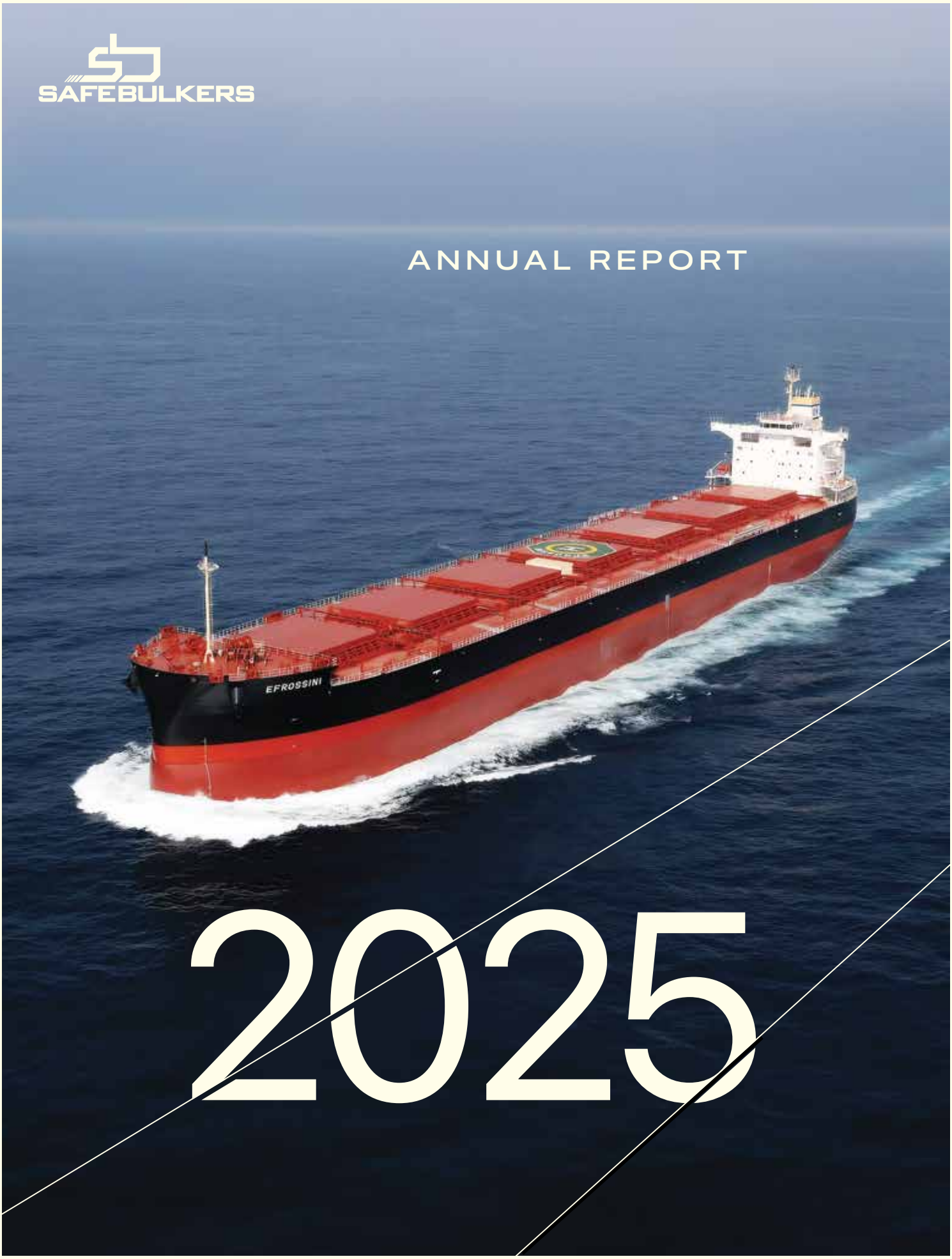
SAFEBULKERS

ANNUAL REPORT



2025

MV AMMOXOSTOS
JAPANESE KAMSARMAX DELIVERED
JANUARY 2024

Company profile

Safe Bulkers, Inc. is a global shipping company providing worldwide seaborne transportation trade in the dry bulk sector. We are listed in the New York Stock Exchange and our shares trade under the symbol ''SB'', "SB.PR.C" and "SB.PR.D". We have offices in Monaco, Greece, Cyprus and Switzerland.

Our vessels transport major bulks, which include grain, iron ore, and coal and minor bulks, which include bauxite, fertilizers and steel products. We cooperate with key market players, shipyards, charterers and financial institutions to advance our business and create wealth for our shareholders. Being a successor to a business that first invested in shipping in 1958, we maintain uninterrupted presence since then, throughout several shipping cycles.

We operate in highly competitive markets that are based primarily on supply and demand. As of February 20, 2026, our fleet comprised 45 vessels, one of which was held for sale, of which eight are Panamax class vessels, 12 are Kamsarmax class vessels, 17 are Post-Panamax class vessels and eight are Capesize class vessels, with an aggregate carrying capacity of 4.6 million dwt and an average age of 10.5 years. We intend to employ our vessels on both period time charters and spot time charters, according to our assessment of market conditions.

We aim to improve our environmental based competitiveness, our corporate governance practises and the Company's social acceptance, continuing to enjoy investors' trust and enabling us to reinforce our access to capital.

The recent years, we have engaged in an investment program for the acquisition of 20 dry-bulk newbuild vessels, including two methanol dual-fuelled, with advance energy efficiency characteristics, 12 of which have already been delivered to us, and have implemented environmental upgrades in the existing fleet, targeting to compete on the basis of reduced fuel consumption subsequently leading to improved environmental performance. The last four years, as part of our fleet renewal strategy we have also sold 17 older vessels with average age of 15 years and have acquired seven second hand vessels with average age of 9.2 years.

We aim to maintain a comfortable leveraged balance sheet with strong liquidity, directing our free cash flows partially to our newbuilds investment program and to reward our shareholders. Since March 2022 we have declared and paid 15 consecutive dividends of $0.05 per share of common stock. Our future liquidity needs will impact our dividend policy. The declaration and payment of dividends, if any, will always be subject to the discretion of the Board of Directors of the Company.

Polys Hajioannou is our Chief Executive Officer and has been Chairman of our board of directors since 2008.

Chairman's letter

Fellow Shareholders,

I am pleased to present our 2025 Annual Report for Safe Bulkers, Inc. In a year shaped by evolving market dynamics and geopolitical and regulatory uncertainties we navigated challenges effectively, while capturing opportunities, reaffirming our commitment to operational excellence and sustainable growth.

Our revenues in 2025 reached $288 million, delivering EPS of $0.30, while maintaining liquidity and capital resources exceeding $382 million, underscoring our strong financial resilience. We maintained a consistent dividend policy of five cents per quarter throughout the year, while prudently retaining a portion of our free cash flow to fund our newbuild program that enhances our competitiveness and improves our environmental footprint. This solid financial foundation provides the flexibility to continue investing in the Company's long-term growth and resiliency.

We have continued to renew and technologically advance our fleet, having ordered 20 energy-efficient newbuilds in recent years, sold 17 older and less efficient vessels, and acquired seven younger second-hand vessels. Two of our newbuildings are equipped with dual-fuel engines capable of operating on both conventional fuels and green methanol, when available, effectively hedging against alternative fuels roadmap towards decarbonization. As a result of our fleet renewal strategy, the average age of our fleet is maintained at 10.5 years, remaining stable over the past five years. In addition, targeted environmental upgrades across our existing fleet have improved our fuel efficiency reducing our carbon footprint. Our priority focuses on crew welfare and elevated standards in safety, health, security and pollution prevention by enhancing our managerial procedures, voluntarily implementing an Integrated Management System in compliance with DryBMS. At the same time, we strengthened fleet oversight through advanced remote data collection systems.

ESG principles remain central to our corporate strategy. We aim to translate sustainability into commercial competitiveness and operational excellence, ensuring alignment with global best practices and regulatory standards, while meeting—and exceeding—the expectations of our charterers.

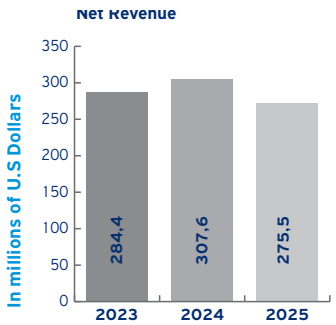
Looking ahead to 2026, we will continue our efforts to create value for our shareholders, further strengthen our resilience, advance fleet renewal, and enhance operational efficiency, while maintaining financial agility in a volatile environment and capitalize on market opportunities.

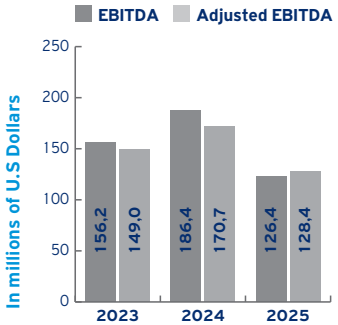
Thank you for your continued trust and support. We invite you to review our Annual Report for a comprehensive overview of our performance and strategic direction.

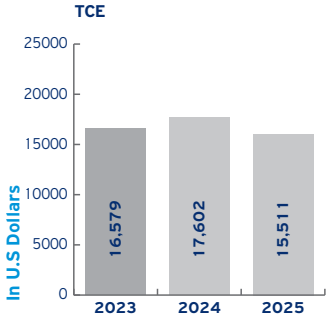
Sincerely,

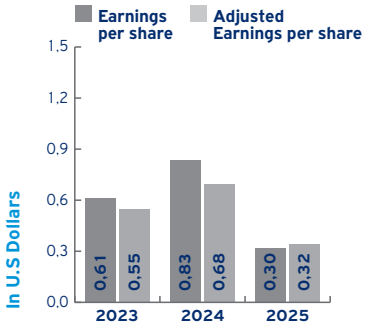
Polys V. Hajioannou
Chief Executive Officer and Chairman of the Board

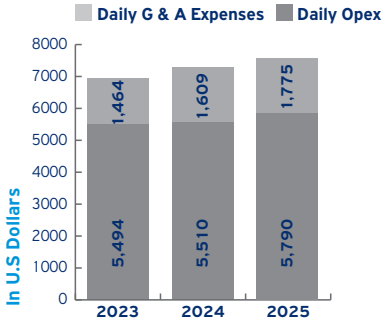
Financial highlights

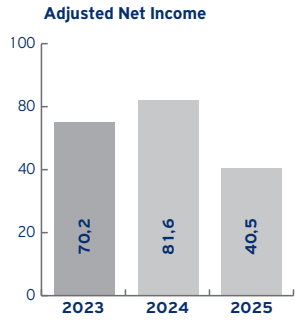


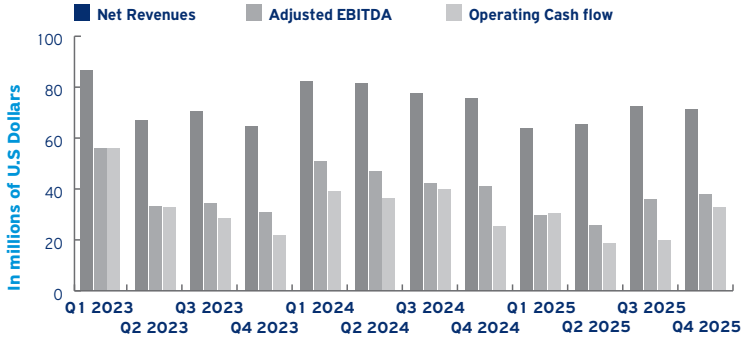












(*) Definitions

Time charter equivalent rate, or TCE rate, represents charter revenues less commissions and voyage expenses divided by the number of available days.

EBITDA represents Net income plus net interest expense, tax, depreciation and amortization. Adjusted EBITDA represents EBITDA before gain/(loss) on derivatives, early redelivery income/(cost), other operating expenses, gain/(loss) on sale of assets and gain/(loss) on foreign currency.

Earnings/(loss) per share ("EPS") and Adjusted Earnings/(loss) per share ("Adjusted EPS") represent Net income/(loss) and Adjusted Net income/(loss) less preferred dividend and mezzanine equity measurement divided by the weighted average number of shares respectively.

EBITDA, Adjusted EBITDA, Adjusted Net Income/(loss), Adjusted Net income/(loss) available to common shareholders, Earnings/(loss) per share and Adjusted Earnings/(loss) per share are not recognized measurements under US GAAP.

