.

The following table sets forth the scheduled repayment of the outstanding principal debt of $114,940 as of December 31, 2020 under the $133 Million Credit Facility:

Year Ending December 31,	Total
2021	$ 14,000
2022	14,000
2023	86,940
Total debt	$ 114,940

$495 Million Credit Facility

On May 31, 2018, the Company entered into a five-year senior secured credit facility for an aggregate amount of up to $460,000 with Nordea Bank AB (publ), New York Branch ("Nordea"), as Administrative Agent and Security Agency, the various lenders party thereto, and Nordea, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S as Bookrunners and Mandated Lead Arrangers. Deutsche Bank AG Filiale Deutschlandgeschäft, and CTBC Bank Co. Ltd. are Co-Arrangers under this facility. On June 5, 2018, proceeds of $460,000 under this facility were used, together with cash on hand, to refinance all of the Company's existing credit facilities (the $400 Million Credit Facility, $98 Million Credit Facility and 2014 Term Loan Facilities) into one facility, and pay down the debt on seven of the Company's oldest vessels, which have been identified for sale.

On February 28, 2019, the Company entered into an Amendment and Restatement Agreement (the "Amendment") for this credit facility (the "$495 Million Credit Facility") with Nordea Bank AB (publ), New York Branch ("Nordea"), as Administrative Agent and Security Agent, the various lenders party thereto, and Nordea, Skandinaviska Enskilda Banken AB (publ), ABN AMRO Capital USA LLC, DVB Bank SE, Crédit Agricole Corporate & Investment Bank, and Danish Ship Finance A/S as Bookrunners and Mandated Lead Arrangers. The Amendment provides for an additional tranche 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. 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.

On December 7, 2020, the Company utilized $6,045 of the proceeds from the sale of the Genco Raptor which was classified as restricted cash as of December 31, 2019 as a loan prepayment under the $495 Million Credit Facility. On November 15, 2019, the Company utilized $6,880 of the proceeds from the sale of the Genco Challenger and Genco Champion which were sold during the fourth quarter of 2019 as a loan prepayment under the $495 Million Credit Facility. Additionally, on April 15, 2019, the Company utilized $4,947 of the proceeds from the sale of the Genco Cavalier that was classified as restricted cash as of December 31, 2018 as a loan prepayment under the $495 Million Credit Facility. Under the terms of the $495 Million Credit Facility, the amount received from the proceeds of the sale of a collateralized vessel can be used towards the financing of a replacement vessel or vessels meeting certain requirements and added as collateral under the facility. However, since a replacement vessel was not added as collateral within the period stipulated in the $495 Million Credit Facility which was revised as noted below, the Company was required to utilize the proceeds as a loan prepayment.

On December 17, 2020, the Company entered into an amendment to the $495 Million Credit Facility that allowed the Company to enter into a vessel transaction in which the Company agreed to acquire three Ultramax vessels in exchange for six of the Company's Handysize vessels. Refer to Note 4 — Vessel Acquisitions and Dispositions.

The $495 Million Credit Facility provides for the following key terms in relation to the $460,000 tranche:

- The final maturity date is May 31, 2023.

- Borrowings bear interest at LIBOR plus 3.25% through December 31, 2018 and LIBOR plus a range of 3.00% and 3.50% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months EBITDA. Original scheduled amortization payments were $15,000 per quarter commencing on December 31, 2018, with a final payment of $190,000 due on the maturity date. As a result of the loan prepayments for the vessel sales as noted above, scheduled amortization payments were recalculated in accordance with the terms of the facility. Scheduled amortization payments were revised to $14,321 which commenced on December 30, 2019, with a final payment of $182,440 due on the maturity date.

- Scheduled amortization payments may be recalculated upon the Company's request based on changes in collateral vessels, prepayments of the loan made as a result of a collateral vessel disposition as part of the Company's fleet renewal program, or voluntary prepayments, subject in each case to a minimum repayment profile under which the loan will be repaid to nil when the average age of the vessels serving as collateral from time to time reaches 17 years. Mandatory prepayments are applied to remaining amortization payments pro rata, while voluntary prepayments are applied to remaining amortization payments in order of maturity.

- Acquisitions and additional indebtedness are allowed subject to compliance with financial covenants, a collateral maintenance test, and other customary conditions.

The $495 Million Credit Facility provides for the following key terms in relation to the $35,000 tranche:

- The final maturity date is May 31, 2023.

- Borrowings under the tranche may be incurred pursuant to multiple drawings on or prior to March 30, 2020 in minimum amounts of $5,000 and may be used to finance up to 90% of the scrubber costs noted above.

- Borrowings under the tranche will bear interest at LIBOR plus 2.50% through September 30, 2019 and LIBOR plus a range of 2.25% to 2.75% thereafter, dependent upon the Company's ratio of total net indebtedness to the last twelve months' EBITDA.

