

Genco Shipping A/S

Sundkrogsvej 16, DK-2100 Copenhagen
CVR no. 39 44 65 02

Annual report for 2021

Adopted at the annual general meeting
on 30 June 2022



Emil Skov
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 January 2021 - 31 December 2021	7
Balance sheet at 31 December 2021	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Statement by management on the annual report

The Board of Directors and executive board have today discussed and approved the annual report of Genco Shipping A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.



Copenhagen, 30 June 2022

Executive board



Jesper Christensen

Board of Directors



John Chambers Wobensmith

Apostolos Zafolias



Jesper Christensen

Independent auditor's report

To the shareholder of Genco Shipping A/S

Opinion

We have audited the financial statements of Genco Shipping A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 30 June 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Kim Takata Mücke
State Authorised Public Accountant
MNE no. mne10944

Company details

The company

Genco Shipping A/S
Sundkrogsvej 16
DK-2100 Copenhagen

CVR no.: 39 44 65 02

Reporting period: 1 January - 31 December 2021

Domicile: Copenhagen

Board of Directors

John Chambers Wobensmith
Apostolos Zafolias
Jesper Christensen

Executive board

Jesper Christensen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company:

Genco Shipping & Trading Limited

The group annual report of Genco Shipping & Trading Limited may be obtained at the following address:

299 Park Avenue, 12th Floor
New York, NY 10171
USA

Management's review

Business review

The company's main activity is shipping, chartering and other transportation and to operate other business in relation to this.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report are not associated with any special uncertainty.

Unusual matters

The company's financial position at 31 December 2021 and the results of its operations for the financial year ended 31 December 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of TUSD 439, and the balance sheet at 31 December 2021 shows equity of TUSD 2.031.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January 2021 - 31 December 2021

	Note	2021 TUSD	2020 TUSD
Gross profit		594	2.826
Staff expenses	1	-960	-727
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2	-2
Profit/loss before net financials		-368	2.097
Financial income		0	5
Financial expenses		-69	-2
Profit/loss before tax		-437	2.100
Tax on profit/loss for the year	2	-2	-480
Profit/loss for the year		-439	1.620
Distribution of profit			
Retained earnings		-439	1.620
		-439	1.620

Balance sheet at 31 December 2021

	Note	2021 TUSD	2020 TUSD
Assets			
Other fixtures and fittings, tools and equipment		3	4
Leasehold improvements		1	2
Tangible assets	3	<u>4</u>	<u>6</u>
Total non-current assets		<u>4</u>	<u>6</u>
Inventories		407	48
Stocks		<u>407</u>	<u>48</u>
Trade receivables		3.810	1.258
Corporation tax		74	0
Prepayments		628	339
Receivables		<u>4.512</u>	<u>1.597</u>
Cash at bank and in hand		<u>1.027</u>	<u>3.563</u>
Total current assets		<u>5.946</u>	<u>5.208</u>
Total assets		<u><u>5.950</u></u>	<u><u>5.214</u></u>

Balance sheet at 31 December 2021

	Note	2021 TUSD	2020 TUSD
Equity and liabilities			
Share capital		84	84
Retained earnings		1.947	2.386
Equity		2.031	2.470
Trade payables		67	0
Total non-current liabilities	4	67	0
Trade payables		1.596	1.195
Payables to group entities		567	393
Other payables		410	227
Deferred income		1.279	929
Total current liabilities		3.852	2.744
Total liabilities		3.919	2.744
Total equity and liabilities		5.950	5.214
Contingent liabilities	5		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2021	84	2.386	2.470
Net profit/loss for the year	0	-439	-439
Equity at 31 December 2021	84	1.947	2.031

Notes

	2021 TUSD	2020 TUSD		
1 Staff expenses				
Wages and salaries	960	727		
	960	727		
Average number of employees	4	3		
2 Tax on profit/loss for the year				
Current tax for the year	2	480		
	2	480		
3 Tangible assets				
	Other fixtures and fittings, tools and equipment	Leasehold improvements		
Cost at 1 January 2021	6	4		
Cost at 31 December 2021	6	4		
Impairment losses and depreciation at 1 January 2021	2	2		
Depreciation for the year	1	1		
Impairment losses and depreciation at 31 December 2021	3	3		
Carrying amount at 31 December 2021	3	1		
4 Long term debt				
	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Trade payables	0	67	0	0
	0	67	0	0

Notes

5 Contingent liabilities

Other contingent liabilities not recognised in balance sheet

The company has entered into a lease of premises with a minimum lease obligation totalling TUSD 39 (2020: TUSD 73)

Accounting policies

The annual report of Genco Shipping A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in TUSD.

Currency exchange rate (USD/DKK):

31.12.2020: 6,0576

31.12.2021: 6,5612

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Accounting policies

Gross profit reflects an aggregation of revenue, voyages in progress and other operating income less other external expenses.

Revenue

Revenue comprises freight, demurrage and commission. Revenue is recognized when it meets the general criteria: income creating activities have been carried out on the basis of a binding contract, income can be measured reliable, it is probable that the economic benefits associated with the transaction will flow to the company, costs relating to the transaction can be measured reliable, and the stage of completion can be measured reliable. The stage of completion is based on the number of voyage days completed divided by the expected total voyage days for the individual voyage. Accordingly, freight revenue is recognized at selling price multiplied by the stage of completion for voyages in progress at year-end. Demurrage revenue is recognized when reimbursement under a demurrage claim is considered probable.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include ship operating expenses and back office expenses relating to management and administration.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest, currency gains/losses and bank charges and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

Items of other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Impairment of fixed assets

The carrying amount of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received to be recognized as income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.