Operational highlights

1.
MV EFROSSINI
JAPANESE KAMSARMAX DELIVERED
MARCH 2025

2.
CAPESIZE MV MARIA
TRANSITING NEO-PANAMA CANAL
MAY 2025

3.
MV AMMOXOSTOS
JAPANESE KAMSARMAX DELIVERED
JANUARY 2024

4.
MV KERYNIA
JAPANESE KAMSARMAX DELIVERED
JANUARY 2024

5.
MV PEDHOULAS FARMER
CHINESE KAMSARMAX DELIVERED
JULY 2024

Fleet profile

Vessel Name	Dwt	Year Built*	Country of Construction
CURRENT FLEET			
Panamax			
Zoe	75,000	2013	Japan
Koulitsa 2	78,100	2013	Japan
Kypros Land	77,100	2014	Japan
Kypros Sea	77,100	2014	Japan
Kypros Bravery	78,000	2015	Japan
Kypros Sky	77,100	2015	Japan
Kypros Loyalty	78,000	2015	Japan
Kypros Spirit	78,000	2016	Japan
Kamsarmax			
Pedhoulas Commander	83,700	2008	Japan
Pedhoulas Rose	82,000	2017	China
Pedhoulas Cedrus	81,800	2018	Japan
Vassos	82,000	2022	Japan
Pedhoulas Trader	82,000	2023	Japan
Morphou	82,000	2023	Japan
Rizokarpaso	82,000	2023	Japan
Ammoxostos	82,000	2024	Japan
Kerynia	82,000	2024	Japan
Pedhoulas Farmer	82,500	2024	China
Pedhoulas Fighter	82,500	2024	China
Efrossini	82,000	2025	Japan
Post-Panamax			
Marina	87,000	2006	Japan
Xenia	87,000	2006	Japan
Sophia	87,000	2007	Japan
Eleni	87,000	2008	Japan
Martine	87,000	2009	Japan
Andreas K	92,000	2009	South Korea
Agios Spyridonas	92,000	2010	South Korea
Venus Heritage	95,800	2010	Japan

Vessel Name	Dwt	Year Built*	Country of Construction
Venus History	95,800	2011	Japan
Venus Horizon	95,800	2012	Japan
Venus Harmony	95,700	2013	Japan
Troodos Sun	85,000	2016	Japan
Troodos Air	85,000	2016	Japan
Troodos Oak	85,000	2020	Japan
Climate Respect	87,000	2022	Japan
Climate Ethics	87,000	2023	Japan
Climate Justice	87,000	2023	Japan
Capesize			
Mount Troodos	181,400	2009	Japan
Kanaris	178,100	2010	China
Pelopidas	176,000	2011	China
Michalis H	180,400	2012	China
Stelios Y	181,400	2012	Japan
Aghia Sofia	176,000	2012	China
Lake Despina	181,400	2014	Japan
Maria	181,300	2014	Japan
TOTAL	4,559,000		

NEWBUILDS ORDERBOOK			
Kamsarmax			
TBN	81,800	Q2 2026	Japan
TBN	81,800	Q3 2026	Japan
TBN	81,200	Q4 2026	China
TBN	82,000	Q4 2026	Japan
TBN	81,200	Q1 2027	China
TBN	81,800	Q1 2027	Japan
TBN	82,500	Q4 2028	China
TBN	82,500	Q1 2029	China
SUBTOTAL	**654,800**		
TOTAL	**5,213,800**		

* For existing vessels, the year represents the year built. For newbuilds, the dates shown reflect the expected delivery dates.
** TBN: To be Named.

United states
Securities and exchange commission
Washington, D.C. 20549

Form 20-F

(Mark One)

☐	Registration statement pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934
☒	Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2025
☐	Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
☐	Shell Company Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 001-34077

Safe Bulkers, Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

Safe Bulkers, Inc.
Apt. D11
Les Acanthes
6, Avenue des Citronniers
MC98000 Monaco
(Address of principal executive office)
Dr. Loukas Barmparis
President
Telephone: +30 2 111 888 400
Telephone: +357 25 887 200
Facsimile: +30 2 111 878 500
(Name, Address, Telephone Number and Facsimile Number of Company contact person)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.001 par value per share	SB	New York Stock Exchange
Preferred stock purchase rights	N/A	New York Stock Exchange
8.00% Series C Cumulative Redeemable Perpetual Preferred Shares, par value $0.01 per share, liquidation preference $25.00 per share	SB.PR.C	New York Stock Exchange
8.00% Series D Cumulative Redeemable Perpetual Preferred Shares, par value $0.01 per share, liquidation preference $25.00 per share	SB.PR.D	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. As of December 31, 2025, there were 102,259,402 shares of the registrant's common stock, 804,950 shares of 8.00% Series C Cumulative Redeemable Perpetual Preferred Shares, $0.01 par value per share, liquidation preference $25.00 per share, and 3,195,050 shares of 8.00% Series D Cumulative Redeemable Perpetual Preferred Shares, $0.01 par value per share, liquidation preference $25.00 per share, outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☐ **No** ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes** ☐ **No** ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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, or an "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one): **Large accelerated filer** ☐ **Accelerated filer** ☒ **Non-accelerated filer** ☐ **Emerging growth company** ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing. U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. **Item 17** ☐ **Item 18** ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

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ABOUT THIS REPORT

In this annual report, "Safe Bulkers", the "Company", "we", "us" and "our" are sometimes used for convenience where references are made to Safe Bulkers, Inc. and its subsidiaries (as well as the predecessors of the foregoing). These expressions are also used where no useful purpose is served by identifying the particular company or companies. Our affiliated management companies, Safety Management Overseas S.A., a company incorporated under the laws of the Republic of Panama ("Safety Management"), and Safe Bulkers Management Limited, a company organized and existing under the laws of the Republic of Cyprus ("Safe Bulkers Management"), are each sometimes referred to as a "Manager". Safe Bulkers Management Monaco Inc., a company incorporated under the laws of the Republic of the Marshall Islands ("Safe Bulkers Management Monaco"), is sometimes referred to as the "New Manager," and together with Safety Management and Safe Bulkers Management, our "Managers."

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

All statements in this annual report that are not statements of either historical fact or current facts are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are issuing this cautionary statement in connection therewith. The disclosure and analysis set forth in this annual report includes underlying assumptions, expectations, projections, objectives, goals, intentions and beliefs about future events or performance in a number of places, particularly in relation to our operations, cash flows, financial position, plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. These statements are intended as forward-looking statements. In some cases, predictive, future-tense or forward-looking words such as "believe," "intend," "anticipate," "continue," "possible," "hope," "estimate," "project," "predict," "forecast," "plan," "target," "seek," "potential," "may," "might," "will," "likely to," "view,""would," "could," "should" and "expect" and other similar expressions are intended to identify forward-looking statements, which are statements other than statements of historical facts, but are not the exclusive means of identifying such statements. In addition, we and our representatives may from time to time make other oral or written statements which are forward-looking statements, including in our periodic reports that we file with the Securities and Exchange Commission ("SEC"), other information sent to our security holders, and other written materials.

All forward-looking statements involve risks and uncertainties and readers should not place undue reliance on them. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results. In addition, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include but are not limited to:

- future operating or financial results and future revenues and expenses;
- our ability to maintain or develop new and existing customer relationships with major commodity traders, including our ability to enter into long-term charters, or to earn income in the spot market for our existing vessels and those we may acquire in the future;
- future, pending or recent acquisitions, business strategy, and other plans and objectives for growth and future operations, areas of possible expansion and expected capital spending or operating expenses;
- availability of key employees, crew, length and number of off-hire days, classification surveys and drydocking requirements and bunker fuel prices and insurance costs for our fleet;
- general dry bulk shipping market conditions and changes, including inflation pressures leading to subpar economic growth and the disruption of shipping routes and seaborne patterns in the shipping industry trends, including charter rates, vessel values, factors affecting supply and demand for dry bulk commodities and the number of new buildings under construction;
- competition within our industry;
- reputational risks;
- our financial condition and liquidity, including our ability to make required payments under our credit facilities, comply with our loan covenants and obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities and to comply with the restrictive and other covenants in our financing arrangements;
- the strength of world economies and currencies and the fluctuations in interest rates and foreign exchange rates;
- the stability of Europe and the Euro;
- potential exposure or loss from investment in derivative instruments;
- general domestic, regional and international economic and political conditions;
- repudiation, nullification, termination, modification or renegotiation of contracts;
- the length and severity of epidemics and pandemics and their disruptions, such as the impact of any new outbreaks or new variants that may emerge, their impact and effect on our business and operations, on the demand for seaborne transportation and on any related remediation measures on our performance and business prospects;
- potential trade and physical disruption of shipping routes due to natural disasters, accidents, climate-related reasons (acute and chronic), political events or other developments outside of our control, including the war between Russia and Ukraine, Russia and North Atlantic Treaty Organization (''NATO'') tensions, political unrest and conflicts in the Middle East, and ongoing instability in Venezuela, China and Taiwan disputes, United States and China trade relations, instability between Iran and the West, and the extent to which such events could have any impact on the Company's results of operations and financial condition;
- sanctions imposed as a result of war (including the war between Russia and Ukraine, political unrest and conflicts in the Middle East and ongoing instability in Venezuela, China and Taiwan disputes, United States and China trade relations,

instability between Iran and the West), and the potential impact on our common shares and reputation if our vessels were to call on ports located in countries that are subject to restrictions imposed by the U.S. and other governments;
- tariffs imposed as a result of trade war and trade protectionism (including the trade war between the U.S. and China), and the extent to which such events could impact the global economy, the dry bulk shipping market and the Company's results of operations and financial condition;
- world events, including terrorist attacks and other international hostilities, including the war between Russia and Ukraine, the conflict in the Middle East, ongoing instability in Venezuela and the trade disruption in the Red Sea region;
- the overall health and condition of the U.S. and global financial markets, including the value of the U.S. dollar relative to other currencies;
- our expectations about availability of vessels to purchase, the time that it may take to construct and deliver new vessels or the useful lives of our vessels;
- the number of available slots in shipyards for newbuilding orders for the dry bulk sector;
- our ability to successfully acquire, dispose and implement a gradual fleet renewal with modern, energy efficient vessels;
- our continued ability to enter into period time charters with our customers and secure profitable employment for our vessels in the spot market;
- vessel breakdowns and instances of off-hire;
- our future capital expenditures (including our ability to successfully complete current and future newbuilding programs, and investments for the upgrading of our existing vessels (including the amount and nature thereof, the timing of completion thereof, the delivery and commencement of operations dates, the expected downtime delays, cost overruns and lost revenue);
- our ability to continue realizing the benefits from the sulfur oxide exhaust gas cleaning systems ("Scrubbers") and of environmental upgrades in existing fleet;
- availability of financing and refinancing, our level of indebtedness and our need for cash to meet our debt service obligations;
- our expectations relating to dividend payments and ability to make such payments;
- the future price of our common shares;
- our ability to leverage our Managers' relationships and reputation within the drybulk shipping industry to our advantage;
- our anticipated general and administrative expenses;
- potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management and board of directors;
- environmental and regulatory conditions, including changes in laws, governmental rules and regulations or actions taken by regulatory authorities;
- our ability to manage and mitigate any reduction in the demand for coal, one of the primary cargoes carried by our vessels;
- our ability to continue to implement and maintain adequate Environmental, Social and Governance ("ESG") practices, policies, programs, goals and targets including those as set forth under "Item 4. Information on the Company –– B. Business Overview –– Our ESG Strategy";
- risks inherent in vessel operation, including terrorism (including cyber terrorism), piracy, corruption, militant activities, political instability, terrorism and ethnic unrest in locations where we may operate and discharge of pollutants;
- any potential malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible network security breach or cyber-attacks which may disrupt our business operations;
- potential liability from pending or future litigation and potential costs due to environmental damage or penalties and vessel collisions; and
- other factors discussed in "Item 3. Key Information—D. Risk Factors" of this annual report.

See the sections entitled "Risk Factors" of this Annual Report on Form 20-F for the year ended December 31, 2025.

The preceding list is not intended to be an exhaustive list of all our forward-looking statements. We caution that the forward-looking statements included in this annual report represent our estimates, analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances and assumptions only as of the date of this annual report and are not intended to give any assurance as to future results. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Assumptions, expectations, projections, intentions and beliefs about future events may, and often do, vary from actual results and these differences can be material. Any of these factors or a combination of these factors could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. The reasons for this include the risks, uncertainties and factors described under "Item 3. Key Information—D. Risk Factors." which we urge you to read for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. As a result and in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this annual report might not occur and our actual results may differ materially from those anticipated in the forward-looking statements. Accordingly, you should not unduly rely on any forward-looking statements.

We undertake no obligation, and specifically decline any obligation, to publicly update or revise any forward-looking statements, contained in this annual report, except as required by law, whether as a result of new information, future events or otherwise, a change in our views or expectations or otherwise. These factors and the other risk factors described in this annual report are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also cause such discrepancies and harm our results. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Unless otherwise indicated, all references to "U.S. dollars","Dollars", "U.S. $"and "$" in this report are to U.S. Dollars, the lawful currency of the United States of America (the "U.S.") and all references to "Euro" and "€" in this report are to Euros, the official currency of certain member states of the European Union (the "E.U."). The consolidated financial statements and notes of Safe Bulkers, Inc., have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Certain financial information has been rounded, and, as a result, certain totals shown in this annual report may not equal the arithmetic sum of the figures that should otherwise aggregate to those totals. The historical results included elsewhere in this document are not necessarily indicative of our future performance.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Safe Bulkers, Inc. was formed on December 11, 2007 under the laws of the Republic of the Marshall Islands. Safe Bulkers' common stock trades on the New York Stock Exchange ("NYSE") under the symbol "SB". The Company's series C preferred stock and series D preferred stock are listed on the NYSE, and trade under the symbols "SB.PR.C" and "SB.PR.D", respectively. We are a global shipping company providing worldwide seaborne transportation solutions in the dry bulk sector. Our vessels transport major bulks, which include iron ore, coal and grain and minor bulks, which include bauxite, fertilizers and steel products. We or our Managers have offices in Monaco, Greece, Cyprus and Switzerland. Our fleet consists of dry bulk vessels of four sizes, namely Capesize vessels with carrying capacity of about 180,000 dwt; Post-Panamax vessels with carrying capacities of between 85,000 dwt and 100,000 dwt; Kamsarmax vessels with carrying capacities of between 80,000 dwt and 84,000 dwt; and Panamax vessels with carrying capacities of between 75,000 and 78,000 dwt. Owning vessels serving both major and minor bulk commodities, gives us diversified exposure across dry bulk trade flows. As of February 20, 2026, we have a fleet of 45 vessels, one of which is held for sale, with an average age of 10.5 years and aggregate capacity of 4.6 million deadweight tons ("dwt") expressed in metric tons, each of which is equivalent to 1,000 kilograms, referring to the maximum weight of cargo and supplies that a vessel can carry. Eleven vessels in our fleet are eco-ships that were built after 2014, while 12 younger vessels, which were built in 2022 or later, meet the Phase 3 requirements of Energy Efficiency Design Index ("EEDI") related to the reduction of greenhouse gas ("GHG") emissions (''GHG -EEDI Phase 3'') as adopted by the International Maritime Organization ("IMO") and also comply with the latest nitrogen oxides ("NOx") Tier III emissions regulation (''NOx-Tier III'') of International Convention for the Prevention of Pollution from Ships ("MARPOL"). In addition, we have entered into agreements for the acquisition of eight IMO GHG Phase 3 - NOx Tier III Kamsarmax class dry-bulk newbuilds, two of which are methanol dual-fueled. The methanol dual-fueled vessels are capable of operating with methanol and heavy fuel oil or marine gas oil. When powered by green methanol they can produce close to zero GHG emissions based on the life cycle assessment (''LCA'') methodology well-to-propeller (''WTP''). Four newbuilds on the Company's orderbook are scheduled to be delivered in 2026, two in 2027, one in 2028 and one in 2029.