- The tranche is subject to equal consecutive quarterly repayments commencing on the last day of the fiscal quarter ending March 31, 2020 in an amount reflecting a repayment profile whereby the loans shall have been repaid after four years calculated from March 31, 2020. Assuming that the full $35,000 is borrowed, each quarterly repayment amount was originally scheduled to be equal to $2,500. However, as a result of the loan prepayments for the vessel sales as noted above, the availability under the $35,000 tranche was reduced to $34,025. The Company drew down $32,750 and, as a result of the loan prepayments for the vessel sales as noted above, scheduled quarterly amortization repayments were revised to $2,339 which commenced on March 31, 2020, with a final payment of $1,904 due on the maturity date.

The $495 Million Credit Facility provides for the following key terms:

- Pursuant to the November 5, 2019 amendment, the Company may pay dividends or repurchase stock to the extent the Company's total cash and cash equivalents are greater than $100,000 and 18.75% of the Company's total indebtedness, whichever is higher; if the Company cannot satisfy this condition, the Company is subject to a limitation of 50% of consolidated net income for the quarter preceding such dividend payment if the collateral maintenance test ratio is 200% or less for such quarter, with the full commitment of up to $35,000 of the scrubber tranche assumed to be drawn.

- 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 within 120 days of such sale or disposition. On February 13, 2019 and June 5, 2020, the Company entered into amendments with its lenders to extend this period to 180 days and 360 days, respectively. In addition:

- the Company must be in compliance with the collateral maintenance test;
- the replacement vessels must become collateral for the loan; and either
  - the replacement vessels must have an equal or greater appraised value that the collateral vessels for which they are substituted, or
  - ratio of the aggregate appraised value of the collateral vessels (including replacement vessels) to the outstanding loan amount after the collateral disposition (accounting for any prepayments of the loan by the time the replacement vessels become collateral vessels) must equal or exceed the aggregate appraised value of the collateral vessels to the outstanding loan before the collateral disposition.

- Key financial covenants include:
  - minimum liquidity, with unrestricted cash and cash equivalents to equal or exceed the greater of $30,000 and 7.5% of total indebtedness (no restricted cash is required);
  - minimum working capital, with consolidated current assets (excluding restricted cash) minus consolidated current liabilities (excluding the current portion of long-term indebtedness) to be not less than zero;
  - debt to capitalization, with the ratio of total indebtedness to total capitalization to be not more than 70%; and
  - collateral maintenance, with the aggregate appraised value of collateral vessels to be at least 135% of the principal amount of the loan outstanding under the $495 Million Credit Facility.
- Collateral includes the current vessels in the Company's fleet other than the seven oldest vessels in the fleet which have been identified for sale, collateral vessel earnings and insurance, and time charters in excess of 24 months in respect of the collateral vessels.

As of December 31, 2020, there was no availability under the $495 Million Credit Facility. Total debt repayments of $72,686, $70,776 and $15,000 were made during the years ended December 31, 2020, 2019 and 2018, respectively, under the $495 Million Credit Facility. As of December 31, 2020 and December 31, 2019, the total outstanding net debt balance was $326,066 and $384,082, respectively.

As of December 31, 2020, the Company was in compliance with all of the financial covenants under the $495 Million Credit Facility.

The following table sets forth the scheduled repayment of the outstanding principal debt of $334,288 as of December 31, 2020 under the $495 Million Credit Facility:

Year Ending December 31,	**Total**
2021	$ 66,642
2022	66,642

2023	201,004
Total debt	$ 334,288

Prior Credit Facilities

On June 5, 2018, the $495 Million Credit Facility was used to refinance the Company's prior credit facilities, the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities. Total debt repayments of $404,941 (which includes $5,341 of PIK interest), $93,939 and $25,544 were made during the year ended December 31, 2018 under the $400 Million Credit Facility, the $98 Million Credit Facility and the 2014 Term Loan Facilities, respectively. As of December 31, 2020 and 2019, there was no outstanding debt under these prior credit facilities.

Interest rates

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

	For the Years Ended December 31,		
	2020	**2019**	**2018**
Effective Interest Rate	3.71 %	5.31 %	5.71 %
Range of Interest Rates (excluding unused commitment fees)	2.65 % to 3.50 %	4.05 % to 5.76 %	3.83 % to 8.43 %

Letter of credit

In conjunction with the Company entering into a long-term office space lease (See Note 13 — Leases), the Company was required to provide a letter of credit to the landlord in lieu of a security deposit. As of September 21, 2005, the Company obtained an annually renewable unsecured letter of credit with DnB NOR Bank at a fee of 1% per annum. During September 2015, the Company replaced the unsecured letter of credit with DnB NOR Bank with an unsecured letter of credit with Nordea Bank Finland Plc, New York and Cayman Island Branches ("Nordea") in the same amount at a fee of 1.375% per annum. The letter of credit outstanding was $300 as of December 31, 2020 and 2019 at a fee of 1.375% per annum. The letter of credit is cancelable on each renewal date provided the landlord is given 30 days minimum notice. As of December 31, 2020 and 2019, the letter of credit outstanding has been securitized by $315 that was paid by the Company to Nordea during the year ended December 31, 2015. These amounts have been recorded as restricted cash included in total noncurrent assets in the Consolidated Balance Sheets as of December 31, 2020 and 2019.

