GENCO SHIPPING & TRADING LTD
Form 10-Q
May 11, 2017
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from to

Commission file number 001-33393

GENCO SHIPPING & TRADING LIMITED

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	98-043-9758
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(Address of principal executive offices) (Zip Code)

(646) 443-8550

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
		(Do not check if a smaller reporting company)	Emerging growth company

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

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

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

The number of shares outstanding of each of the issuer's classes of common stock, as of May 11, 2017: Common stock, $0.01 per share — 34,416,305 shares.

Table of Contents

Genco Shipping & Trading Limited

Table of Contents

Website Information

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

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Genco Shipping & Trading Limited

Condensed Consolidated Balance Sheets as of March 31, 2017 and December 31, 2016

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

(Unaudited)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 138,873	$ 133,400
Restricted cash	7,871	8,242
Due from charterers, net of a reserve of $304 and $283, respectively	9,060	10,373
Prepaid expenses and other current assets	16,233	15,750
Vessels held for sale	1,614	4,840
Total current assets	173,651	172,605
Noncurrent assets:		
Vessels, net of accumulated depreciation of $179,759 and $163,053, respectively	1,335,067	1,354,760
Deferred drydock, net of accumulated amortization of $7,083 and $6,340 respectively	14,066	12,637
Fixed assets, net of accumulated depreciation and amortization of $827 and $759, respectively	982	1,018
Other noncurrent assets	514	514
Restricted cash	27,151	27,426
Total noncurrent assets	1,377,780	1,396,355
Total assets	$ 1,551,431	$ 1,568,960
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 18,742	$ 22,885
Current portion of long-term debt	7,076	4,576
Deferred revenue	1,516	1,488
Total current liabilities:	27,334	28,949

Noncurrent liabilities:		
Long-term lease obligations	2,048	1,868
Long-term debt, net of deferred financing costs of $10,784 and $11,357, respectively	507,239	508,444
Total noncurrent liabilities	509,287	510,312
Total liabilities	536,621	539,261
Commitments and contingencies		
Equity:		
Series A Preferred Stock, par value $0.01; aggregate liquidation preference of $0 and $120,789 at March 31, 2017 and December 31, 2016, respectively	—	120,789
Common stock, par value $0.01; 500,000,000 shares authorized; issued and outstanding 34,416,305 and 7,354,449 shares at March 31, 2017 and December 31, 2016, respectively	344	74
Additional paid-in capital	1,625,014	1,503,784
Retained deficit	(610,548)	(594,948)
Total equity	1,014,810	1,029,699
Total liabilities and equity	$ 1,551,431	$ 1,568,960

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Genco Shipping & Trading Limited

Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2017 and 2016

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

(Unaudited)

	For the Three Months Ended March 31,	
	2017	2016
Revenues:		
Voyage revenues	$ 38,249	$ 20,131
Service revenues	—	811
Total revenues	38,249	20,942
Operating expenses:		
Voyage expenses	3,241	3,896
Vessel operating expenses	24,884	29,127
General and administrative expenses (inclusive of nonvested stock amortization expense of $711 and $5,486, respectively)	4,909	10,569
Technical management fees	1,981	2,286
Depreciation and amortization	18,173	20,339
Impairment of vessel assets	—	1,685
Gain on sale of vessels	(6,369)	—
Total operating expenses	46,819	67,902
Operating loss	(8,570)	(46,960)
Other (expense) income:		
Other expense	(65)	(125)
Interest income	173	62
Interest expense	(7,138)	(7,113)
Other expense	(7,030)	(7,176)
Loss before reorganization items, net	(15,600)	(54,136)
Reorganization items, net	—	(94)
Loss before income taxes	(15,600)	(54,230)
Income tax expense	—	(253)

Net loss	$ (15,600)	$ (54,483)
Net loss per share-basic	$ (0.47)	$ (7.55)
Net loss per share-diluted	$ (0.47)	$ (7.55)
Weighted average common shares outstanding-basic	33,495,738	7,218,795
Weighted average common shares outstanding-diluted	33,495,738	7,218,795

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Genco Shipping & Trading Limited

Condensed Consolidated Statements of Comprehensive Loss

For the Three Months Ended March 31, 2017 and 2016

(U.S. Dollars in Thousands)

(Unaudited)

	For the Three Months Ended March 31, 2017	2016
Net loss	$ (15,600)	$ (54,483)
Other comprehensive income	—	859
Comprehensive loss	$ (15,600)	$ (53,624)

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Genco Shipping & Trading Limited