(A) Reserved

(B) Capitalization and Indebtedness

Not applicable.

(C) Reasons for the Offer and Use of Proceeds

Not applicable.

(D) Risk Factors

SOME OF THE FOLLOWING RISKS RELATE PRINCIPALLY TO THE INDUSTRY IN WHICH WE OPERATE AND OUR BUSINESS IN GENERAL. OTHER RISKS RELATE PRINCIPALLY TO THE SECURITIES MARKET AND OWNERSHIP OF OUR COMMON STOCK, $0.001 PAR VALUE PER SHARE ("COMMON STOCK"), SERIES C CUMULATIVE REDEEMABLE PERPETUAL PREFERRED SHARES, PAR VALUE $0.01 PER SHARE, LIQUIDATION PREFERENCE $25.00 PER SHARE ("SERIES C PREFERRED SHARES") AND SERIES D CUMULATIVE REDEEMABLE PERPETUAL PREFERRED SHARES, PAR VALUE $0.01 PER SHARE, LIQUIDATION PREFERENCE $25.00 PER SHARE ("SERIES D PREFERRED SHARES," AND TOGETHER WITH THE SERIES C PREFERRED SHARES, THE "PREFERRED SHARES"), INCLUDING THE TAX CONSEQUENCES OF OWNERSHIP OF OUR COMMON STOCK AND PREFERRED SHARES. THE OCCURRENCE OF ANY OF THE RISKS OR EVENTS DESCRIBED IN THIS SECTION COULD SIGNIFICANTLY AND NEGATIVELY AFFECT OUR BUSINESS,

FINANCIAL CONDITION OR OPERATING RESULTS OR THE TRADING PRICE OF OUR COMMON STOCK OR PREFERRED SHARES.

Risk Factor Summary

Investing in our securities involves a high degree of risk. Below is a summary of material factors that make an investment in our securities speculative or risky. Importantly, this summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, as well as other risks that we face, can be found below under the headings "Risks Inherent in Our Industry and Our Business," and "Risks Relating to Our Common Stock and Preferred Shares," and should be carefully considered, together with other information in this annual report before making an investment decision regarding our Common Stock and Preferred Shares.

Risks Inherent in Our Industry and Our Business

- Cyclicality and volatility may lead to reductions in the charter rates we are able to obtain, in vessel values and in our earnings, results of operations and available cash flow.
- A negative change in global economic and macroeconomic factors or regulatory conditions could reduce charter rates.
- An oversupply of drybulk vessel capacity may lead to reductions in charter rates and results of operations.
- The market value of drybulk vessels is highly volatile. A decrease of the market values of our vessels could cause us to incur an impairment loss or loss on sale and have an adverse effect on our results of operations.
- Drybulk industry is competitive, and we may not be able to compete successfully for charters with new entrants or established companies with greater resources.
- We are subject to complex regulations and liability, including anti-bribery, labor, environmental, international safety and anti-corruption laws that may require significant expenditures.
- Environmental regulations in relation to climate change and GHG emissions may increase operational and financial restrictions and environmental compliance costs and lead to environmental taxation schemes affecting more, less energy efficient vessels, reducing their trade and competitiveness and make certain vessels in our fleet obsolete, which may result in financial impacts on our results of operations.
- The long-term global shift to renewable energy, net-zero commitments and stricter environmental regulations, such as carbon taxes, may lead to declining global coal demand, reduce freight volumes, lower fleet utilization and charter rates, affecting profitability and valuation of dry-bulk vessels, which may result in a material adverse effect on our business, cash flows, financial condition and results of operations.
- The production and adoption of maritime alternative fuels remains limited and may delay scale up as evolving regulations create uncertainty, slowing the required resource deployment, which could threaten the industry's ability to gain access to alternative fuels, delay the aligning of the maritime industry with global climate goals and meeting decarbonization targets on time and increase the risk of environmental penalties from 2025 onwards affecting our cash flows, financial condition and results of operations.
- The evolving landscape of ESG expectations from financial stakeholders including investors, charterers, lenders and societies leads to increased scrutiny with respect to our ESG policies and presents significant operational and reputational implications for our business.
- Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.
- Our vessels are exposed to operational risks that may not be adequately covered by our insurance to compensate us if we lose our vessels or they suffer significant damages or to compensate third parties for any damages to their property.
- World events, terrorist attacks, other international hostilities and potential disruption of shipping routes due to events outside of our control, including the war between Russia and Ukraine, the conflict in the Middle East, ongoing instability in Venezuela and Red Sea trade disruption (including attacks on ships by Houthi rebels), could negatively affect our results of operations and financial condition.
- Global risks, including geopolitical risks, affecting global trade,and supply chains, may impact maritime transport, may adversely affect global freight prices and could have a material adverse effect on our business.
- Changes in U.S. or Chinese port fee policies, including the potential reimposition of retaliatory charges on vessels linked to either country, may increase expenses and adversely affect our business, financial condition and results of operations.
- The outbreaks of epidemic and pandemic diseases, and the resulting disruptions to the Company and the international shipping industry could negatively affect our business, results of operations or financial condition.
- Acts of piracy and the potential disruption of shipping routes due to events outside of our control, including terrorist attacks and hostilities, could negatively affect our results of operations and financial condition.
- We rely on information technology, and if we are unable to protect against service interruptions, data corruption, cyber based attacks or network security breaches, our operations could be disrupted and our business negatively affected.
- Certain operational and technical risks of drybulk vessels could lead to an environmental disaster, affecting our business.
- Political uncertainty, including the potential imposition of new international tariffs, and an increase in trade protectionism could have a negative impact on our and our charterers' business, and, in turn, could have a negative impact on our results of operations, financial condition and cash flows.
- Charterers may renegotiate or default on period time charters, which could reduce our revenues.
- The loss of one or more of our customers could have a material adverse effect on our business.
- We may have difficulty properly managing our planned growth through acquisitions of additional vessels.
- Failure to improve our operations and financial systems or recruit suitable employees as we expand our business, may affect our performance.
- Unless we set aside reserves for vessel replacement, at the end of a vessel's useful life, our revenue will decline, which would adversely affect our cash flows and income.

- The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.
- If we are unable to obtain additional financing on favorable terms, we may be unable to refinance our existing indebtedness and may not be able to finance a fleet replacement and expansion program in the future.
- Inflation pressures and the changes in central bank rates could lead to contraction for world economies and adversely affect dry-bulk world trade and freight markets, the cost of our capital, and may adversely impact our revenues and our indebtedness.
- We are and will be exposed to floating interest rates including those based on the Secured Overnight Financing Rate ("SOFR"), and may selectively enter into interest rate derivative contracts, which can result in higher than market interest rates and charges against our income. An increase in the SOFR could result in higher interest costs, and may adversely impact our indebtedness.
- Because we generate substantially all of our revenues in U.S. dollars but incur a material portion of our expenses in other currencies, including a part of our debt, exchange rate fluctuations could have a material adverse effect on our results of operations.
- Restrictive covenants and cross-default provisions in our existing and future financing agreements impose financial and other restrictions on us, and any breach of these covenants could result in the acceleration of our indebtedness and foreclosure on our vessels.
- The declaration and payment of dividends will always be subject to the discretion of our board of directors and our board of directors may not declare dividends in the future.
- We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to make dividend payments.
- We depend on our Managers to operate our business and our business could be harmed if our Managers fail to perform their services satisfactorily.
- Our chief executive officer also controls our Managers, which could create conflicts of interest between us and our Managers.
- Agreements between us and other affiliated entities may be challenged as less favorable than agreements that we could obtain from unaffiliated third parties.
- The provisions in our restrictive covenant arrangements with our chief executive officer and certain entities affiliated with him restricting their ability to compete with us may not be enforceable.
- We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.

Risks Relating to Our Common Stock and Preferred Shares

- Our chief executive officer Polys Hajioannou is the Company's largest shareholder and his interests may be different from yours.
- Our status as a foreign private issuer within the rules promulgated under the Exchange Act exempts us from certain requirements of the SEC and NYSE.
- The market price of our Common Stock may be adversely affected by sales of substantial amounts of our Common Stock pursuant to a market equity offering program if our board of directors adopted such a program.

The following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our common shares. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results or the trading price of our common shares.

Risks Inherent in Our Industry and Our Business

The international drybulk shipping industry is cyclical and volatile, having reached historical highs in 2008 and historical lows in 2016.Cyclicality and volatility may lead to reductions in the charter rates we are able to obtain, in vessel values and in our earnings, results of operations and available cash flow.

The drybulk shipping industry exhibits inherent cyclicality with attendant market volatility fundamentally impacting charter rates, vessel values and profitability. The industry is cyclical in nature due to seasonal fluctuations, market adjustments in supply of and demand for drybulk vessels, global trade pattern shifts, vessel availability imbalances, tariffs and sanctions and trade disruptions. We expect this cyclicality and volatility in market rates to persist in the foreseeable future. Accordingly, there can be no assurance that the drybulk charter market will reach in the near future the levels previously experienced, particularly given the current confluence of geopolitical driven risks. The market could experience a downturn as a result of the war between Russia and Ukraine, the conflict in the Middle East, ongoing instability in Venezuela, China and Taiwan disputes, United States and China trade relations, instability between Iran and the West, and, the Red Sea trade disruption, or for other reasons such as a public health crisis resembling the 2019 Novel Coronavirus ("Covid-19") and broader geopolitical tensions. Such events may impact the timing, magnitude, and characteristics of traditional market cycles and routes. For example, in 2008, the Baltic Dry Index (the "BDI"), an index published by the Baltic Exchange of shipping charter rates for key dry bulk routes, had reached an all-time high of 11,793, while in 2016, BDI had reached an all-time low of 290, and the low over the last 5 years was 393 on May 14, 2020 and the high over the last 5 years was 5,650 on October 7, 2021. During 2024 and 2025, BDI remained volatile, reaching an annual low of 976 on December 19, 2024 and an annual high of 2,419 on March 18, 2024, for 2024, and an annual low of 715 on January 30, 2025 and an annual high of 2,845 on December 3, 2025, for 2025. During 2026, BDI reached a low of 1,532 on January 15, 2026 and a high of 2,148 on January 30, 2026, from January 1, to February 20, 2026.

We charter some of our vessels in the spot charter market for periods up to three months and in the period charter market for longer periods. The spot market is highly competitive and volatile, while period time charter contracts of longer duration provide

income at pre-determined rates over more extended periods of time. We are exposed to changes in spot charter market each time one of our vessels is completing a previously contracted charter, and we may not be able to secure period time charters at profitable levels. Furthermore, we may be unable to keep our vessels fully employed. Charter rates available in the market may be insufficient to enable our vessels to be operated profitably. A significant decrease in charter rates would adversely affect our profitability, cash flows, asset values and ability to pay dividends.

As of February 20, 2026, fourteen of our 45 owned drybulk vessels were deployed or scheduled to be deployed on period time charters of more than three months remaining term. In addition, we have entered into agreements for the acquisition of eight GHG-EEDI Phase 3 NOx-Tier III drybulk newbuilds, including two methanol dual-fueled, scheduled to be delivered four in 2026, two in 2027, one in 2028 and one in 2029. As more vessels become available for employment, we may have difficulty entering into multi-year, fixed-rate time charters for our vessels, and as a result, our cash flows may be subject to volatility in the long-term. We may be required to enter into variable rate charters or charters linked to the Baltic Panamax Index or Baltic Capesize Index, as opposed to contracts based on fixed rates, which could result in a decrease in our cash flows and net income in periods when the market for drybulk shipping is depressed. If low charter rates in the drybulk market prevail during periods when we must replace our existing charters, it will have an adverse effect on our revenues, profitability, cash flows and our ability to comply with the financial covenants in our loan and credit facilities.

The factors affecting the supply and demand for drybulk vessels are outside of our control and are difficult to predict with confidence. As a result, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for drybulk vessel capacity include:

- demand for and production of drybulk products;
- imposition of tariffs;
- changes in U.S. or Chinese port fee policies;
- supply of and demand for energy resources and commodities;
- global and regional economic and political conditions and developments, including armed conflicts such as the war between Russia and Ukraine, the Houthi attacks on merchant vessels in the region of the southern end of the Red Sea and the Gulf of Aden traveling through the Suez Canal towards the Mediterranean Sea and the conflict in the Middle East, natural or other disasters (including weather conditions), terrorist activities and strikes;
- environmental, climate and other regulatory developments;
- changes in use of renewable and alternative sources of energy;
- the location of regional and global exploration, the globalization of production and manufacturing facilities and the distance drybulk cargoes are to be moved by sea;
- changes in seaborne and other transportation patterns including shifts in the location of consuming regions for energy resources, commodities, and transportation demand for drybulk transportation;
- sanctions, embargoes, import and export restrictions, nationalizations and wars, including those arising as a result of the war between Russia and Ukraine and the conflict in the Middle East, and ongoing instability in Venezuela;
- trade disputes or the imposition of tariffs on various commodities or finished goods tariffs on imports and exports that could affect the international trade; and
- currency exchange rates.