8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	December 31, 2020		**December 31, 2019**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Cash and cash equivalents	$ 143,872	$ 143,872	$ 155,889	$ 155,889
Restricted cash	35,807	35,807	6,360	6,360
Principal amount of floating rate debt	449,228	449,228	495,824	495,824

The carrying value of the borrowings under the $495 Million Credit Facility and the $133 Million Credit Facility as of December 31, 2020 and 2019 approximate their fair value due to the variable interest nature thereof as each of these credit facilities represent floating rate loans. Refer to Note 7 — Debt for further information regarding the Company's credit facilities. The carrying amounts of the Company's other financial instruments as of December 31, 2020 and 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 consolidated 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 assumptions (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 off of various data points, including comparable sales of similar vessels, which are Level 2 inputs. During the years ended December 31, 2020, 2019 and 2018, the vessels assets for 30, five and ten of the Company's vessels, respectively, were written down as part of the impairment recorded during the years ended December 31, 2020, 2019 and 2018, respectively. The vessels held for sale and vessels held for exchange as of December 31, 2020 and 2019 were written down as part of the impairment recorded during the years ended December 31, 2020 and 2019, respectively. Refer to "Impairment of long-lived assets," "Vessels held for sale" and "Vessels held for exchange" sections in Note 2 — Summary of Significant Accounting Policies.

Nonrecurring fair value measurements also include impairment tests conducted by the Company during the years ended December 31, 2020 and 2019 of its operating lease right-of use asset. The fair value determination for the operating lease right-of-use asset was based on third party quotes, which is considered a Level 2 input. During the year ended December 31, 2020, there was no impairment of the operating lease right-of-use assets. During the year ended December 31, 2019, the operating lease right-of-use asset was written down as part of the impairment of right-of-use asset recorded during the year ended December 31, 2019. Refer to Note 13 — Leases.

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

9 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2020	December 31, 2019
Vessel stores	$ 501	$ 638
Capitalized contract costs	1,669	1,952
Prepaid items	2,998	2,870
Insurance receivable	1,917	2,039
Advance to agents	1,466	1,162
Other	2,305	1,388
Total prepaid expenses and other current assets	$ 10,856	$ 10,049

10 - FIXED ASSETS

Fixed assets consist of the following:

	December 31, 2020	December 31, 2019
Fixed assets, at cost:		
Vessel equipment	$ 6,188	$ 7,288
Furniture and fixtures	443	467
Leasehold improvements	1,369	100
Computer equipment	659	275
Total costs	8,659	8,130
Less: accumulated depreciation and amortization	(2,266)	(2,154)
Total fixed assets, net	$ 6,393	$ 5,976

11 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	December 31, 2020	December 31, 2019
Accounts payable	$ 11,864	$ 26,040
Accrued general and administrative expenses	3,258	4,105
Accrued vessel operating expenses	7,671	19,459
Total accounts payable and accrued expenses	$ 22,793	$ 49,604

12 – VOYAGE REVENUES

Total voyage revenues includes 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 years ended December 31, 2020, 2019 and 2018, the Company earned $355,560, $389,496 and $367,522 of voyage revenue, respectively.

On January 1, 2018, the Company adopted the revenue recognition guidance under ASC 606 (refer to Note 2 — Summary of Significant Accounting Policies) using the modified retrospective method applied to contracts that were not completed as of January 1, 2018.

As a result of the adoption of the new revenue recognition guidance on January 1, 2018, the Company recorded a net increase to the opening accumulated deficit of $659 for the cumulative impact of adopting the new guidance. The impact related primarily to the change in accounting for spot market voyage charters. Prior to the adoption of the new guidance, revenue for spot market voyage charters was recognized ratably over the total transit time of the voyage, which previously commenced the latter of when the vessel departed from its last discharge port and when an agreement was entered into with the charterer, and ended at the time the discharge of cargo was completed at the discharge port. As a result of the adoption of the new guidance, revenue for spot market voyage charters is now being recognized ratably over the total transit time of the voyage which now 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. 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. 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 during this period is capitalized and recorded in Prepaid expenses and other current assets in the Consolidated Balance Sheets and is 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 Consolidated Balance Sheets and are amortized and expensed as part of Charter hire expenses. Refer also to Note 9 — Prepaid Expenses and Other Current Assets.

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 Consolidated Statements of Operations. 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 Consolidated Statements of Operations includes the following:

	For the Years Ended December 31,		
	2020	**2019**	**2018**
Lease revenue	$ 78,402	$ 108,096	$ 168,392
Spot market voyage revenue	277,158	281,400	199,130
Total voyage revenues	$ 355,560	$ 389,496	$ 367,522

13 – LEASES

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for its main office in New York, New York. The term of the sub-sublease commenced June 1, 2011 and ended on May 1, 2018. The Company entered into a direct lease with the over-landlord of such office space that commenced immediately upon the expiration of such sub-sublease agreement, for a term covering the period from May 1, 2018 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitute one lease agreement.