Condensed Consolidated Statements of Equity

For the Three Months Ended March 31, 2017 and 2016

(U.S. Dollars in Thousands)

(Unaudited)

	Series A Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Total Equity
Balance — January 1, 2017	$ 120,789	$ 74	$ 1,503,784	$ —	$ (594,948)	$ 1,029,699
Net loss					(15,600)	(15,600)
Conversion of 27,061,856 shares of Series A Preferred Stock	(120,789)	270	120,519			—
Nonvested stock amortization			711			711
Balance — March 31, 2017	$ —	$ 344	$ 1,625,014	$ —	$ (610,548)	$ 1,014,810

	Series A Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Deficit	Total Equity
Balance — January 1, 2016	$ —	$ 73	$ 1,483,105	$ (21)	$ (377,191)	$ 1,105,966
Net loss					(54,483)	(54,483)
Other comprehensive income				859		859
Issuance of 61,244 shares of nonvested stock		1	(1)			—

Issuance of 3,138 shares of vested RSUs		—	—			—
Nonvested stock amortization			5,486			5,486
Balance - March 31, 2016	$ —	$ 74	$ 1,488,590	$ 838	$ (431,674)	$ 1,057,828

See accompanying notes to condensed consolidated financial statements.

Genco Shipping & Trading Limited

Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2017 and 2016

(U.S. Dollars in Thousands)

(Unaudited)

	For the Three Months Ended March 31, 2017	2016
Cash flows from operating activities:		
Net loss	$ (15,600)	$ (54,483)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	18,173	20,339
Amortization of deferred financing costs	573	729
PIK interest, net	1,503	—
Amortization of nonvested stock compensation expense	711	5,486
Impairment of vessel assets	—	1,685
Gain on sale of vessels	(6,369)	—
Realized loss on sale of investment	—	73
Change in assets and liabilities:		
Decrease in due from charterers	1,313	2,213
(Increase) decrease in prepaid expenses and other current assets	(483)	811
Decrease in accounts payable and accrued expenses	(3,184)	(4,154)
Increase (decrease) in deferred revenue	28	(152)
Increase in lease obligations	180	180
Deferred drydock costs incurred	(2,828)	(31)
Net cash used in operating activities	(5,983)	(27,304)
Cash flows from investing activities:		
Purchase of vessels, including deposits	(35)	(279)
Purchase of other fixed assets	(21)	(191)
Net proceeds from sale of vessels	12,597	—
Sale of AFS securities	—	859
Changes in deposits of restricted cash	646	—
Net cash provided by investing activities	13,187	389
Cash flows from financing activities:		
Repayments on the $400 Million Credit Facility	(100)	—
Repayments on the $100 Million Term Loan Facility	—	(1,923)
Repayments on the $253 Million Term Loan Facility	—	(10,150)
Repayments on the 2015 Revolving Credit Facility	—	(1,641)

Repayments on the $44 Million Term Loan Facility	—	(687)
Repayments on the $148 Million Credit Facility	—	(2,997)
Repayments on the $22 Million Term Loan Facility	—	(375)
Repayments on the 2014 Term Loan Facilities	(681)	(681)
Cash settlement of non-accredited Note holders	—	(101)
Payment of Series A Preferred Stock issuance costs	(950)	—
Net cash used in financing activities	(1,731)	(18,555)
Net increase (decrease) in cash and cash equivalents	5,473	(45,470)
Cash and cash equivalents at beginning of period	133,400	121,074
Cash and cash equivalents at end of period	$ 138,873	$ 75,604

See accompanying notes to condensed consolidated financial statements.

8

Table of Contents

Genco Shipping & Trading Limited

(U.S. Dollars in Thousands, Except Per Share and Share Data)

Notes to Condensed Consolidated Financial Statements (unaudited)

1 - GENERAL INFORMATION

The accompanying condensed consolidated financial statements include the accounts of Genco Shipping & Trading Limited ("GS&T") and its direct and indirect wholly-owned subsidiaries (collectively, the "Company"). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T is incorporated under the laws of the Marshall Islands, and as of March 31, 2017, 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; Baltic Trading Limited; and the ship-owning subsidiaries as set forth below under "Other General Information." As of March 31, 2017, Genco Ship Management LLC is the sole owner of all of the outstanding limited liability company interests of Genco Management (USA) LLC.