Factors that influence the supply of drybulk vessel capacity include:

- the size of the newbuilding orderbook;
- availability of financing for new vessels and shipping activity;
- the number of newbuild deliveries, including slippage in deliveries, which, among other factors, relates to the number and ability of shipyards to deliver newbuilds by contracted delivery dates and the ability of purchasers to finance such newbuilds;
- the scrapping rate and the degree of recycling of older vessels, depending, amongst other things, on more stringent environmental regulations, scrapping rates and international scrapping regulations;
- port lockdowns for any reason, higher crew cost and travel restrictions imposed by governments around the world;
- port and canal congestion;
- the speed of vessel operation which may be influenced by several reasons including energy cost and environmental regulations;
- sanctions;
- the number of vessels that are in or out of service, delayed in ports for several reasons, laid-up, dry docked awaiting repairs or otherwise not available for hire, including due to vessel casualties;
- changes in environmental and other regulations that may limit the useful lives of vessels or effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage;
- ability of the Company to maintain ESG practices acceptable to customers, regulators and financing sources; and
- epidemics or pandemics such as Covid-19 and related factors.

Factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing, direction and degree of changes in industry conditions. We anticipate that the future demand for our drybulk vessels and, in turn, drybulk charter rates, will be dependent, among other things, upon economic growth in the world's economies, any trade restrictions (including tariffs) between economies, any changes in port fee policies, seasonal and regional changes in demand, changes in the capacity of the global drybulk vessel fleet and the sources and supply of drybulk cargo to be transported by sea, the energy and fuel efficiency and age profile of the global dry bulk fleet, industry regulation particularly environmental laws and regulations, that may impose technological and additional regulatory requirements upon our vessels. However, new factors may emerge which we cannot foresee at this time and thus might not be able to adequately prepare for. A decline

in demand for commodities transported in drybulk vessels or an increase in supply of drybulk vessels could cause a significant decline in charter rates, which could materially adversely affect our business, financial condition and results of operations. There can be no assurance as to the sustainability of future economic growth, if any, due to unexpected demand shocks.

A negative change in global economic or regulatory conditions, especially in the Asian region, which includes countries like China, Japan and India, could reduce drybulk trade and demand, which could reduce charter rates and have a material adverse effect on our business, financial condition and results of operations.

Global economic prospects for 2026 and 2027 as per the International Monetary Fund's (the "IMF") latest projections in January 2026, indicate a moderate global Gross Domestic Product (the "GDP") growth of 3.3% in 2026 and 3.2% in 2027, while inflation is expected to gradually normalize to 3.8% in 2026 and 3.4% by end of 2027. China's economy, a major driver of dry bulk market, is expected to grow at 4.5% in 2026 and 4.0% in 2027, with continued regulatory frameworks focusing on property sector stabilization and domestic consumption growth, while Japan's projected growth remains modest at 0.7% for 2026 and 0.6% for 2027, supported by monetary policy and structural reforms which the recent bond weakening shock in January 2026, might accelerate. India stands out with robust growth projections of 6.4% both for 2026 and for 2027, driven by infrastructure development and manufacturing sector expansion, though regulatory changes in environmental compliance could impact industrial output. We expect that a significant number of the port calls made by our vessels will involve the loading or discharging of raw materials in ports in the Asian region, particularly China, Japan and India. As a result, a negative change in economic or regulatory conditions in any Asian country, particularly China, Japan or India, can have a material adverse effect on our business, financial position and results of operations, as well as our future prospects, by reducing demand and, as a result, charter rates and affecting our ability to charter our vessels. If economic growth declines in China, Japan, India and other countries in the Asian region, or if the regulatory environment due to environmental initiates such as achieving carbon neutrality in these countries changes adversely for our industry, we may face decreases in such drybulk trade and demand.

According to the Dry Bulk Shipping Market Overview & Outlook of BIMCO in January 2026 (''BIMCO Jan 2026 DBO''), the dry bulk supply-demand balance will remain stable in 2026 and weaken in 2027. Ship demand is forecast to grow 2-3% in 2026 and 1-2% in 2027, while ship supply is expected to grow 2.5% in 2026 and 3% in 2027. The United States economy is forecast to grow at 2.4% in 2026 and 2.0% in 2027, with inflation expected to stabilize around 2.3%, while the European Union projects growth of 1.3% in 2026 and 1.4% in 2027, supported by recovering domestic demand. A slowdown in the United States economy or the economies of countries within the E.U. will likely adversely affect economic growth in China, Japan, India and other countries in the Asian region. Such an economic downturn in any of these countries could have a material adverse effect on our business, financial condition and results of operations. In recent years, China has pursued increased economic autonomy and continued reforms toward a market-oriented economy. However, several of these reforms, including pricing limit reforms and regulatory measures, remain evolving, experimental, or subject to reversal. Changes, revisions, or the abolition of such reforms, as well as shifts in China's political, economic, or social policies, could negatively impact the level of imports into and exports from China. A decline in China's imports or exports of goods could have a material adverse effect on our business, as a significant portion of our dry bulk trade is concentrated on key trade routes from Brazil and Australia to China, making dry bulk trade highly dependent on Chinese import and export activity. Chinese policy shifts regarding the national energy mix represent a material risk to the dry bulk market. Accelerated decarbonization targets, stricter environmental regulations, and increased support for renewable energy and alternative fuels could materially reduce China's reliance on thermal coal, both through lower imports and constrained domestic production. Given China's role as the world's largest coal consumer and a key driver of seaborne dry bulk demand, any abrupt policy-driven adjustment could lead to a meaningful contraction in coal trade volumes, adversely impacting vessel utilization, freight rates, and overall dry bulk market balance. A sustained decline in China's exports driven by reduced global demand could lead to a slowdown in China's construction sector, as demand for industrial, commercial, and manufacturing facilities weakens. Such a slowdown could reduce China's demand for imported iron ore, directly affecting key dry bulk trade flows and may have a material adverse effect on our business, results of operations, and financial condition.

Furthermore, there is a rising threat of a Chinese financial crisis resulting from massive personal and corporate indebtedness and "trade wars." Although the United States and China agreed an one-year truce trade agreement in late 2025, there is no assurance that the Chinese economy will not experience a significant contraction in the future. Although state-owned enterprises still account for a substantial portion of the Chinese industrial output, in general, the Chinese government is reducing the level of direct control that it exercises over the economy through state plans and other measures. Notwithstanding economic reform, the Chinese government may adopt policies that favor domestic shipping companies which may hinder our ability to compete with them effectively. China has also promoted the construction of railway and highway transportation corridors in Asia, which could reduce the amount of goods transported by sea trade. This could have an adverse impact on our charterers' business, operating results, and financial condition. Moreover, an economic slowdown in the economies of the European Union and other Asian countries may further adversely affect economic growth in China and elsewhere.

An oversupply of drybulk vessel capacity may lead to reductions in charter rates and results of operations.

The market supply of drybulk vessels has been increasing in terms of dwt, and the number of drybulk vessels on order as of December 31, 2025 was approximately 14.6% in terms of dwt, for Panamax to Post-Panamax class vessels and 12.5% for Capesize class vessels, as compared to the then-existing global drybulk fleet in terms of dwt, with the majority of new deliveries evenly spread through to 2028. As a result, the drybulk fleet continues to grow at an increased pace despite uncertainty around future environmental regulations. In addition, during periods when there are high expectations for charter market recovery, a large number of orders may be placed in shipyards, resulting in a further increase of newbuild orders and accordingly in the size of the global drybulk fleet. An oversupply of drybulk vessel capacity will likely result in a reduction of charter hire rates. We will be exposed to

changes in charter rates with respect to our existing fleet and our remaining newbuild, depending on the ultimate growth of the global drybulk fleet. If we cannot enter into period time charters on acceptable terms, we may have to secure charters in the spot market, where charter rates are more volatile and revenues are, therefore, less predictable, or we may not be able to charter our vessels at all. In our current fleet, as of February 20, 2026, 33 vessels will be available for employment in the first half of 2026. If market conditions change or demand for dry bulk vessels declines, an oversupply of dry bulk carrier capacity could lead to prolonged periods of depressed charter rates. A material increase in the net supply of drybulk vessel capacity without corresponding growth in drybulk vessel demand could have a material adverse effect on our fleet utilization and our charter rates generally, and could, accordingly, materially adversely affect our business, financial condition and results of operations.

The market value of drybulk vessels is highly volatile, being related to charter market conditions, aging and environmental regulations including IMO vessel environmental classification based on GHG emissions. The market values of our vessels may significantly decrease which could cause us to breach covenants in our credit and loan facilities and our bond, and could have a material adverse effect on our business, financial condition and results of operations.

Our credit and loan facilities, which are secured by mortgages on our vessels, and our bond which is unsecured, require us to comply with collateral coverage ratios and satisfy certain financial and other covenants, including those that are affected by the market value of our vessels. The fair market values of drybulk vessels have generally experienced significant volatility within a short period of time and is dependent upon a number of factors. In recent years, the market prices for second-hand and newbuild drybulk vessels significantly declined in 2020 due to depressed market conditions as a result of Covid-19, recovered since then during the last three years, declined again since the second half of 2024, and have recovered during 2025 as a result of prevailing charter market conditions. Before that, in the previous years, the market prices for second-hand and newbuild drybulk vessels experienced very low levels in 2016, when vessel values were reduced in a short period of time due to depressed market conditions. The market value of our vessels fluctuates depending on a number of factors, including:

- general economic and market conditions affecting the shipping industry;
- changes in interest rates and inflationary pressures;
- prevailing level of charter rates;
- supply of and demand for vessels;
- general vessel's condition and vessel's specification;
- vessel environmental performance, including IMO environmental classification based on GHG emissions, environmental taxation and penalties;
- distressed asset sales, including newbuild contract sales below acquisition costs due to lack of financing during weak charter market conditions;
- lack of financing and limitations imposed by financial covenants affecting the market value of vessels ;
- competition from other shipping companies and other modes of transportation;
- configurations, types, sizes and ages of vessels;
- changes in governmental, environmental or other regulations that may limit the useful life of vessels; and
- technological advances in vessel design or equipment or otherwise.

We were in compliance with our covenants in our credit and loan facilities and our bond, in effect as of December 31, 2024 and December 31, 2025. If the market value of our vessels, or our newbuilds upon delivery to us, decline, we may breach some of the covenants contained in our credit and loan facilities and our bond, some of which may require the maintenance of a minimum percentage of fair market value of those vessels securing the facility against the principal outstanding amount of the loans under the facility or a maximum ratio of total liabilities to market value adjusted total assets or a minimum dollar market value adjusted net worth. If we do breach such covenants and we are unable to remedy or our lenders refuse to waive the relevant breach, our lenders could accelerate our indebtedness and foreclose on the vessels in our fleet securing those loan and credit facilities. As a result of cross-default provisions contained in our loan and credit facility agreements and our bond, this could in turn lead to additional defaults under our financing agreements and the consequent acceleration of the indebtedness under those agreements and the commencement of similar foreclosure proceedings by other lenders and our bondholders. If our indebtedness was accelerated in full or in part, it would be difficult for us to refinance our debt or obtain additional financing on favorable terms or at all and we could lose our vessels if our lenders foreclose their liens, which would adversely affect our ability to continue our business.

A significant decrease of the market values of our vessels could cause us to incur an impairment loss and could have a material adverse effect on our business, financial condition and results of operations.

We review for impairment our vessels on a quarterly basis and whenever events or changes in circumstances indicate that the carrying amount of the vessels may not be recoverable. Such indicators include declines in the fair market value of vessels, decreases in market charter rates, vessel sale and purchase considerations, fleet utilization, environmental and other regulatory changes in the drybulk shipping industry or changes in business plans or overall market conditions that may adversely affect cash flows. Our access to additional funds may be affected or we may be required to record an impairment charge in our consolidated financial statements with respect to our vessels and any such impairment charge resulting from a decline in the market value of our vessels or a decrease in charter rates may have a material adverse effect on our business, financial condition and results of operations. Our financial results may be similarly affected in the future if we record an impairment charge or sell vessels at a loss before we record an impairment adjustment. Conversely, if vessel values are increased at a time when we wish to acquire additional newbuild or secondhand vessels, the cost of such investments may increase causing us not to proceed with such investments, and this could adversely affect our business, results of operations, cash flow and financial condition.

See "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Critical Accounting Estimates—Impairment of Vessels" for more information.

Technological developments and new vessel environmental designs could reduce our earnings and the value of our vessels.

Determining factors for the useful life and revenue generation capacity of the vessels in our fleet are efficiency, environmental performance, operational flexibility and technological developments. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Environmental performance is related to IMO vessel classification based on GHG emission standards, environmental taxation and penalties which have been increasingly imposed on the relatively heavier consuming vessels in certain jurisdictions. In addition, speed limitations related to main engine power limitation, which aims to further reduce GHG emissions in the future, makes older vessels operationally unattractive. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. The duration of a vessel's useful life is related to its original design and construction, its maintenance, its environmental upgrades and the impact of the stress of operations. New vessels are generally more efficient since they generally consume less fuel and emit less GHG emissions. Therefore, new vessels are advantaged in relation to current and forthcoming regulations in relation to their environmental classification, taxes and penalties and operational performance. New vessels may also be more flexible, may have longer useful lives than our vessels and may offer superior technological characteristics and improved working conditions for the crew. Competition from such advanced vessels could adversely affect the amount of charter hire payments we receive especially for our older vessels, the useful life and the resale value of our older vessels. Furthermore, we may be required to obtain certain permits or authorizations incurring compliance costs for older vessels which could have a material adverse effect on our business, financial condition and results of operations.