In addition, during October 2017, the Company entered into a lease for office space in Singapore that expired in January 2019. A lease was signed for a new office space in Singapore effective January 17, 2019 for a three-year term.

Lastly, during July 2018, the Company entered into a lease for office space in Copenhagen, which commenced on July 1, 2018 and ended on April 30, 2019. A lease was signed for a new office space in Copenhagen effective May 1, 2019 for a minimum period ending May 1, 2023.

The Company adopted ASC 842 using the transition method on January 1, 2019 (refer to Note 2 — Summary of Significant Accounting Policies) and has identified the aforementioned leases as operating leases. Variable rent expense, such as utilities and escalation expenses, are excluded from the determination of the operating lease liability and the Company has deemed these insignificant. The Company used its incremental borrowing rate as the discount rate under ASC 842 since the rate implicit in the lease cannot be readily determined.

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 a free base rental period for the first four and a half months commencing on July 26, 2019. Following the expiration of the free base rental period, the monthly base sublease income will be $102 per month until September 29, 2025. The sublease income for the portion of the leased space is less than the lease payments due for the space, which has been identified as an indicator of impairment under ASC 360. As such, the right-of-use asset for the subleased portion of the space was written down to its fair value during the second quarter of 2019 which resulted in $223 of impairment charges which has been recorded in Impairment of right-of-asset in the Consolidated Statement of Operations during the year ended December 31, 2019. Sublease income is recorded net with the total operating lease costs in General and administrative expenses in the Consolidated Statements of Operations. There was $1,223 and $72 of sublease income recorded during the years ended December 31, 2020 and 2019, respectively. There was no sublease income recorded for this sublease agreement during the year ended December 31, 2018.

There was $1,912 and $1,884 of operating lease costs recorded during the years ended December 31, 2020 and 2019, respectively, which was recorded in General and administrative expenses in the Consolidated Statements of Operations.

Supplemental Consolidated Balance Sheet information related to the Company's operating leases as of December 31, 2020 is as follows:

	December 31, 2020
Operating Lease:	
Operating lease right-of-use asset	$ 6,882
Current operating lease liabilities	$ 1,765
Long-term operating lease liabilities	8,061
Total operating lease liabilities	$ 9,826
Weighted average remaining lease term (years)	4.75
Weighted average discount rate	5.15 %

Maturities of operating lease liabilities as of December 31, 2020 are as follows:

	December 31, 2020
2021	$ 2,230
2022	2,230
2023	2,378
2024	2,453
2025	1,839
Total lease payments	11,130
Less imputed interest	(1,304)
Present value of lease liabilities	$ 9,826

Consolidated Cash Flow information related to leases are as follows:

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating lease	$ 2,230	$ 2,230

Under the previous leasing guidance under ASC 840, rent expense pertaining to this lease for the year ended December 31, 2018 was $1,808.

During the second quarter of 2018, the Company began chartering-in third-party vessels. Under ASC 842, the Company is the lessee in these agreements. 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 years ended December 31, 2020, 2019 and 2018, all charter-in agreements for third-party vessels were less than twelve months and considered short-term leases. Refer to Note 2 — Summary of Significant Accounting Policies for the charter hire expenses recorded during the years ended December 31, 2020, 2019 and 2018 for these charter-in agreements.

14 - COMMITMENTS AND CONTINGENCIES

During the second half of 2018, the Company entered into agreements for the purchase of ballast water treatments systems ("BWTS") for 36 of its vessels. The cost of these systems 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 $17,009 and $12,783 in Vessel assets in the Consolidated Balance Sheets as of December 31, 2020 and 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 the year ended December 31, 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 are being capitalized and depreciated over the remainder of the life of the vessel. The Company recorded cumulatively $42,728 and $41,270 in Vessel assets in the Consolidated Balance Sheets as of December 31, 2020 and 2019, respectively, related to scrubber additions. The Company has 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.

15 - SAVINGS PLAN

In August 2005, the Company established a 401(k) plan that is available to U.S. based full-time employees who meet the plan's eligibility requirements. This 401(k) plan is a defined contribution plan, which permits employees to make contributions up to maximum percentage and dollar limits allowable by IRS Code Sections 401(k), 402(g), 404 and 415 with the Company matching $1.17 for each dollar contributed up to the first six percent of each employee's salary. The matching contribution vests immediately. For the years ended December 31, 2020, 2019 and 2018, the Company's matching contributions to this plan were $473, $399 and $380, respectively.