On April 15, 2016, the shareholders of the Company approved, at a Special Meeting of Shareholders (the "Special Meeting"), proposals to amend the Second Amended and Restated Articles of Incorporation of the Company to (i) increase the number of authorized shares of common stock of the Company from 250,000,000 to 500,000,000 and (ii) authorize the issuance of up to 100,000,000 shares of preferred stock, in one or more classes or series as determined by the Board of Directors of the Company. The authorized shares did not change as a result of the reverse stock split as discussed below. Following the Special Meeting on such date, the Company filed Articles of Amendment of its Second Amended and Restated Articles of Incorporation with the Registrar of Corporations of the Republic of the Marshall Islands to implement to the foregoing amendments. Additionally, at the Special Meeting, the shareholders of the Company approved a proposal to amend the Second Amended and Restated Articles of Incorporation of the Company to effect a reverse stock split of the issued and outstanding shares of Common Stock at a ratio between 1-for-2 and 1-for-25 with such reverse stock split to be effective at such time and date, if at all, as determined by the Board of Directors of the Company, but no later than one year after shareholder approval thereof.

On July 7, 2016, the Company completed a one-for-ten reverse stock split of its common stock. As a result, all share and per share information included for all periods presented in these condensed consolidated financial statements reflect the reverse stock split. Refer to Note 6 — Net Loss per Common Share and Note 17 — Stock-Based Compensation.

On October 13, 2016, Peter C. Georgiopoulos resigned as Chairman of the Board and a director of the Company. The Board of Directors appointed Arthur L. Regan, a current director of the Company, as Interim Executive Chairman of the Board. In connection with his departure, Mr. Georgiopoulos entered into a Separation Agreement and a Release

Agreement with the Company on October 13, 2016. Under the terms of these agreements, subject to customary conditions, Mr. Georgiopoulos received an amount equal to the annual Chairman's fee awarded to him in recent years of $500 as a severance payment and full vesting of his unvested equity awards, which consisted of grants of 68,581 restricted shares of the Company's common stock and warrants exercisable for approximately 213,937 shares of the Company's common stock with an exercise price per share ranging $259.10 to $341.90. Refer to Note 17 — Stock-Based Compensation. The agreements also contain customary provisions pertaining to confidential information, releases of claims by Mr. Georgiopoulos, and other restrictive covenants.

On November 15, 2016, pursuant to the Purchase Agreements (as defined in Note 8 — Debt), the Company completed the private placement of 27,061,856 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") which included 25,773,196 shares at a price per share of $4.85 and an additional 1,288,660 shares issued as a commitment fee on a pro rata basis. The Company received net proceeds of $120,789 after deducting placement agents' fees and expenses. On January 4, 2017, the Company's shareholders approved at a Special Meeting of Shareholders the issuance of up to 27,061,856 shares of common stock of the Company upon the conversion of shares of the Series A Preferred Stock, par value $0.01 per share, which were purchased by certain investors in a private placement (the "Conversion Proposal"). As a result of shareholder approval of the Conversion Proposal, all outstanding 27,061,856 shares of Series A Preferred Stock were automatically and mandatorily converted into 27,061,856 shares of common stock of the Company on January 4, 2017.

Table of Contents

Other General Information

Below is the list of the Company's wholly owned ship-owning subsidiaries as of March 31, 2017:

Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
Genco Vigour Limited	Genco Vigour	73,941	12/15/04	1999
Genco Explorer Limited	Genco Explorer	29,952	12/17/04	1999
Genco Progress Limited	Genco Progress	29,952	1/12/05	1999
Genco Beauty Limited	Genco Beauty	73,941	2/7/05	1999
Genco Knight Limited	Genco Knight	73,941	2/16/05	1999
Genco Prosperity Limited	Genco Prosperity	47,180	4/4/05	1997
Genco Muse Limited	Genco Muse	48,913	10/14/05	2001
Genco Surprise Limited	Genco Surprise	72,495	11/17/06	1998
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 Challenger Limited	Genco Challenger	28,428	12/14/07	2003
Genco Charger Limited	Genco Charger	28,398	12/14/07	2005
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 Champion Limited	Genco Champion	28,445	1/2/08	2006
Genco Constantine Limited	Genco Constantine	180,183	2/21/08	2008
Genco Raptor LLC	Genco Raptor	76,499	6/23/08	2007
Genco Cavalier LLC	Genco Cavalier	53,617	7/17/08	2007
Genco Thunder LLC	Genco Thunder	76,588	9/25/08	2007
Genco Hadrian Limited	Genco Hadrian	169,694	12/29/08	2008
Genco Commodus Limited	Genco Commodus	169,025	7/22/09	2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09	2009
Genco Claudius Limited	Genco Claudius	169,025	12/30/09	2010
Genco Bay Limited	Genco Bay	34,296	8/24/10	2010
Genco Ocean Limited	Genco Ocean	34,409	7/26/10	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	57,981	8/31/10	2009
Genco Auvergne Limited	Genco Auvergne	57,981	8/16/10	2009
Genco Bourgogne Limited	Genco Bourgogne	57,981	8/24/10	2010
Genco Brittany Limited	Genco Brittany	57,981	9/23/10	2010
Genco Languedoc Limited	Genco Languedoc	57,981	9/29/10	2010
Genco Loire Limited	Genco Loire	53,416	8/4/10	2009