The international drybulk shipping industry is highly competitive, and we may not be able to compete successfully for charters with new entrants or established companies with greater resources.

We employ our vessels in an intensely competitive dry bulk market that is capital intensive and highly fragmented where we face substantial competition from both established operators and emerging market participants with lower operating costs. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Competition for the transportation of drybulk cargo by sea is intense and depends on price, customer relationships, operating expertise, professional reputation and size, age, location and condition of the vessel. Due in part to the highly fragmented market and low barriers to entry, additional competitors with greater resources could enter the drybulk shipping industry and operate larger and more diverse fleets through consolidations or acquisitions, potentially leading to overcapacity and may be able to offer lower charter rates than we are able to offer, which could erode our market position by existing competitors or new market entrants and could have a material adverse effect on our fleet utilization and, accordingly, our results of operations.

Changes in labor laws and regulations, increase in the size of the global shipping fleet, collective bargaining negotiations and labor disputes, and potential challenges for crew availability as a result of increasing difficulty in workforce recruitment in certain markets due to various reasons, including the war between Russia and Ukraine and the conflict in the Middle East, and ongoing instability in Venezuela , could increase our crew costs and have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

Labor market dynamics, evolving maritime regulations, and global workforce challenges, as there is a limited supply of well-qualified and certified crew in the shipping industry, present significant operational and financial risks to our business, particularly regarding crew recruitment and retention for our officers on board our vessels, and associated costs. Moreover, growth in the global shipping fleet, combined with a constrained supply of qualified seafarers, has increased competition for skilled crew and placed upward pressure on crew costs. Sustained elevated crew costs, or further increases driven by ongoing inflation and rising wage levels, could adversely affect our results of operations. The international maritime labor landscape is experiencing significant changes, with stringent qualification requirements, and increasing pressure for improved working conditions and compensation packages, all of which could substantially further increase our crew-related operating expenses as we bear crewing costs under our charters. The growing shortage of qualified seafarers, particularly in senior officer positions, has been amplified by increased global fleet capacity, potentially leading to increased crew turnover rates. In addition, labor disputes or unrest, including work stoppages, strikes and/or work disruptions or increases imposed by collective bargaining agreements covering the majority of our officers on board our vessels could result in higher personnel costs and increased compensation requirements thus significantly affect our financial performance. Complex international regulations regarding crew working hours, rest periods, rising crew welfare expectations, including demands for improved internet connectivity and accommodation standards continue to evolve, requiring potential vessel modifications and operational adjustments that could increase our compliance costs and impact vessel utilization. Furthermore, while we do not have any Ukrainian, Russian, Israeli or Palestinian crew, the Company's vessels, currently do not sail in the Black Sea or the Red Sea and the Company otherwise conducts limited operations in Russia, Ukraine and the Middle East, the extent to which this will impact the Company's future results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. Changes in labor laws and regulations, collective bargaining negotiations and labor disputes, and potential shortage of crew due to the war between Russia and Ukraine and in the Middle East, could potentially limit the available pool of qualified personnel, increase our training and compliance costs, and increase our crew costs, which may affect our operating margins, modify our traditional crew sourcing strategies and have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends.

We are subject to regulations and liability under environmental laws which may include marine pollution and illegal discharge of oily substances to the sea, and air pollution from vessels's operation, that require significant expenditures which can affect the ability and competitiveness of our vessels to trade, our results of operations and financial condition.

The global maritime industry faces unprecedented regulatory changes driven by climate change concerns, resulting in increasingly stringent GHG emissions controls and reporting requirements. These evolving regulations create significant operational,

technical, and financial implications for vessel operators and owners. Our business and the operation of our vessels are regulated under international conventions, national, state and local laws and regulations in force in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration, in relation to potential environmental impacts. Regulations of vessels, particularly environmental regulations have become more stringent, including regulations related to marine pollution and illegal discharge of oily substances to the sea, BWTS implementation, exhaust gas emissions such as NOx, sulfur oxides ("SOx"), particulate matter, etc., as well as GHG emissions such as carbon dioxide ("CO2"), methane ("CH4"), etc. Some of those GHG emission regulations are expected to be further revised and become stricter in the future and associated with Emissions Trading Systems ("ETS") and penalties mechanisms imposed from 2025 onwards by the EU and other regional carbon pricing mechanisms presently developed by the IMO. As a result significant capital expenditures may be required on our vessels to keep them in compliance, and we may be required to pay increased prices for newbuild and secondhand vessels that meet these requirements.

See "Item 4. Information on the company. — B. Business Overview — Regulations: Safety and the Environment" for more information.

In addition, the heightened environmental, quality and security concerns of the public, regulators, insurance underwriters, financing sources and charterers may generally lead to additional regulatory requirements, including enhanced risk assessment and security requirements, greater inspection and safety requirements on all vessels in the marine transportation markets and possibly restrictions on the emissions of greenhouse gases from the operation of vessels. These requirements are likely to add incremental costs to our operations and the failure to comply with these requirements may affect the ability of our vessels to obtain and, possibly, collect on insurance or to obtain the required certificates for entry into the different ports where we operate. We could also incur material liabilities, including cleanup obligations and claims for natural resources, personal injury and property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations, including the misuse of oily water separator leading to illegal discharge overboard of oily substances to the sea. Violations of, or liabilities under, environmental regulations can result in substantial penalties, fines and other sanctions, including, in certain instances, seizure or detention of our vessels. Any such actual or alleged environmental laws regulations and policies violation, under negligence, willful misconduct or fault, could result in substantial fines, civil and/or criminal penalties or curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management. Events of this nature would have a material adverse effect on our business, financial condition and results of operations.

Environmental regulations in relation to climate change and GHG emissions legislation may increase operational and financial restrictions, and environmental compliance costs.

A number of countries and the IMO have adopted, or are considering the adoption of regulatory frameworks to reduce greenhouse gas emissions due to concern over the risk of climate change. These regulatory measures may include, among others, the adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for use of alternative fuels, i.e. fuels with lower CO2 footprint compared to fossil fuels and use of renewable energy. GHG reduction measures adopted, or further additional measures to be adopted by the IMO, EU and other jurisdictions for achieving 2030 goals have imposed and may impose additional operational and financial restrictions, carbon taxes or an emission trading system on less efficient vessels starting from 2023, gradually affecting younger vessels, even newbuilds after 2030, reducing their trade and competitiveness, increasing their environmental compliance costs, imposing additional energy efficiency investments, or even making such vessels obsolete. This or other developments may lead to environmental taxation affecting less energy efficient vessels, reduce their trade and competitiveness and make certain vessels in our fleet obsolete, which may result in financial impacts on our results of operations that we cannot predict with certainty at this time.This could have a material adverse effect on our business, financial condition and results of operations. Given the rapidly evolving nature of climate change regulations and potential future requirements under international agreements, regulatory frameworks, or international treaties and market-based measures to put a price on carbon emissions, we could incur additional capital expenditures and may be materially affected to the extent that climate change results in sea level changes or more intense weather events.

Although the EU FuelEU Maritime Regulation is already in force, the IMO's decision to postpone the adoption of a Global Fuel Standard under its Net-Zero Framework by one year adds a layer of regulatory uncertainty. The delay increases the risk that the final GFS design, scope, and stringency may be materially revised, leaving shipowners and charterers with limited visibility on future compliance costs, fuel pathways, and fleet investment decisions, and potentially leading to a fragmented regulatory landscape with uneven impacts across trade routes.

See "Item 4. Information on the company. — B. Business Overview — Regulations: Safety and the Environment - Greenhouse Gas Regulation – United Nations Framework Convention on Climate Change" for more information.

In response to the above GHG environmental regulations, we monitor CO2 vessel emissions pursuant to the International Maritime Organization's fuel oil consumption Data Collection System ("IMO DCS") and to the European Monitoring, Reporting and Verification Regulation ("EU-MRV"), assessing in parallel the applicability of relevant energy efficiency measures. Furthermore, we have pursued a fleet renewal strategy having entered into memoranda of agreement for the acquisition of 20 in total environmentally advanced dry-bulk GHG-EEDI Phase 3 NOx-Tier III compliant newbuilds, including two methanol dual fueled, with 12 already been delivered to us, four scheduled to be delivered in the remainder of 2026, two in 2027, one in 2028 and one in 2029.

The long-term global shift to renewable energy, net-zero commitments, cleaner energy adoption, and stricter environmental regulations, such as carbon taxes, pose significant risks to maritime coal transportation; coal being a major dry bulk commodity. Declining global coal demand could reduce freight volumes, lower fleet utilization and charter rates

affecting profitability and valuation of dry-bulk vessels, which may result in a material adverse effect on our business, cash flows, financial condition and results of operations.

International agreements such as the Paris Agreement, coupled with carbon pricing mechanisms, are expected to limit coal consumption, especially in developed nations. Asia, particularly China and India, has been the dominant driver of global coal demand. Both countries have relied heavily on coal for industrial and energy production needs. Europe and the U.S. have seen a steady decline in coal demand due to the shift to renewable energy sources and cleaner alternatives. While Asian markets, particularly India and Southeast Asian countries, currently demonstrate robust demand growth, this growth may not fully offset future declines in other regions. The shift towards decarbonization as a result of global initiatives, such as the IMO's recently revised strategy of ambitious decarbonization targets aiming to reach net-zero GHG emissions by or around 2050, may adversely impact coal demand over the next 30 years. According to the world energy outlook released by the International Energy Agency's (the "IEA"), in the last quarter of 2025, global coal demand follows diverging paths across scenarios. In the Current Policies Scenario (CPS), coal demand remains broadly stable in the short term, before declining by around 10% by the mid-2030s, and only gradually thereafter, leaving coal demand in 2050 still roughly 20–25% below 2024 levels, reflecting continued reliance on coal in emerging market power generation and industry. Under the Stated Policies Scenario (STEPS), coal demand peaks before 2030, falling by approximately 20% by 2035 and by around 45% by 2050, driven by accelerating renewables deployment, electrification and fuel switching, particularly in China and advanced economies. In contrast, the Net Zero Emissions by 2050 (NZE) scenario implies a rapid structural decline as coal demand falls sharply already in the short term, drops by more than 55–60% by the mid-2030s, and is reduced by around 85–90% by 2050, leaving coal confined to a marginal role, largely limited to facilities equipped with carbon capture and a small number of hard-to-abate industrial applications. Nevertheless, fast-growing electricity use and concerns about electricity security underpinned a wave of coal plant approvals in China which gave the green light to almost 100 GW of new coal-fired plants in 2024, and India a further 15 GW, pushing global approvals to their highest level since 2015.

These global trends present material risks to the dry bulk shipping market, impacting freight rates, vessel valuations, and trade routes. Freight rate volatility may become more pronounced as shipowners compete for limited cargoes, leading to reduced profitability and increased margin pressures. Moreover, vessel asset prices may decline as demand softens, negatively affecting the resale value of dry bulk vessels. Prolonged coal demand contraction may also lead to impairment risks for vessel owners, especially those with older, or less energy and fuel efficient fleets, or limited cargo diversification strategies. Reduced export volumes may lead to underutilization of specific port infrastructures and decreased voyage distances, further dampening tonnage demand. The projected decline in global coal demand could materially adversely affect our business, financial condition, and results of operations.

The projected decline in coal transportation demand may lead to significant depreciation in the value of our vessels, materially impacting our ability to use our vessels as collateral for loans, resulting in potential covenant breaches under our future loan agreements, requiring additional capital expenditures to maintain competitiveness, thus reducing our long term flexibility in asset sales and fleet renewal strategies. Our business depends significantly on the global seaborne transportation of coal, which currently represented a significant part of our revenues earned and cargoes transferred. The expected downward pressure on freight rates as a result of a potential prolonged global coal demand contraction, could significantly reduce our operating revenues, impact our ability to service debt obligations and reduce available cash for fleet maintenance and modernization.

In response to the risk of declining global coal demand over the long term period, the Company has prioritized an ESG based strategic pivot, taking into account the capital-intensive nature of maritime assets and the long lead-time of fleet diversification, leading the Company i) to invest heavily in the acquisition of 20, environmentally advanced dry-bulk GHG-EEDI Phase 3 NOx-Tier III compliant newbuilds, including two methanol dual-fueled, ii) to environmentally upgrade investments on its existing fleet, including the application of ultra low friction paints and ducts installations and iii) to implement an upgraded Integrated Management System ("IMS") enhancing operational flexibility and compliance with evolving regulatory standards; all of which will create a competitive advantage compared to peer vessels.

While we are implementing strategies to address this risk, there can be no certainty that these measures will be successful in mitigating the impact of declining coal demand on our business. Our failure to effectively respond to these challenges could have a material adverse effect on our business, financial condition, and results of operations.

The production and adoption of maritime alternative fuels with low carbon intensity remains limited and may delay scale up as evolving regulations create uncertainty, slowing the required resource deployment, which could threaten the industry's ability to gain access to alternative fuels, delay the aligning of the maritime industry with global climate goals and meeting decarbonization targets on time and increase the risk of environmental costs and penalties from 2024 onwards, affecting our cash flows, financial condition and results of operations.

Although the principle "the Polluter pays" is applicable on all environmental based regulations and results in absorption of environmental costs and penalties by the charterers and subsequently by the end users, vessels that fail to adapt with such regulations may face increased environmental costs and penalties, which are related to their energy efficiency and the fuel used, *(see "Item 4. Information on the company. — B. Business Overview. Environmental regulations"* for more information) resulting in operational and financial disadvantages and loss in competitiveness.