16 - STOCK-BASED COMPENSATION

2014 Management Incentive Plan

In 2014, the Company adopted the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the "MIP"). An aggregate of 966,806 shares of Common Stock were available for award under the MIP. Awards under the MIP took the form of restricted stock grants and three tiers of MIP Warrants with staggered strike prices based on increasing equity values. On August 7, 2014, pursuant to the MIP, certain individuals were granted MIP Warrants whereby each warrant could be converted on a cashless basis for the amount in excess of the respective strike price. The MIP Warrants were issued in three tranches for 238,066, 246,701, and 370,979 and had exercise prices, as adjusted for dividends declared during the fourth quarter of 2019 and the first quarter of 2020, of $240.89221 (the "$240.89 Warrants"), $267.11051 (the "$267.11 Warrants") and $317.87359 (the "$317.87 Warrants") per whole share, respectively. The fair value of each warrant upon emergence from bankruptcy was $7.22 for the $240.89 Warrants, $6.63 for the $267.11 Warrants and $5.63 for the $317.87 Warrants. The aggregate fair value of these awards upon issuance was $54,436.

All warrants were fully vested and the related expense was fully amortized as of January 1, 2018 and expired on August 7, 2020.

2015 Equity Incentive Plan

On June 26, 2015, the Company's Board of Directors approved the 2015 Equity Incentive Plan for awards with respect to an aggregate of 400,000 shares of common stock (the "2015 Plan"). Under the 2015 Plan, the Company's Board of Directors, the compensation committee, or another designated committee of the Board of Directors may grant a variety of stock-based incentive awards to the Company's officers, directors, employees, and consultants. Awards may consist of stock options, stock appreciation rights, dividend equivalent rights, restricted (nonvested) stock, restricted stock units, and unrestricted stock.

On March 23, 2017, the Board of Directors approved an amendment and restatement of the 2015 Plan (the "Amended 2015 Plan"). This amendment and restatement increased the number of shares available for awards under the plan from 400,000 to 2,750,000, subject to shareholder approval; set the annual limit for awards to non-employee directors and other individuals as 500,000 and 1,000,000 shares, respectively; and modified the change in control definition. The Company's shareholders approved the increase in the number of shares at the Company's 2017 Annual Meeting of Shareholders on May 17, 2017. As of December 31, 2020, the Company has awarded restricted stock units, restricted stock and stock options under the Amended 2015 Plan.

Stock Options

On March 23, 2017, the Company issued options to purchase 133,000 of the Company's shares of common stock to John C. Wobensmith, Chief Executive Officer and President, with an exercise price of $10.805 per share, as adjusted for the special dividend declared on November 5, 2019. One third of the options become exercisable on each of the first three anniversaries of October 15, 2016, with accelerated vesting upon 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 Black-Scholes-Merton pricing formula, resulting in a value of $6.41 per share, or $853 in the aggregate. The assumptions used in the Black-Scholes-Merton option pricing formula are as follows: volatility of 79.80% (representing a blend of the Company's historical volatility and a peer-based volatility estimate due to limited trading history since emergence from bankruptcy), a risk-free interest rate of 1.68%, a dividend yield of 0%, and expected life of 3.78 years (determined using the simplified method as outlined in Staff Accounting Bulletin 14 – Share-Based Payment ("SAB Topic 14") due to lack of historical exercise data).

On February 27, 2018, the Company issued options to purchase 122,608 of the Company's shares of common stock to certain individuals with an exercise price of $13.365 per share, as adjusted for the special dividend declared on November 5, 2019. One third of the options become exercisable on each of the first three anniversaries of February 27, 2018, 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 Black-Scholes-Merton pricing formula, resulting in a value of $7.55 per share, or $926 in the aggregate. The assumptions used in the Black-Scholes-Merton option pricing formula are as follows: volatility of 71.94% (representing a blend of the Company's historical volatility and a peer-based volatility estimate due to limited trading history post recapitalization of the Company in November 2016), a risk-free interest rate of 2.53%, a dividend yield of 0%, and expected life of 4.00 years (determined using the simplified method as outlined in SAB Topic 14 due to lack of historical exercise data).

On March 4, 2019, the Company issued options to purchase 240,540 of the Company's shares of common stock to certain individuals with an exercise price of $8.065 per share, as adjusted for the special dividend declared on November 5, 2019. One third of the options become exercisable on each of the first three anniversaries of March 4, 2019, 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 Black-Scholes-Merton pricing formula, resulting in a value of $3.76 per share, or $904 in the aggregate. The assumptions used in the Black-Scholes-Merton option pricing formula are as follows: volatility of 55.23% (representing the Company's historical volatility), a risk-free interest rate of 2.49%, a dividend yield of 0%, and expected life of 4.00 years (determined using the simplified method as outlined in SAB Topic 14 due to lack of historical exercise data).