Genco Lorraine Limited	Genco Lorraine	53,416	7/29/10		2009
Genco Normandy Limited	Genco Normandy	53,596	8/10/10		2007
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	57,981	8/10/10		2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/11		2011
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	53,447	4/8/10	(2)	2009
Baltic Panther Limited	Baltic Panther	53,351	4/29/10	(2)	2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10	(2)	2009
Baltic Jaguar Limited	Baltic Jaguar	53,474	5/14/10	(2)	2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10	(2)	2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10	(2)	2010
Baltic Wind Limited	Baltic Wind	34,409	8/4/10	(2)	2009
Baltic Cove Limited	Baltic Cove	34,403	8/23/10	(2)	2010
Baltic Breeze Limited	Baltic Breeze	34,386	10/12/10	(2)	2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13	(2)	2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13	(2)	2009
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14	(2)	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15	(2)	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 Limited ("Baltic Trading").
(2) The delivery date for these vessels represents the date that the vessel was delivered to Baltic Trading.

The Company formerly provided technical services for drybulk vessels purchased by Maritime Equity Partners ("MEP"). These services included oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but did not include chartering services. The services were initially provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and were provided for an initial term of one year. On September 30, 2015, under the oversight of an independent committee of our Board of Directors, Genco Management (USA) LLC and MEP entered into certain agreements which reduced the daily service fee from $750 to $650 per day, which was effective October 1, 2015. During January 2016, five of MEP's vessels were sold to third parties and were no longer subject to the agency agreement. Based upon the September 30, 2015 agreement, termination fees were due in the amount of $296 which was assumed by the new owners of the five MEP vessels that were sold and were paid in full during February 2016. Additionally, during the three months ended September 30, 2016, the remaining seven of MEP's vessels were sold to third parties, and the agency agreement was deemed terminated upon the sale of these vessels. Based upon the September 30, 2015 agreement, termination fees were due in the amount of $830, which was assumed by the new owners of the seven MEP vessels that were sold and were paid in full as of September 30, 2016. MEP has been dissolved, and all previous outstanding amounts have been settled as of December 31, 2016. Refer to Note 7 — Related Party Transactions for amounts due to or from MEP as of March 31, 2017 and December 31, 2016.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which includes the accounts of GS&T and its direct and indirect wholly-owned subsidiaries, including Baltic Trading. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the Securities and Exchange Commission (the "SEC"). In the opinion of management of the Company, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and operating results have been included in the statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2016 (the "2016 10-K"). The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the operating results to be expected for the year ending December 31, 2017.

Segment reporting

The Company reports financial information and evaluates its operations by charter 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 operations 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 which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels.

General and administrative expenses

During the three months ended December 31, 2016, the Company opted to break out expenses previously classified as General, administrative and management fees into two separate categories to provide a greater level of detail of the underlying expenses. These fees were broken out into General and administrative expenses and Technical management fees. This change was made retrospectively for comparability purposes, and there was no effect on the Net Loss for the three months ended March 31, 2017 and 2016.

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 which 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 three months ended March 31, 2017 and 2016 was $16,706 and $19,134, 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 ship noted in lwt.

Vessels held for sale

During December 2016, the Board of Directors authorized the sale of the Genco Success, Genco Prosperity and Genco Wisdom. As such, these vessel assets were classified as held for sale in the Condensed Consolidated Balance Sheet as of December 31, 2016. During the three months ended March 31, 2017, the Genco Success and Genco Wisdom were sold and the Genco Prosperity remains classified as held for sale as of March 31, 2017. The Company anticipates that the Genco Prosperity will be sold by May 20, 2017. Refer to Note 4 — Vessel Acquisitions and Dispositions for additional information.

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. As of March 31, 2017 and December 31, 2016, the Company had an accrual of $524 and $220, respectively, related to these estimated customer claims.

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. 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 or market adjustments to re-value the bunker fuel on a quarterly basis. These differences in bunkers, including lower of cost or market adjustments, resulted in a net loss of $504 and $2,297 during the three months ended March 31, 2017 and 2016, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Table of Contents

Impairment of vessel assets

During the three months ended March 31, 2017 and 2016, the Company recorded $0 and $1,685, respectively, related to the impairment of vessel assets in accordance with Accounting Standards Codification ("ASC") 360 — "Property, Plant and Equipment" ("ASC 360").