Delays in the adoption, scaling of production, infrastructure, and supply chain of maritime alternative fuels could hinder the industry's ability to meet decarbonization targets, which may cause delays in the transition to low-carbon technology. This may create a disadvantage for early movers in their efforts to combat climate change and meet emissions reduction targets. The IMO's recent decision to postpone the adoption of a Global Fuel Standard under its Net-Zero Framework by one year, within 2026, adds a layer of regulatory uncertainty. The delay increases the risk that the final GFS design, scope, and stringency may be materially revised, leaving shipowners and charterers with limited visibility on future compliance costs, fuel pathways,

and fleet investment decisions, and potentially leading to a fragmented regulatory landscape with uneven impacts across trade routes. Our Company is an early mover, having order two methanol dual-fuel Kamsarmax newbuild vessels, able to operate with fossil fuels or alternative low carbon intensity fuels, with scheduled deliveries in the fourth quarter of 2026 and in the first quarter of 2027, targeting to mitigate the risk of increasing environmental costs and penalties during the transition period. Although the Company is undertaking substantial efforts to locate the required fuel quantities, if maritime alternative fuels with low carbon intensity are not timely produced, are produced in insufficient quantities, are not available worldwide where we trade, or are more expensive making their use uneconomical, our two dual-fuel Kamsarmax vessels will operate with fossil fuels loosing or limiting their designed operational, environmental and financial advantage.

Moreover, in response to the risk of limited production and availability of maritime alternative fuels, the Company is using various grades of biofuels suitable to compensate the carbon based penalties mechanisms from 2025 until 2030.

While we are implementing strategies to address these risks, there can be no certainty that these measures will be successful in mitigating the impact of a potential inability to be supplied with green methanol and biofuels in our business. Our failure to effectively respond to these challenges could have a material adverse effect on our business, financial condition, and results of operations.

The evolving landscape of ESG expectations from financial stakeholders including investors, charterers, lenders and societies leads to increased scrutiny with respect to our ESG policies and presents significant operational and reputational implications for our business.

Companies across all industries, including the shipping industry, are facing increased scrutiny relating to their ESG policies. Investor advocacy groups, proxy advisory firms, ESG rating agencies whose assessments can significantly influence investor perceptions and investment decisions, certain institutional investors, investment funds, charterers, lenders and other market participants are increasingly focused on corporate governance, climate change, sustainable energy practices, reduction of carbon footprint and promote ESG practices. Financial institutions, including banks, lessors, and institutional investors, are increasingly incorporating ESG metrics, criteria and performance standards into their lending, evaluation processes and investment decisions, potentially affecting our access to and cost of capital. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or the stock price of such a company could be materially and adversely affected. As a result, we may be required to implement more stringent ESG procedures or standards so that we continue to have access to capital and our existing and future investors and lenders remain invested in us and make further investments in us.

Over the past few years, we have made publicly available our annual sustainability report where we present our environmental, social and governance strategy for the future, as well as the impact of our operations and business on society and the environment. Additionally, in November 2023, we announced the formation of an environmental, social and governance board committee ("ESG Committee") consisting of six board members, four of whom are independent directors. The President of the Company has been assigned to lead the management team on ESG matters and report to the ESG Committee which is led by an independent director. The ESG Committee reviews the Company's ESG performance and ensures governance oversight, by the Board of Directors, of the ESG strategy and implementation, consistent with the priorities outlined in the Company's annual sustainability report, reflecting the heightened focus needed for the Company's comprehensive ESG strategy, (*see "Item 4. Information on the company. — B. Business Overview"* for more information).

Furthermore, we maybe subject to evolving sustainability-related reporting requirements and regulations in the European Union, the United States and other jurisdictions, which may increase our compliance costs and affect our operations. In the EU, the Corporate Sustainability Reporting Directive ("CSRD") requires certain companies to report sustainability and ESG information in their management reports, including a "double materiality" analysis of both impacts on the environment and the climate-related risks to their business. Most recently in December 2025, a provisional agreement was reached by the European Commission and European Parliament on the EU Omnibus I package significantly narrowing the CSRD scope. Under the finalized rules, mandatory sustainability reporting will apply only to EU entities with more than 1,000 employees and over €450 million in annual net turnover, as well as to non-EU entities with over €450 million in EU turnover and their EU subsidiaries or branches generating more than €200 million in the EU. Reporting requirements will be significantly simplified, sector-specific reporting will be voluntary. Due diligence obligations under the Corporate Sustainability Due Diligence Directive ("CSDDD"), will become applicable from 26 July 2029, applying only to very large EU entities with over 5,000 employees and more than €1.5 billion in turnover, and to non-EU entities meeting the same EU turnover threshold. Transition plans aligned with sustainability objectives will no longer be required. Although proposed amendments to the CSRD and the CSDDD may exclude companies with fewer than 1,000 or 5,000 employees, respectively, until such amendments are enacted, we may be required to implement processes to gather data, conduct materiality assessments, and prepare CSRD-compliant reports, which could be time-consuming and costly.

Similarly, in the U.S., the SEC has issued rules requiring public companies to disclose extensive climate-related information, including GHG emissions. These rules are currently subject to legal challenges and a stay, but if upheld, they would require to us to enhance and standardize climate-related disclosures and as an accelerated filer, to provide the enhanced climate-related disclosures in our annual reports as well as disclosure of Scope 1 and Scope 2 GHG emissions if they are material, including an independent attestation report, and as such compliance may require significant expenditures. In addition, the evolving nature of ESG reporting, voluntary standards, and disclosure requirements, together with emerging anti-ESG and anti-diversity, equity, and

inclusion policies in the U,S., may subject us to additional compliance obligations, investigations, enforcement actions, or reputational harm. Actions that are viewed positively by some stakeholders may be criticized by others, potentially affecting our ability to attract capital, and compete effectively. These factors could materially and adversely affect our business, results of operations, cash flows, and financial condition.

However, in light of increased focus on ESG matters, there can be no certainty that we will manage to successfully meet society's expectations as to our proper role. We cannot assure that our ESG policies and practices will meet the evolving standards and expectations of our stakeholders. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, or results of operations, including the sustainability of our business over time.

We are subject to complex laws and regulations, including international safety regulations and requirements imposed by our classification societies and the failure to comply with these regulations and requirements may subject us to increased costs and liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports.

We are subject to complex laws and regulations, such as international conventions, regulations and treaties, national laws, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations. In addition, vessel classification societies also impose significant safety and other requirements on our vessels. Because such conventions, laws, and regulations are often revised, we may not be able to predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale prices or useful lives of our vessels. Compliance with regulations and laws could limit our ability to do business or increase the cost of our doing business, which could have a material adverse effect on our business, results of operations, cash flows and financial condition and our available cash.

Our industry's regulatory environment is becoming exponentially complex and includes regulations of the IMO, the United States, the European Union, China, India, Australia and other countries in which we operate. Such regulations include requirements set forth in the IMO's International Safety Management ("ISM") Code, the International Convention for the Prevention of Pollution from Ships of 1973 ("MARPOL"), the International Ship and Port Facility Security Code ("ISPS"), the United States Oil Pollution Act of 1990, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, the U.S. Clean Air Act, the U.S. Clean Water Act, the U.S. Marine Transportation Security Act of 2002 and others. In the foreseeable future we expect the trend of increasing regulatory compliance complexity to continue. For example, United States agencies and the IMO's Maritime Safety Committee have adopted cyber security regulations which requires ship owners and managers to incorporate cyber risk management and security into their safety management.

The operation of our vessels is affected by the requirements set forth in the IMO ISM Code. Under the ISM Code, we are required to develop and maintain an extensive Safety Management System ("SMS") that includes the adoption of a safety and environmental protection policy. Failure to comply with the ISM Code may subject us to increased liability, invalidate existing insurance or decrease available insurance coverage for the affected vessels and result in a denial of access to, or detention in, certain ports. For example, the U.S. Coast Guard and E.U. authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading in U.S. and E.U. ports. Currently, each of the vessels in our current fleet is ISM Code-certified, but we may not be able to maintain such certification at all times. If we fail to maintain ISM Code certification for our vessels, we may also breach covenants in certain of our credit and loan facilities that require that our vessels be ISM Code-certified. If we breach such covenants due to failure to maintain ISM Code certification and are unable to remedy the relevant breach, our lenders could accelerate our indebtedness and foreclose on the vessels in our fleet securing those credit or loan facilities.See Item 4. Information on the Company-Business Overview-Environmental and Other Regulations for more information.

Increased inspection procedures, revised inspection age trigger and safety score changes, tighter import and export controls and survey requirements could increase costs, adversely affect the employment of our vessels and could have a material adverse effect on our business, financial condition, and results of operations.

International shipping is subject to various security and customs inspections and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of our vessels, or the contents of our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines and other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo impractical. Any such changes or developments may have a material adverse effect on our business, financial condition and results of operations. The hull and machinery of every commercial vessel must be certified as safe and seaworthy in accordance with applicable rules and regulations, and accordingly vessels must undergo regular surveys. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey or special survey, the vessel will be unable to trade between ports and will be unemployable and we would be in violation of certain covenants in our credit and loan facilities. This would also negatively impact our revenues.

RightShip is a global organization providing vetting, safety scoring and GHG rating on equal merits monitored by industry stakeholders. Rightship has lowered its vessel inspection age trigger from 14 to 10 years, with a phased rollout through 1 January 2027. This change, designed to improve safety in the dry bulk sector, subjects older vessels to more frequent inspections, increased scrutiny, and potential safety score downgrades. Vessels that do not undergo a valid Rightship inspection at the relevant age may see their safety score reduced to 2 out of 5, which could limit employment opportunities, reduce charter rates, or restrict

access to certain trades, ports, or cargoes. As of February 20, 2026, we had 45 vessels in our fleet, one of which was held for sale, with an average age of 10.5 years, with 28 vessels above 10 years, 11 vessels above 15 years, two of which are reaching an age of 20 years. An increased number of our vessels compared to previous years, particularly those 10 years and above, may face increased maintenance, inspection, and compliance costs to maintain acceptable ratings. As Rightship ratings are widely used by charterers, cargo interests, and terminals, any stricter application of the revised age trigger or further methodology changes could accelerate the economic obsolescence of older dry bulk vessels and have a material adverse effect on our business, results of operations, cash flows, and financial condition. We may incur additional costs to ensure that our vessels maintain satisfactory RightShip ratings or otherwise comply with the standards required by our charterers. Although our vessels are generally expected to meet these standards, failure of any vessel to do so could limit our ability to operate that vessel and adversely affect our results of operations.

Our vessels are exposed to operational risks that may not be adequately covered by our insurance.

The operation of any vessel includes risks such as weather conditions, mechanical failure, collision, fire, contact with floating objects, cargo or property loss or damage and business interruption due to political circumstances in countries, piracy, terrorist and cyber terrorist attacks, armed hostilities and labor strikes. Such occurrences could result in death or injury to persons, loss, damage or destruction of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates and damage to our reputation and customer relationships generally.

We may not be adequately insured against all risks and our insurers may not pay particular claims. With respect to war risks insurance, which we usually obtain for certain of our vessels making port calls in designated war zone areas, such insurance may not be obtained prior to one of our vessels entering into an actual war zone, which could result in that vessel not being insured. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Under the terms of our credit facilities, we will be subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies. Furthermore, in the future, we may not be able to maintain or obtain adequate insurance coverage at reasonable rates for our fleet. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs in the event of a claim or decrease any recovery in the event of a loss. If the damages from a catastrophic oil spill or other marine disaster exceed our insurance coverage, the payment of those damages could have a material adverse effect on our business and could possibly result in our insolvency.

In general, we do not carry loss of hire insurance. Occasionally, we may decide to carry loss of hire insurance when our vessels are trading in areas where a history of piracy has been reported. Loss of hire insurance covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking or unscheduled repairs due to damage to the vessel. Accordingly, any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, financial condition and results of operations.

World events, terrorist attacks, other international hostilities and potential disruption of shipping routes due to events outside of our control, including the war between Russia and Ukraine, the conflict in the Middle East, ongoing instability in Venezuela,and Red Sea trade disruption, (including the attacks on ships by Houthi rebels), could negatively affect our results of operations and financial condition.

We conduct most of our operations outside of the U.S. and our business, results of operations, cash flows, financial condition and ability to pay dividends, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts, including the current instability in the Middle East, North Africa and other countries and geographic areas, terrorist or other attacks and war or international hostilities. Terrorist attacks and the continuing response of the U.S. and others to these attacks, as well as the threat of future terrorist attacks around the world, continues to cause uncertainty in the world's financial markets and may affect our business, operating results and financial condition. Continuing conflicts and recent developments in the Middle East and North Africa, the escalation of war between Russia and Ukraine, the trade disruption in the Red Sea and the presence of U.S. or other armed forces in Red Sea, Iraq, Syria, Afghanistan and various other regions, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic and geopolitical instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. These types of attacks have also affected vessels trading in regions such as the Black Sea, South China Sea and the Gulf of Aden off the coast of Somalia. The IMO's council sessions, addressed the impacts on shipping and seafarers, as a result of the war in the Black Sea and the Sea of Azov. The IMO called for the need to preserve the integrity of maritime supply chains and the safety and welfare of seafarers and any spillover effects of the military action on global shipping, logistics and supply chains, in particular the impacts on the delivery of commodities and food to developing nations and the impacts on energy supplies. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs.

The war between Russia and Ukraine, which commenced in February 2022 and is still ongoing, has disrupted supply chains and caused instability and significant volatility in the global economy. Much uncertainty remains regarding the global impact of the

war in Ukraine, and it is possible that such instability, uncertainty and resulting volatility could significantly increase our costs and adversely affect our business, including our ability to secure charters and financing on attractive terms, and as a result, adversely affect our business, financial condition, results of operation and cash flows.