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 years ended December 31, 2020, 2019 and 2018, the Company recognized amortization expense of the fair value of these options, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2020	2019	2018
General and administrative expenses	$ 787	$ 850	$ 731

Amortization of the unamortized stock-based compensation balance of $490 as of December 31, 2020 is expected to be $367, $111 and $12 during the years ended December 31, 2021, 2022 and 2023, respectively. The following table summarizes the unvested option activity for the years ended December 31, 2020, 2019 and 2018:

	For the Years Ended December 31,								
	2020			2019			2018		
	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Value	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Price	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Price
Outstanding as of January 1 - Unvested	322,279	$ 9.41	4.72	166,942	$ 13.01	7.25	88,667	$ 11.13	6.41
Granted	344,568	7.06	2.01	240,540	8.33	3.76	122,608	13.69	7.55
Exercisable	(119,923)	9.87	5.05	(85,203)	12.36	6.96	(44,333)	11.13	6.41
Exercised	—	—	—	—	—	—	—	—	—
Forfeited	(3,378)	8.07	3.76	—	—	—	—	—	—
Outstanding as of December 31 - Unvested	543,546	$ 7.83	$ 2.94	322,279	$ 9.41	$ 4.72	166,942	$ 13.01	$ 7.25

The following table summarizes certain information about the options outstanding as of December 31, 2020:

	Options Outstanding and Unvested, December 31, 2020			Options Outstanding and Exercisable, December 31, 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	4.72	293,792	$ 10.78	3.01

As of December 31, 2020 and 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") 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 December 31, 2020 and 2019, 373,588 and 326,247 shares, respectively, of the Company's common stock were outstanding in respect of the RSUs. Such shares 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 years ended December 31, 2020, 2019 and 2018:

	2020		2019		2018	
	Number of RSUs	Weighted Average Grant Date Price	Number of RSUs	Weighted Average Grant Date Price	Number of RSUs	Weighted Average Grant Date Price
Outstanding as of January 1	162,096	$ 9.26	149,170	$ 12.42	220,129	$ 11.01
Granted	221,903	6.80	140,914	8.50	51,704	14.84
Vested	(83,675)	9.07	(127,988)	12.10	(122,663)	10.92
Forfeited	(1,490)	8.39	—	—	—	—
Outstanding as of December 31	298,834	$ 7.49	162,096	$ 9.26	149,170	$ 12.42

The total fair value of the RSUs that vested during the years ended December 31, 2020, 2019 and 2018 was $550, $1,235 and $1,694, 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 December 31, 2020:

Unvested RSUs December 31, 2020			Vested RSUs December 31, 2020	
Number of RSUs	Weighted Average Grant Date Price	Weighted Average Remaining Contractual Life	Number of RSUs	Weighted Average Grant Date Price
298,834	$ 7.49	1.59	505,898	$ 11.07

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2020, unrecognized compensation cost of $849 related to RSUs will be recognized over a weighted-average period of 1.59 years.

For the years ended December 31, 2020, 2019 and 2018, the Company recognized nonvested stock amortization expense for the RSUs, which is included in General and administrative expenses as follows:

	For the Years Ended December 31,		
	2020	2019	2018
General and administrative expenses	$ 1,239	$ 1,207	$ 1,489

Restricted Stock

Under the 2015 Plan, grants of restricted common stock issued to executives ordinarily vest ratably on each of the three anniversaries of the determined vesting date. As of December 31, 2020, all restricted stock awards under the 2015 Plan were vested. The table below summarizes the Company's nonvested stock awards for the year ended December 31, 2018 that were issued under the 2015 Plan:

	For the Year Ended December 31, 2018	
	Number of Shares	Weighted Average Grant Date Price
Outstanding as of January 1	6,802	$ 5.20
Granted	—	—
Vested	(6,802)	5.20
Forfeited	—	—
Outstanding as of December 31	—	$ —

The total fair value of shares that vested under the 2015 Plan during the year ended December 31, 2018 was $60. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the years ended December 31, 2020, 2019 and 2018, the Company recognized nonvested stock amortization expense for the 2015 Plan restricted shares, which is included in General and administrative expenses, as follows:

	For the Years Ended December 31,		
	2020	2019	2018
General and administrative expenses	$ —	$ —	$ 11

17 - 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.

18 - UNAUDITED QUARTERLY RESULTS OF OPERATIONS

In the opinion of the Company's management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation have been included on a quarterly basis.

	2020			
	Quarter Ended (2)			
(In thousands, except share and per share amounts)	**March 31,**	**June 30,**	**September 30,**	**December 31,**
	(3)		(3)	(3)
Voyage Revenues	$ 98,336	$ 74,206	$ 87,524	$ 95,495
Operating loss	(113,415)	(13,104)	(15,666)	(61,151)
Net loss	(120,350)	(18,204)	(21,098)	(65,921)
Net loss per share - basic (1)	$ (2.87)	$ (0.43)	$ (0.50)	$ (1.57)
Net loss per share - diluted (1)	$ (2.87)	$ (0.43)	$ (0.50)	$ (1.57)
Dividends declared per share	$ 0.175	$ 0.02	$ 0.02	$ 0.02
Weighted average common shares outstanding - basic	41,866,357	41,900,901	41,928,682	41,933,926
Weighted average common shares outstanding - diluted	41,866,357	41,900,901	41,928,682	41,933,926