At March 31, 2016, the Company determined that the scrapping of the Genco Marine was more likely than not based on discussions with the Company's Board of Directors. Therefore, at March 31, 2016, the time utilized to determine the recoverability of the carrying value of the vessel asset was significantly reduced. After determining that the sum of the estimated undiscounted future cash flows attributable to the Genco Marine did not exceed the carrying value of the vessel at March 31, 2016, the Company reduced the carrying value of the Genco Marine to its net realizable value, which was based on the expected proceeds from scrapping the vessel. This resulted in an impairment loss of $1,685 during the three months ended March 31, 2016. On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine, and the sale of the Genco Marine to the scrap yard was completed on May 17, 2016.

Gain on disposal of vessels

During the three months ended March 31, 2017 and 2016, the Company recorded a net gain of $6,369 and $0, respectively, related to the sale of vessels. The net gain of $6,369 recorded during the three months ended March 31, 2017 related primarily to the sale of the Genco Wisdom, the Genco Reliance, the Genco Carrier and the Genco Success.

Investments

The Company previously held an investment in the capital stock of Jinhui Shipping and Transportation Limited ("Jinhui") and in Korea Line Corporation ("KLC"). Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. The investments in Jinhui and KLC were designated as Available For Sale ("AFS") and were reported at fair value, with unrealized gains and losses recorded in equity as a component of accumulated other comprehensive income (loss) ("AOCI"). The Company classified the investments as current or noncurrent assets based on the Company's intent to hold the investments at each reporting date. As of December 31, 2016, the Company no longer held investments in Jinhui or KLC. Refer to Note 5 — Investments.

Investments were reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, “Investments — Debt and Equity Securities” (“ASC 320-10”). When evaluating its investments, the Company reviewed factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuer’s assets and liabilities, and the Company’s ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Refer to Note 5 — Investments.

Income taxes

Pursuant to certain agreements, GS&T technically and commercially managed vessels for Baltic Trading until the merger with Baltic Trading on July 17, 2015, and also provided technical management of vessels for MEP in exchange for specified fees for such services until the sale of all of MEP’s vessels. These services were performed by Genco Management (USA) LLC (“Genco (USA)”), which elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) was subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Genco (USA) entered into a cost-sharing agreement with the Company and Genco Ship Management LLC, collectively Manco, pursuant to which Genco (USA) agreed to reimburse Manco for the costs incurred by Genco (USA) for the use of Manco’s personnel and services in connection with the provision of the services for both Baltic Trading and MEP’s vessels.

Table of Contents

There was no income tax expense recorded during the three months ended March 31, 2017 as there was no revenue earned by Genco (USA).

Total revenue earned by the Company for these services during the three months ended March 31, 2016 was $811, of which $0 was eliminated upon consolidation. After allocation of certain expenses, there was taxable income of $563 associated with these activities for the three months ended March 31, 2016. This resulted in estimated tax expense of $253 for the three months ended March 31, 2016.

Recent accounting pronouncements

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" ("ASU 2016-18"). This ASU adds or clarifies the guidance in ASC 230 – Statement of Cash Flows regarding the classification and presentation of restricted cash in the statement of cash flows. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flow. This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within those years and early adoption is permitted. ASU 2016-18 must be adopted retrospectively. Other than presentation, we do not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments." This ASU adds or clarifies the guidance in ASC 230 – Statement of Cash Flows regarding the classification of certain cash receipts and payments in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, and for interim periods within those years and early adoption is permitted. This ASU shall be applied retrospectively to all periods presented, but may be applied prospectively from the earliest date practicable if retrospective application would be impracticable. The Company is currently evaluating the impact of this adoption on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840 – Leases. 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 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. This ASU is effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. Lessees and lessors will be 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. The requirements of this standard include a significant increase in required disclosures. The Company is currently evaluating the impact of this adoption on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). This ASU will require that equity investments be measured at fair value with changes in fair value recognized in net income (loss). ASU 2016-01 will be effective for annual periods beginning after December 15, 2017, and interim periods within those years. The Company is currently evaluating the impact of this adoption on its consolidated financial statements.