The conflict in the Middle East, which commenced in October 2023, has caused significant political and social unrest in Israel, Gaza, and the surrounding areas. During the conflict, there were growing hostilities along Israel's northern border with Lebanon (with the Hezbollah terrorist organization) and on other fronts from various extremist groups in the region, such as various rebel militia groups in Syria and Iraq. In addition, the Houthi movement, which controls parts of Yemen, launched attacks on Israeli-controlled or owned ships in the Red Sea, resulting in widespread rerouting of cargo ships and some shipping companies ceasing shipments to Israel. Although a ceasefire between Israel and Hamas took effect in October 2025, there is no assurance that this agreement will be upheld. Military activity and hostilities continue to exist at varying levels of intensity, and the situation in the Middle East remains volatile, with the potential for escalation into a broader regional conflict. While our vessels currently do not sail in the Red Sea, we will continue to monitor the situation to assess whether the trade disruption could have any impact on our operations or financial performance. It is currently not possible to predict the duration or severity of the ongoing conflicts or their effects on our business, operations and financial conditions. The ongoing conflict is rapidly evolving and developing, and could disrupt our business and operations, interrupt our sources and availability of supply and hamper our ability to raise additional funds or sell our securities, among other possible negative effects.

As a result of the war between Russia and Ukraine, Switzerland, the US, the EU, the UK and others have announced unprecedented levels of sanctions and other measures against Russia and certain Russian entities and nationals. Such sanctions against Russia may adversely affect our business, financial condition, results of operation and cash flows. The ongoing war could result in the imposition of further economic sanctions against Russia, with uncertain impacts on the drybulk market and the world economy. While we do not have any Ukrainian, Russian, Israeli or Palestinian crew, our vessels currently do not sail in the Black Sea or the Red Sea and we otherwise conduct limited operations in Russia, Ukraine, and Israel, it is possible that the war in Ukraine and the conflicts in the Middle East and Venezuela including any increased shipping costs, disruptions of global shipping routes, any impact on the global supply chain and any impact on current or potential customers caused by these events, could adversely affect our operations or financial performance.

Global risks to the supply chains, including geopolitical risks, which impact maritime transport, may adversely affect global freight prices and could have a material adverse effect on our business.

During fiscal year 2025, a confluence of factors caused disruptions to international shipping, increasing costs and delaying shipments. Attacks on ships entering the Red Sea en route to the Suez Canal, an important waterway for vessels moving between Asia and the United States, by Houthi rebels in Yemen, forced ships to take longer routes. In 2024, drought conditions materially reduced capacity in the Panama Canal. While operations have largely normalized, residual constraints remain, and future water-level variability and climate-related risks could again limit canal transits.These disruptions could generate new risks to the supply chain and corresponding increases in freight prices, which could have a material adverse effect on our business,financial condition and results of operations. Furthermore, the world has become more unstable, multi-polarized, multi-latteral with trade protectionism risks that can substantial challenge and transform the existing supply chains, which could have a material adverse effect on our business.

Changes in U.S. or Chinese port fee policies, including the potential reimposition of retaliatory charges on vessels linked to either country, may increase expenses and adversely affect our business, financial condition and results of operations.

In October of 2025, the United States Trade Representative ("USTR") put forward significant trade actions under Section 301 of the Trade Act of 1974, with the stated aim of addressing China's dominance in the maritime, logistics, and shipbuilding industries. These actions had the potential to increase port fees and therefore the overall voyage expenses for ships calling at U.S. ports. These actions generally included a fee targeting Chinese owners and operators for each instance a vessel owned or operated by a Chinese entity enters a U.S. port. In response to the USTR imposed port fees, China imposed retaliatory port fees on vessels linked to U.S. ownership while exempting Chinese-built vessels. However, on November 1, 2025, as part of broader trade negotiations between the two countries, both U.S. and China port fees have reportedly been suspended for one year. Given the potential magnitude of these port-related fees and the many uncertainties surrounding their implementation, it is not possible at this time to fully predict the ultimate financial impact. Should the port fees be reimposed in a manner that applies to our vessels in any material respect, this could significantly reduce our profitability, negatively impact our ability to compete effectively, and materially and adversely affect our operations and financial results.

The outbreak of public health threats and epidemics or pandemics and the resulting disruptions to the international shipping industry, could negatively affect our business, financial performance and our results of operations.

As of May 2023, the World Health Organization declared that Covid-19 no longer constituted a public health emergency of international concern, indicating a transition to long-term management of the pandemic. Covid-19 has affected our industry, see "Item 4. Information on the company. — B. Business Overview — Corona Virus Outbreak" for more information. Should an outbreak of public health threats and epidemics or pandemics occur and similar restrictive measures are adopted for their control, global disruptions to the international shipping industry and delays may be expected in relation to the deliveries of our newbuilds and our newbuild program, which could negatively affect our business, financial performance, results of operations and our financial condition. Moreover, the effects of restrictions of a pandemic or epidemic on our operations, including travel restrictions, restrictions in vessels' port calls and restrictions and extended periods of remote work arrangements, could strain our business continuity plans, may introduce trade disruptions and operational risks, including but not limited to cybersecurity risks, and impair our

ability to manage our business. The length and severity of epidemics and pandemics and their disruptions, such as the impact of any new outbreaks or new variants that may emerge and measures taken in response thereto may negatively impact our business, financial performance and operating results and could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and our ability to pay dividends.

Acts of piracy on ocean-going vessels may increase in frequency, which could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, Sulu Sea, Celebes Sea, in the Gulf of Guinea and in the Gulf of Aden off the coast of Somalia. Although the frequency of sea piracy worldwide has generally decreased since 2013, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Sulu Sea and the Gulf of Guinea, and the Strait of Malacca, with drybulk vessels and tankers particularly vulnerable to such attacks. Acts of piracy could result in harm or danger to the crews that man our vessels. Following attacks on merchant vessels in the region of the Gulf of Aden at the southern end of the Red Sea, there is disruption in the maritime trade towards the Mediterranean Sea through the Suez-Canal. As a result we have diverted our fleet from sailing in this specific region. While our vessels currently do not sail in the Red Sea, we will continue to monitor the situation to assess whether the trade disruption could have any impact on our operations or financial performance.

If these piracy attacks occur in regions in which our vessels are deployed that insurers characterized as "war risk" zones or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including the employment of onboard security guards, could increase in such circumstances. Furthermore, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not "on-hire" for a certain number of days and is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents and from acts of terrorism, piracy, regional conflicts and other armed actions, which could have a material adverse effect on us. In addition, any detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, financial condition and earnings.

The operation of drybulk vessels has certain unique operational and technical risks which include mechanical failure, collision, property loss, cargo loss or damage as well as personal injury, illness and loss of life and could lead to an environmental disaster; failure to adequately maintain our vessels or address such risks could have a material adverse effect on our business, financial condition and results of operations.

The operation of a drybulk vessel has certain unique operational and technical risks which include mechanical failure, collision, property loss, cargo loss or damage as well as personal injury, illness and loss of life and could lead to an environmental disaster. Drybulk vessels may develop unexpected mechanical and operational problems due to several reasons including improper maintenance and weather conditions. We operate certain of our vessels using VLSFO, some of which, under certain conditions, may cause loss of the vessel's main engine power with severe results that can lead to collision and loss of a vessel.

Furthermore, the operation of a drybulk vessel may create risks. For example the cargo itself and its interaction with the vessel may create operational risks as by their nature, drybulk cargoes are often heavy, dense and easily shifted, and they may react badly to water exposure. In addition, drybulk vessels are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold) and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures or with steel plate diminution may be more susceptible to hull breach while at sea which may lead to the flooding of the vessel's holds. If a drybulk vessel suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of a vessel. If our vessels suffer damage, they will need to be repaired at a drydocking facility for a substantial period and for unpredictable costs, interrupting our cash flow, that may not be fully covered by insurance. Space at drydocking facilities is sometimes limited, and not all drydocking facilities are conveniently located. If we do not adequately maintain our vessels or address such operational and technical risks, we may be unable to prevent these events. The total loss or damage of any of our vessels or cargoes could harm our reputation as a safe and reliable vessel owner and operator. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations.

Maritime claimants could arrest one or more of our vessels, which could interrupt our cash flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel, or other assets of the relevant vessel-owning company, for unsatisfied debts, claims or damages. In many jurisdictions, a claimant may seek to obtain security for its claim by arresting or attaching a vessel through judicial or foreclosure proceedings. The arrest or attachment of one or more of our vessels, or other assets of the relevant vessel-owning company or companies, could cause us to default on a charter, breach covenants in certain of our credit facilities, interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could attempt to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our vessels.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel

and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Even if we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may cause us to breach covenants in certain of our credit facilities, and could have a material adverse effect on our business, financial condition and results of operations.

We rely on information technology, and if we are unable to protect against service interruptions, data corruption, cyber based attacks or network security breaches, our operations could be disrupted and our business could be negatively affected.

In the ordinary course of business, we rely on information technology networks and systems to process, transmit, and store electronic information and to manage or support a variety of business processes and activities. Our information systems and networks could become targeted and attacked by individuals or organized groups. Our vessels also rely on information systems for a significant part of their operations, including for parts of their navigation, propulsion, power control, communications, provision of services, machinery management, and cargo operations. Safety measures are in place to secure our vessels and on our on shore operations against cyber-security attacks and disruptions to their information systems. These measures may not adequately detect, prevent and remediate security breaches from constantly evolving and increasingly sophisticated threats and attacks. A cyber attack could materially and adversely affect our business operations, financial condition, results of operations and cash flows and our reputation. In addition, cyber attacks could lead to potential unauthorized access to our systems targeting ransomware, data theft, loss and corruption, disclosure of proprietary or confidential information or, personal data. Cyber attacks on our vessels may also lead to potential unauthorized access to, or service interruptions, denial or manipulation of the navigational systems of our vessels, which could result in hazardous accidents. There is no assurance that we will not experience these service interruptions or cyber attacks in the future. Further, as the methods of cyber attacks continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures, or to investigate and remedy any vulnerabilities to cyber attacks. We maintain cybersecurity insurance, however, such insurance is subject to coverage limits, exclusions, and deductibles and may not cover all losses or liabilities arising from a cybersecurity incident or the aforementioned risks to our information technology. A cyber attack could also lead to litigation, fines, other remedial action, heightened regulatory scrutiny and reputational damage. In addition, our remediation efforts may not be successful, and we may not have adequate insurance to cover these losses. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns, hardware or software failures, power outages, computer viruses, cyber attacks, telecommunication failures, user errors or catastrophic events. Risks and vulnerabilities can also arise out of inadequacies in design, integration and/or maintenance of information technology systems, as well as lapses in cyber discipline. Furthermore, as of May 25, 2018, data breaches on personal data, as defined in the European General Data Protection Regulation, could lead to administrative fines up to €20 million or up to 4% of the total worldwide annual turnover of the company, whichever is greater. Our information technology systems are becoming increasingly integrated, so damage, disruption or shutdown to the system could result in a more widespread impact. If our information technology systems suffer severe damage, disruption or shutdown, and our business continuity plans do not effectively become aware, recognize, detect and resolve the issues in a timely manner, our operations could be disrupted and our business and reputation could be negatively affected. The unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could severely disrupt our business continuity and could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In July 2023, the U.S. Securities and Exchange Commission adopted rules requiring registrants to disclose material cybersecurity incidents on a timely basis, as well as to provide enhanced disclosure regarding cybersecurity risk management, strategy, and governance. Failure to comply with these disclosure requirements may subject us to SEC enforcement actions, including injunctive relief, monetary penalties, and other sanctions. Compliance with these rules requires the implementation of additional internal controls, monitoring systems, policies, and procedures, which could result in significant incremental costs. Moreover, the disclosure of cybersecurity incidents, whether or not such incidents ultimately result in material financial losses, may increase reputational risk, lead to adverse publicity, and negatively affect investor confidence, which could, in turn, have a material adverse effect on our business, results of operations, and financial condition. Further, the information technology systems we and our vendors use are vulnerable to outages, breakdowns or other damage or interruption from service interruptions, system malfunction, natural disasters, terrorism, war, and telecommunication and electrical failures. For example, in July 2024, a software update by CrowdStrike Holdings, Inc. ("CrowdStrike"), a cybersecurity technology company, caused widespread crashes of Windows systems into which it was integrated. Although we have not experienced any material impacts as a result of the CrowdStrike software update, we could in the future experience similar third-party software-induced interruptions to our operations, which would adversely affect our business, results of operations and financial condition.

Recent action by the IMO's Maritime Safety Committee and U.S. agencies indicate that cyber security regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cyber security threats. This might cause other companies to cultivate additional procedures for monitoring cyber security, which could require additional expenses and/or capital expenditures. However, the impact of such regulations is difficult to predict at this time.

Political uncertainty including the potential imposition of new international tariffs, and an increase in trade protectionism could have a negative impact on our charterers' business and, in turn, could have a negative impact on our results of operations, financial condition and cash flows.

Our operations expose us to the risk that increased trade protectionism from China, other countries in the Asian region, the United States, the EU, Australia or other nations will adversely affect our business. If the global recovery is undermined by downside risks and the economic downturn returns, or if the regulatory environment otherwise dictates, governments may turn to trade

barriers to protect their domestic industries against foreign imports, thereby depressing the demand for shipping. During the last six years trade relations between the U.S and China became increasingly tense. In April 2025, the Trump administration imposed a baseline 10% tariff on imports from all nations importing goods to the United States, with that baseline supplemented in certain cases by additional tariffs that vary by nation, product or industry. Retaliatory tariffs on U.S. goods have been imposed by, among others, China and Canada. On July 28, 2025, the Trump administration announced a trade agreement with the European Union that included a 15% tariff on most imports from the European Union. While tariffs with certain countries have been temporarily reduced or paused, the imposition of tariffs generally has historically led to increased trade and political tensions between the United States and other countries in the international community. The continuation or resumption of such tariffs may strain international trade relations and increase the risk that foreign governments implement retaliatory tariffs on goods imported from the United States, the extent, depth and duration and effect of which on the global dry bulk trade cannot be presently assessed. Such an escalation of the trade war could impact our results of operations, financial condition and cash flows.