	2019			
	Quarter Ended (2)			
(In thousands, except share and per share amounts)	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Voyage Revenues	$ 93,464	$ 83,550	$ 103,776	$ 108,705
Operating (loss) income	(882)	(27,309)	(7,772)	7,560
Net (loss) income	(7,801)	(34,476)	(14,591)	882
Net (loss) earnings per share - basic (1)	$ (0.19)	$ (0.83)	$ (0.35)	$ 0.02
Net (loss) earnings per share - diluted (1)	$ (0.19)	$ (0.83)	$ (0.35)	$ 0.02
Dividends declared per share	$ —	$ —	$ —	$ 0.50
Weighted average common shares outstanding - basic	41,726,106	41,742,301	41,749,200	41,832,942
Weighted average common shares outstanding - diluted	41,726,106	41,742,301	41,749,200	41,989,553

(1) Amounts may not total to annual loss because each quarter and year are calculated separately based on basic and diluted weighted-average common shares outstanding during that period.

(2) Amounts may not total to annual amounts for the years ended December 31, 2020 and 2019 as reported in the Consolidated Statements of Operations due to rounding.

(3) During the quarters ended March 31, 2020, September 30, 2020 and December 31, 2020, the Company recorded $112,814, $21,896 and $74,225 of Impairment of vessel assets, respectively.

19 - SUBSEQUENT EVENTS

On February 24, 2021, the Company announced a regular quarterly dividend of $0.02 per share to be paid on or about March 17, 2021, to shareholders of record as of March 10, 2021. 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 February 23, 2021, the Company's Board of Directors awarded grants of 103,599 RSUs and options to purchase 118,552 shares of the Company's stock at an exercise price of $9.91 to certain individuals under the 2015 Plan. The awards generally vest ratably in one-third increments on the first three anniversaries of February 23, 2021.

On January 28, 2021 and February 20, 2021, the Company took delivery of the Genco Vigilant and the Genco Freedom, respectively, both 2015-built Ultramax vessels. On January 30, 2021 and February 2, 2021, the Company completed the exchange of the Baltic Cove and Baltic Fox, respectively, both 2010-built Handysize vessels. Additionally, on February 15, 2021, February 21, 2021 and February 24, 2021, the Company completed the exchange of the Genco Spirit, the Genco Avra and the Genco Mare, respectively, all 2011-built Handysize vessels. These vessels were exchanged pursuant to an agreement entered into by the Company on December 17, 2020 whereby the Company is to acquire three Ultramax vessels in exchange for six Handysize vessels. Refer also to Note 4 — Vessel Acquisitions and Dispositions.

On January 25, 2021, the Company entered into an agreement to sell the Baltic Leopard, a 2009-built Supramax vessel, to a third party for $8,000 less a 2.0% commission payable to a third party. The sale of the vessel is expected to be completed during the second quarter of 2021. Refer to Note 2 — Summary of Significant Accounting Policies regarding the impairment recorded for this vessel during the year ended December 31, 2020.

On January 22, 2021, the Company entered into an agreement to sell the Genco Lorraine, a 2009-built Supramax vessel, to a third party for $7,950 less a 2.5% commission payable to a third party. The sale of the vessel is expected to be completed during the second quarter of 2021. Refer to Note 2 — Summary of Significant Accounting Policies regarding the impairment recorded for this vessel during the year ended December 31, 2020.

On January 4, 2021, the Company completed the sale of the Baltic Panther, a 2009-built Supramax vessel, to a third party for $7,510 less a 3.0% commission payable to a third party. Additionally, on January 15, 2021, the Company completed the sale of the Baltic Hare, a 2009-built Handysize vessel, to a third party for $7,750 less a 2.0% commission payable to a third party. Lastly, on February 24, 2021, the Company completed the sale of the Baltic Cougar, a 2009-built Supramax vessel, to a third party for $7,600 less a 3.0% commission payable to a third party. The vessel assets for the Baltic Panther, Baltic Hare and Baltic Cougar have been classified as held for sale in the Consolidated Balance as of December 31, 2020 at their estimated net realizable value. Refer also to Note 4 — Vessel Acquisitions and Dispositions. The Company expects to record additional losses on the sale of these vessels of approximately $500 to $700 during the first quarter of 2021, primarily related to the impact of bunkers and lube oil on board and other incidental costs.

These vessels served as collateral under the $495 Million Credit Facility, therefore, $4,515, $4,806 and $4,515 of the net proceeds received from the sale of the Baltic Panther, the Baltic Hare and the Baltic Cougar, respectively, will remain classified as restricted cash for 360 days following the sale date. That amount can be used towards the financing of replacement vessels or vessels meeting certain requirements and added as collateral under the facility. If such a replacement vessel is not added as collateral within such 360 day period, the Company will be required to use the proceeds as a loan prepayment. Additionally, on February 18, 2021, the Company made a $3,471 loan prepayment for the Genco Charger in accordance with these terms under the $495 Million Credit Facility.