In August 2015, the FASB issued ASU No. 2015-15 ("ASU 2015-15"), which amends presentation and disclosure requirements outlined in ASU 2015-03, "Interest-Imputation of Interest (ASC Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs," ("ASU 2015-03") by clarifying guidance for debt issuance costs related to line of credit arrangements by acknowledging the statement by SEC staff that it would not object to presentation of debt issuance costs related to a line of credit arrangement as an asset, and amortizing them ratably over the term of the line of credit arrangement, regardless of whether there were any borrowings outstanding under the agreement. Issued in April 2015, ASU 2015-03 required debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as deferred charge assets, separate from the related debt liability. ASU 2015-03 does not change the recognition and measurement requirements for debt issuance costs. ASU 2015-03 was effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. The

Table of Contents

Company adopted ASU 2015-03 during the three months ended March 31, 2016 on a retrospective basis. Refer to Note 8 — Debt.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), 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. ASU 2014-09 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, 2016, 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. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company is evaluating the potential impact of this adoption on its consolidated financial statements. Subsequent to the issuance of ASU 2014-09, the FASB issued the following ASU's which amend or provide additional guidance on topics addressed in ASU 2014-09. In March 2016, the FASB issued ASU No. 2016-08, "Revenue Recognition - Principal versus Agent" (reporting revenue gross versus net). In April 2016, the FASB issued ASU No. 2016-10, "Revenue Recognition - Identifying Performance Obligations and Licenses." Lastly, in May 2016 and December 2016, the FASB issued ASU No. 2016-12, "Revenue Recognition - Narrow Scope Improvements and Practical Expedients" and ASU No. 2016-20, "Technical Corrections and Improvements to Top 606, Revenue from Contracts with Customers." The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

3 - CASH FLOW INFORMATION

For the three months ended March 31, 2017, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $1 for the Purchase of vessels, including deposits and $31 for the Purchase of other fixed assets and $41 for the Net proceeds from sale of vessels. Additionally, during the three months ended March 31, 2017, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $153 associated with the Payment of Series A Preferred Stock issuance costs.

Professional fees and trustee fees in the amount of $0 were recognized by the Company in Reorganization items, net for the three months ended March 31, 2017 (refer to Note 15 — Reorganizations Items, net). During this period, $22 of professional fees and trustee fees were paid through March 31, 2017 and $3 is included in Accounts payable and accrued expenses as of March 31, 2017.

For the three months ended March 31, 2016, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $75 for the Purchase of vessels, including deposits and $9 for the Purchase of other fixed assets. Additionally, for the three months ended March 31, 2016, the Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Prepaid expenses and other current assets consisting of $68 associated with the sale of AFS securities.

Professional fees and trustee fees in the amount of $94 were recognized by the Company in Reorganization items, net for the three months ended March 31, 2016 (refer to Note 15 — Reorganizations Items, net). During this period, $51 of professional fees and trustee fees were paid through March 31, 2016 and $91 is included in Accounts payable and accrued expenses as of March 31, 2016.

During the three months ended March 31, 2017 and 2016, cash paid for interest, net of amounts capitalized, was $6,728 and $6,712, respectively.

During the three months ended March 31, 2017 and 2016, cash paid for estimated income taxes was $0 and $222, respectively.

On March 23, 2017, the Company issued 292,398 restricted stock units and options to purchase 133,000 shares with an exercise price of $11.13 per share to John C. Wobensmith, Chief Executive Officer and President. The fair value of these restricted stock units and stock options were $3,254 and $853, respectively. Refer to Note 17 — Stock-Based Compensation.

On February 17, 2016, the Company granted 408,163 and 204,081 shares of nonvested stock, or 40,816 and 20,408 shares on a post-reverse stock split basis, under the 2015 Equity Incentive Plan to Peter C. Georgiopoulos, former Chairman of the Board of Directors, and John C. Wobensmith, Chief Executive Officer and President, respectively. The grant date fair value of such nonvested stock was $318. Refer to Note 17 — Stock-Based Compensation.

4 - VESSEL ACQUISITIONS AND DISPOSITIONS

During December 2016, the Board of Directors unanimously approved the sale of the Genco Success, Genco Prosperity and Genco Wisdom and these vessel assets were classified as held for sale in the Condensed Consolidated Balance Sheet as of December 31, 2016. During the three months ended March 31, 2017, the Genco Success and Genco Wisdom were sold (see below) and the Genco Prosperity remains classified as held for sale as of March 31, 2017. On December 21, 2016, the Company reached an agreement to sell the Genco Prosperity, a 1997-built Handymax vessel, to a third party for $3,050 less a 3.5% broker commission payable to a third party. The Company anticipates that the Genco Prosperity will be sold by May 20, 2017.

On December 5, 2016, the Board of Directors unanimously approved selling the Genco Success, a 1997-built Handymax vessel, and on December 15, 2016, the Company reached an agreement to sell the Genco Success to a third party for $2,800 less a 3.0% broker commission payable to a third party. The sale was completed on March 19, 2017.

During January 2017, the Board of Directors unanimously approved selling the Genco Carrier, a 1998-built Handymax vessel, and on January 25, 2017, the Company reached an agreement to sell the Genco Carrier to a third party for $3,560 less a $92 broker commission payable to a third party. The sale was completed on February 16, 2017.

During January 2017, the Board of Directors unanimously approved selling the Genco Reliance, a 1999-built Handysize vessel, and on January 12, 2017, the Company reached an agreement to sell the Genco Reliance to a third party for $3,500 less a 3.5% broker commission payable to a third party. The sale was completed on February 9, 2017.

On December 19, 2016, the Board of Directors unanimously approved selling the Genco Wisdom, a 1997-built Handymax vessel. On December 21, 2016, the Company reached an agreement to sell the Genco Wisdom to a third party for $3,250 less a 3.5% broker commission payable to a third party. The sale was completed on January 9, 2017.

On November 7, 2016, the Board of Directors unanimously approved selling the Genco Acheron, a 1999-built Panamax vessel, and on November 14, 2016, the Company reached an agreement to sell the Genco Acheron to a third party for $3,480 less a 5.5% broker commission payable to a third party. The sale was completed on December 12, 2016.

On October 24, 2016, the Board of Directors unanimously approved selling the Genco Leader, a 1999-built Panamax vessel, and on October 25, 2016, the Company reached an agreement to sell the Genco Leader to a third party for $3,470 less a 3.0% broker commission payable to a third party. The sale was completed on November 4, 2016. On November 4, 2016, the Company utilized the net proceeds from the sale to pay down $3,366 on the $148 Million Credit Facility as the Genco Leader was a collateralized vessel under this facility prior to the refinancing of the $148 Million Credit Facility with the $400 Million Credit Facility, refer to Note 8 — Debt.

On September 30, 2016, the Board of Directors unanimously approved selling the Genco Pioneer, a 1999-built Handysize vessel, and on October 8, 2016, the Company reached an agreement to sell the Genco Pioneer to a third party for $2,650 less a 5.5% broker commission payable to a third party. The sale was completed on October 26, 2016. On October 26, 2016 the Company utilized the net proceeds from the sale to pay down $2,504 on the $148 Million Credit Facility as the Genco Pioneer was a collateralized vessel under this facility prior to the refinancing of the $148 Million Credit Facility with the $400 Million Credit Facility, refer to Note 8 —   Debt.

Table of Contents

On September 30, 2016, the Board of Directors unanimously approved selling the Genco Sugar, a 1998-built Handysize vessel, and on October 10, 2016, the Company reached an agreement to sell the Genco Sugar to a third party for $2,450 less a 5.5% broker commission payable to a third party. The sale was completed on October 20, 2016. On October 21, 2016, the Company utilized the net proceeds from the sale to pay down $2,315 on the $100 Million Term Loan Facility as the Genco Sugar was a collateralized vessel under this facility prior to the refinancing of the $100 Million Term Loan Facility with the $400 Million Credit Facility, refer to Note 8 — Debt.

On April 5, 2016, the Board of Directors unanimously approved scrapping the Genco Marine. The Company reached an agreement on May 6, 2016 to sell the Genco Marine, a 1996-built Handymax vessel, to be scrapped with Ace Exim Pte Ltd., a demolition yard, for a net amount $2,187 less a 2.0% broker commission payable to a third party. On May 17, 2016, the Company completed the sale of the Genco Marine.

Refer to Note 1 — General Information for a listing of the delivery dates for the vessels in the Company's fleet.

5 – INVESTMENTS

The Company held an investment in the capital stock of Jinhui and the stock of KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments were designated as AFS and were reported at fair value, with unrealized gains and losses recorded in equity as a component of AOCI. At March 31, 2017 and December 31, 2016, the Company did not hold any shares of Jinhui capital stock or shares of KLC stock.

Prior to the sale of its remaining shares of Jinhui capital stock, the Company reviewed the investment in Jinhui for indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on the Company's review, it did not deem the investment in Jinhui to be other-than-temporarily impaired as of March 31, 2016. The Company reviewed its investments in Jinhui and KLC for impairment on a quarterly basis. There were no impairment charges during the three months ended March 31, 2016. The Company's investment in Jinhui was a Level 1 item under the fair value hierarchy, refer to Note 10 — Fair Value of Financial Instruments for the fair value hierarchy.