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on our assessment and those criteria, our management believes that we maintained effective internal control over financial reporting as of December 31, 2020.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company's internal control over financial reporting. The attestation report is included on page 74 of this report.

CHANGES IN INTERNAL CONTROLS

There have been no changes in our internal controls over financial reporting (as such term defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recent fiscal quarter of 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of
Genco Shipping & Trading Limited

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Genco Shipping & Trading Limited and subsidiaries (the "Company") as of December 31, 2020, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2020, of the Company and our report dated February 24, 2021, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

New York, New York
February 24, 2021

MARKET INFORMATION, HOLDERS AND DIVIDENDS

Our common stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “GNK.”

As of February 24, 2021, there were approximately 15 holders of record of our common stock.

Our Board of Directors adopted a quarterly dividend policy following the third quarter of 2019 to pay a dividend of $0.175 per share, and the first quarterly dividend under this policy was announced on November 6, 2019, together with a special dividend of $0.325 per share. In light of market weakness and heightened economic uncertainty as a result of the COVID-19 pandemic, in May 2020, our Board of Directors determined following its quarterly review that it would be prudent to reduce our regular quarterly dividend for each quarter of 2020 to $0.02 per share beginning in the first quarter of 2020 in order to support our balance sheet and liquidity position and better position us for an eventual economic recovery. 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. Our quarterly dividend policy and declaration and payment of dividends are subject to legally available funds, compliance with law and contractual obligations and our Board of Directors’ determination that each declaration and payment is in the best interest of the Company and our shareholders.

For a discussion of restrictions applicable to our payment of dividends, please see “Liquidity and Capital Resources—Dividends” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” above.

Executive Team

John C. Wobensmith
Chief Executive Officer and President

Apostolos Zafolias
Chief Financial Officer and Executive Vice President

Joseph Adamo
Chief Accounting Officer, Treasurer, and Controller

Captain Robert Hughes
Chief Operations Officer

Board of Directors

Arthur L. Regan
Chairman of the Board
Operating Partner
Apollo Investment Consulting LLC

James G. Dolphin(1) (2) (3)
Managing Director and President
AMA Capital Partners, LLC

Kathleen C. Haines(1) (3)
Principal
Holbridge Capital Advisors

Kevin Mahony
Managing Director
Centerbridge Partners L.P.

Basil G. Mavroleon(1)(2) (3)
Managing Director
WeberSeas (Hellas) S.A.

Karin Y. Orsel(2)
Chief Executive Officer
MF Shipping Group

Jason Scheir
Managing Director, U.S. Head of Illiquid Opportunistic Credit
Apollo Investment Consulting LLC

Bao D. Truong
Senior Managing Director
Centerbridge Partners L.P.

(1) Compensation Committee
(2) Nominating and Corporate Governance Committee
(3) Audit Committee

Corporate Offices

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299 Park Avenue, 12th Floor
New York, NY 10171
Tel: (646) 443-8550
www.gencoshipping.com

Stock Listing
Genco Shipping & Trading Limited's common stock is traded on The New York Stock Exchange under the symbol GNK.

Transfer Agent

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Tel: (800) 851.9677

TTD for Hearing Impaired:
(800) 231.5469

Foreign Shareowners:
(201) 680.6610

TDD Foreign Shareowners:
(201) 680.6578

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Independent Auditors

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Tel: (212) 492-4000

Investor Relations Contact
Apostolos Zafolias
Genco Shipping & Trading Limited
299 Park Avenue, 12th Floor
New York, NY 10171
Tel: (646) 443-8550

"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 annual report are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance, general and administrative expenses, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company's vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company's acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete maintenance, repairs, and installation of equipment to comply with applicable regulations on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers' compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and freight and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the relative cost and availability of low sulfur and high sulfur fuel, worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020 and our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; (xix) our financial results for the year ending December 31, 2021 and other factors relating to determination of the tax treatment of dividends we have declared; (xx) the duration and impact of the COVID-19 novel coronavirus epidemic, which may negatively affect general global and regional economic conditions, our ability to charter our vessels at all and the rates at which are able to do so; our ability to call on or depart from ports on a timely basis or at all; our ability to crew, maintain, and repair our vessels, including without limitation the impact diversion of our vessels to perform crew rotations may have on our revenues, expenses, and ability to consummate vessel sales, expense and disruption to our operations that may arise from the inability to rotate crews on schedule, and delay and added expense we may incur in rotating crews in the current environment; our ability to staff and maintain our headquarters and administrative operations; sources of cash and liquidity; our ability to sell vessels in the secondary market, including without limitation the compliance of purchasers and us with the terms of vessel sale contracts, and the prices at which vessels are sold; and other factors relevant to our business described from time to time in our filings with the Securities and Exchange Commission; (xxi) those other risks and uncertainties discussed in the Form 10-K under the headings "RISK FACTORS RELATED TO OUR BUSINESS & OPERATIONS", and (xxii) other factors listed from time to time in our filings with the Securities and Exchange Commission (the "SEC"). 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.

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