The unrealized gain (losses) on the Jinhui capital stock and KLC stock were a component of AOCI since these investments were designated as AFS securities. If the investment in Jinhui was deemed other-than-temporarily impaired, the cost basis for the investment would be revised to its fair value on that date.

Refer to Note 9 — Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI during the three months ended March 31, 2016, including any effects of any sales of Jinhui shares and other-than-temporary impairment of the investment in Jinhui, if applicable.

6 - NET LOSS PER COMMON 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 17 — 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. Of the 381,924 and 135,264 nonvested shares outstanding, including RSUs, and the 133,000 and 0 stock options outstanding at March 31, 2017 and March 31, 2016, respectively, (refer to Note 17 — Stock-Based Compensation) all are anti-dilutive. The Company’s diluted net loss per share will also reflect the assumed conversion of the equity warrants issued on the Effective Date and MIP Warrants issued by the Company (refer to Note 17 — Stock-Based Compensation) if the impact is dilutive under the treasury stock method. Of the 713,122 and 5,704,974 of unvested MIP Warrants outstanding at March 31, 2017 and March 31, 2016, respectively, and 3,936,761 of equity warrants outstanding at March 31, 2017 and March 31, 2016, all are anti-dilutive.

Table of Contents

On July 7, 2016, the Company completed a one-for-ten reverse stock split of its common stock. As a result, all share and per share information included for all periods presents in these condensed consolidated financial statements reflect the reverse stock split.

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

	For the Three Months Ended March 31, 2017	2016
Common shares outstanding, basic:		
Weighted-average common shares outstanding, basic	33,495,738	7,218,795
Common shares outstanding, diluted:		
Weighted-average common shares outstanding, basic	33,495,738	7,218,795
Dilutive effect of warrants	—	—
Dilutive effect of stock options	—	—
Dilutive effect of restricted stock awards	—	—
Weighted-average common shares outstanding, diluted	33,495,738	7,218,795

7 - RELATED PARTY TRANSACTIONS

On October 13, 2016, Peter C. Georgiopoulos resigned as Chairman of the Board and a Director of the Company, refer to Note 1 — General Information. During the three months ended March 31, 2017, the Company did not identify any related party transactions. The following represent related party transactions reflected in these condensed consolidated financial statements:

The Company incurred travel and other office related expenditures from Gener8 Maritime, Inc. (“Gener8”), where the Company’s former Chairman, Peter C. Georgiopoulos, serves as Chairman of the Board. During the three months ended March 31, 2016, the Company incurred travel and other office related expenditures totaling $24 reimbursable to Gener8 or its service provider. At December 31, 2016, the amount due to Gener8 from the Company was $0.

During the three months ended March 31, 2016, the Company did not incur any expenses for legal services (primarily in connection with vessel acquisitions) from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, the former Chairman of the Board. At March 31, 2017 and December 31, 2016, the amount due to Constantine Georgiopoulos was $0 and $10, respectively.

The Company has entered into agreements with Aegean Marine Petroleum Network, Inc. (“Aegean”) to purchase lubricating oils for certain vessels in its fleet. Peter C. Georgiopoulos, former Chairman of the Board of the Company, is Chairman of the Board of Aegean. During the three months ended March 31, 2016, Aegean supplied lubricating oils and bunkers to the Company’s vessels aggregating $443. At December 31, 2016, $0 remained outstanding.

During the three months ended March 31, 2016, the Company invoiced MEP for technical services provided, including termination fees, and expenses paid on MEP’s behalf aggregating $812. Peter C. Georgiopoulos, former Chairman of the Board, was a director of and had a minority interest in MEP. At December 31, 2016, $0 was due to the

Table of Contents

Company from MEP. Total service revenue earned by the Company, including termination fees, for technical service provided to MEP for the three months ended March 31, 2016 was $811.

8 – DEBT

Long-term debt consists of the following:

	March 31, 2017	December 31, 2016
Principal amount	$ 522,796	$ 523,577
PIK interest	2,303	800
Less: Unamortized debt issuance costs	(10,784)	(11,357)
Less: Current portion	(7,076)	(4,576)
Long-term debt	$ 507,239	$ 508,444

	March 31, 2017		December 31, 2016	
	Principal	Unamortized Debt Issuance Cost	Principal	Unamortized Debt Issuance Cost
$400 Million Credit Facility	$ 399,900	$ 7,564	$ 400,000	$ 7,967
$98 Million Credit Facility	95,271	1,745	95,271	1,868
2014 Term Loan Facilities	27,625			