Seasonal fluctuations in industry demand could have a material adverse effect on our business, financial condition and results of operations and the amount of available cash with which we can pay dividends.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. Seasonality is related to several factors and may result in quarter-to-quarter volatility in our results of operations, which could affect the amount of dividends, if any, that we may pay to our shareholders. This seasonality may result in quarter-to-quarter volatility in our operating results for vessels trading in the spot market. For example, the market for marine drybulk transportation services and vessel capacity is typically stronger in the fall months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months and the grain export season from North America. Similarly, the market for marine drybulk transportation services is typically stronger in the spring months in anticipation of the South American grain export season due to increased distance traveled by vessels to their end destination known as ton mile effect, as well as increased coal imports in parts of Asia due to additional electricity demand for cooling during the summer months. Demand for marine drybulk transportation services is typically weaker at the beginning of the calendar year and during the summer months. In addition, unpredictable weather patterns during these periods tend to disrupt vessel scheduling and supplies of certain commodities. This seasonality could have a material adverse effect on our business, financial condition and results of operations.

Charterers may renegotiate or default on period time charters, which could reduce our revenues and have a material adverse effect on our business, financial condition and results of operations.

The ability and willingness of each of our counterparties to perform its obligations under a period time charter agreement with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the drybulk shipping industry and the overall financial condition of the counterparties. If we enter into period time charters with charterers when charter rates are high and charter rates subsequently fall significantly, charterers may seek to renegotiate financial terms or may default on their obligations. Additionally, charterers may attempt to bring claims against us based on vessel performance or cargo loading or unloading operations, seeking to renegotiate financial terms or avoid payments. Also, our charterers may experience financial difficulties due to prevailing economic conditions or for other reasons, and as a result may default on their obligations. In past years, the industry experienced numerous incidents of charterers renegotiating their charters or defaulting on their obligations thereunder. In December 2020, we agreed to the early termination of an existing charter of a Capesize-class vessel at the request of the charterer which was contractually due to expire in January 2024. In exchange for the early redelivery of the vessel, the charterer paid us cash compensation of $8.1 million. The vessel was subsequently deployed under a new period time charter with a different charterer for a duration of 12 to 14 months at a gross daily charter rate linked to the 5 TC Baltic Exchange Capesize Index ("BCI-180 5TC") times 119%. As of February 20, 2026, we had not received any additional notice of early redelivery or termination from any of our charters. If a charterer defaults on a charter, we will, to the extent commercially reasonable, seek the remedies available to us, which may include arbitration or litigation to enforce the contract, although such efforts may not be successful. Should a charterer default on a period time charter, we may have to enter into a charter at a lower charter rate, which would reduce our revenues. If we cannot enter into a new period time charter, we may have to secure a charter in the spot market, where charter rates are volatile and revenues are less predictable. It is also possible that we would be unable to secure a charter at all, which would also reduce our revenues, and could have a material adverse effect on our business, financial condition, results of operations, loan and credit facility covenants and cash flows.

We depend on a limited number of customers for a large part of our revenues and the loss of one or more of these customers could have a material adverse effect on our business, financial condition and results of operations.

We expect to derive a significant part of our revenues from a limited number of customers. During the year ended December 31, 2025, one of our charterers each accounted for more than 10% of our revenues and in previous periods some of our charterers each accounted for more than 10% of our revenues. We could lose a customer for many different reasons, including:

- a failure of the customer to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer's termination of its charters because of our non-performance, including serious deficiencies with the vessels we provide to that customer or prolonged periods of off-hire;
- a prolonged force majeure event that affects the customer may prevent us from performing services for that customer, i.e., damage to or destruction of relevant production facilities and war or political unrest; and
- sanctions, imposition of tariffs, blacklisting or the other reasons discussed in this section.

If we lose a key customer, we may be unable to obtain period time charters on comparable terms with charterers of comparable standing or may have increased exposure to the volatile spot market, which is highly competitive and subject to significant price

fluctuations. We would not receive any revenues from a vessel while it remained unchartered, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition, insure it and service any indebtedness secured by such vessel. The loss of any of our key customers, a decline in payments under our charters or the failure of a key customer to perform under its charters with us could have a material adverse effect on our business, financial condition and results of operations.

When our contracts expire, we may not be able to successfully replace them. Our growth and our capacity to replace them depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources.

Time-charter contracts provide income at pre-determined rates over short or more extended periods of time. However, the process for obtaining new time charters especially longer term time charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator, including:

- the operator's environmental, health and safety record;
- compliance with the IMO standards and regulatory industry standards;
- shipping industry relationships, reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews; and
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events.

As a result of these factors we may be unable to expand our relationships with existing customers or obtain new customers for our charters on a profitable basis, if at all, therefore, when our contracts including our long-term charters expire, we cannot assure you that we will be able to replace them promptly or at all or at rates sufficient to allow us to operate our business profitably, to meet our obligations, including payment of debt service to our lenders, or to pay dividends. Our ability to renew the charter contracts on our vessels on the expiration or termination of our current charters, or, on vessels that we may acquire in the future, the charter rates receivable under any replacement charter contracts, will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation of commodities. During periods of market distress when long-term charters may be renewed at rates at or below operating costs, we may not choose to charter our vessels for longer terms particularly if doing so would create an ongoing negative cash flow during the period of the charter. We may instead choose to employ our vessels in the spot market for short periods, or in index-linked charters, or be forced to idle our vessels, or lay them up, or scrap them depending on market conditions and outlook at the time those vessels become available for charter.

However, if we are successful in employing our vessels under longer-term time charters, our vessels will not be available for trading in the spot market during an upturn in the market cycle, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable charter contracts, our results of operations and operating cash flow could be materially adversely affected.

We have adopted an anti-bribery policy consistent with the provisions of the FCPA and anti-bribery legislation in other jurisdictions. Actual or alleged violations of these policies could result in damage of our reputation, sanctions, criminal penalties, imprisonment, civil action and fines, which could have an adverse effect on our business.

We operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted policies consistent and in full compliance with the FCPA and anti-bribery legislation in other jurisdictions. We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation and failure to comply with the FCPA and other anti-corruption laws could result in substantial fines, sanctions, civil and/or criminal penalties or curtailment of operations in certain jurisdictions, charter terminations and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management. Moreover, the dynamic and complex nature of international sanctions regimes creates significant compliance challenges in maritime operations. We cannot provide absolute assurance that our vessels or our customers will not inadvertently engage in transactions without our knowledge or consent, potentially exposing us to sanctions violations, which could result in significant monetary penalties, reputational damage, adverse effects on our business relationships, restrictions on our ability to secure financing and vessel seizures or detentions which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may have difficulty properly managing our planned growth through acquisitions of additional vessels.

As of February 20, 2026, we intend to continue our fleet renewal strategy having entered into contracts for the acquisition of eight environmentally advanced Japanese and Chinese dry-bulk GHG-EEDI Phase 3 NOx-Tier III compliant newbuilds, including two methanol dual fueled, scheduled to be delivered four in 2026, two in 2027, one in 2028 and one in 2029 . We may contract additional newbuild vessels or make selective acquisitions of additional second-hand vessels. Our future growth will primarily depend on our ability to identify, locate and acquire suitable vessels, including newbuilding slots at shipyards at attractive prices, enlarge our customer base, operate and supervise any newbuilds we may order and obtain required debt or equity financing on acceptable terms.

A delay in the delivery to us of any such vessel, or the failure of the shipyard to deliver a vessel at all, could cause us to breach our

obligations under a related charter and could adversely affect our earnings. In addition, the delivery of any of these vessels with substantial defects could have similar consequences.

A shipyard could fail to deliver a newbuild on time or at all because of:

- work stoppages or other hostilities, political, economic or other disturbances that disrupt the operations of the shipyard, including as a result of outbreak of public health threats;
- quality or engineering problems;
- bankruptcy or other financial crisis of the shipyard;
- a backlog of orders at the shipyard;
- disputes between the Company and the shipyard regarding contractual obligations;
- weather interference or catastrophic events, such as major earthquakes or fires;
- our requests for changes to the original vessel specifications; or
- shortages of or delays in the receipt of necessary construction materials, such as steel, or equipment, such as main engines, electricity generators and propellers.

A third-party seller could fail to deliver a second-hand vessel on time or at all because of:

- bankruptcy or other financial crisis of the third-party seller;
- quality or engineering problems;
- disputes between the Company and the third-party seller regarding contractual obligations; or
- weather interference or catastrophic events, such as major earthquakes or fires.

In addition, we may seek to terminate or novate a vessel acquisition contract due to market conditions, financing limitations or other reasons. The outcome of contract termination or novation negotiations may require us to forego deposits on construction or acquisition, as applicable, and pay additional cancellation fees. In addition, where we have already arranged a future charter with respect to the terminated contract, we may incur liabilities to such charter counterparty depending on the terms of such charter.

During periods in which charter rates are high, vessel values generally are high as well, and it may be difficult to consummate vessel acquisitions or enter into newbuild contracts at favorable prices. During periods when charter rates are low, we may be unable to fund the acquisition of vessels, whether through lending or cash on hand. In addition, we may not receive a favorable return on our investments, incur losses therefrom, or our investments may become impaired which could adversely impact our business, financial condition and results of operations. We cannot give any assurance that we will be successful in executing our growth plans, obtain appropriate financings on a timely basis or on terms we deem reasonable or acceptable or that we will not incur significant expenses and losses in connection with our future growth. For these reasons, we may be unable to execute our growth plans or avoid significant expenses and losses in connection with our future growth efforts.

As we expand our business, we will need to improve or expand our operations and financial systems, staff and crew; if we cannot improve these systems or recruit suitable employees, our performance may be adversely affected.

Our current operating and financial systems may not be adequate as we implement our plan to expand the size of our fleet, and our Managers' attempts to improve those systems may be ineffective. In addition, as we expand our fleet, we will have to rely on our Managers to recruit additional seafarers and shoreside administrative and management personnel. Our Managers may not be able to continue to hire suitable employees or a sufficient number of employees as we expand our fleet. If our Managers' unaffiliated crewing agents encounter business or financial difficulties, we may not be able to adequately staff our vessels. We may also have to increase our customer base to provide continued employment for most of our new vessels. The number of employees that perform services for us and our current operating and financial systems may not be adequate as we implement our plan to renew and expand our fleet size in the dry bulk sector, and we may not be able to effectively hire more employees or adequately improve those systems. If we are unable to operate our financial systems, our Managers are unable to operate our operations systems effectively or identify, recruit, train and retain qualified and suitable employees and crew in sufficient numbers to manage and operate our growing business and fleet or we are unable to retain key personnel, increase our customer base as we expand our fleet, our performance may be adversely affected.

Unless we set aside reserves for vessel replacement, at the end of a vessel's useful life, our revenue will decline, which would adversely affect our cash flows and income.

As of February 20, 2026, we had 45 vessels in our fleet, one of which was held for sale, with an average age of 10.5 years, with 11 vessels above 15 years, two of which are reaching an age of 20 years. Unless we maintain cash reserves for vessel replacement, we may be unable to replace the vessels in our fleet upon the expiration of their useful lives. We estimate the useful life of our vessels to be 25 years from the date of built. Changes in environmental and other regulations and technological advances may limit the useful lives of vessels, decrease their resale or residual value or their utilization and profitability during the remainder of their useful lives. Our cash flows and income are dependent on the revenues we earn by chartering our vessels to customers. If we are unable to replace the vessels in our fleet upon the expiration of their useful lives, our business, financial condition and results of operations will be materially adversely affected. Any reserves set aside for vessel replacement would not be available for other cash needs or dividends.

Our ability to obtain financing on favorable terms due to the unavailability of debt and equity capital and the deterioration of the global banking markets may adversely impact our business. If economic conditions globally continue to be volatile, it could impede our operations.

Although capital markets have improved since 2008, when banks and other financial institutions active in the shipping industry

became increasingly unwilling to provide credit, the shipping industry remains negatively affected by the scarcity of credit and the cost of financing has increased. Relatively weak global economic conditions have had and may continue to have a number of adverse consequences for dry bulk and other shipping sectors, including, among other things the limited financing for vessels. Financing institutions have increased interest rate margins or even ceased funding for certain shipping companies. Furthermore, vessels older than 15 years old may not be financed by banks and other financial institutions at all and the widespread loan covenant defaults, bankruptcy declaration by certain vessel operators, vessel owners, shipyards and charterers has limited the availability of financing for new vessels or refinancing for existing debt agreements. Any deterioration of the global banking markets may decrease the availability of financing or refinancing on acceptable terms when needed, and we may be unable to meet our debt obligations as they become due. Any adverse developments in relation to trade wars, the war between Russia and Ukraine, the conflict in the Middle East, or ongoing instability in Venezuela may affect credit markets globally and increase volatility of global economic conditions which could impede our results of operations and financial condition.

If we are unable to obtain additional secured indebtedness, we may be unable to refinance our existing indebtedness and may not be able to finance a fleet replacement and expansion program in the future, any of which would have a material adverse effect on our business, financial condition and results of operations.

Global financial markets and economic conditions have been volatile. Future financing and investing activities may involve refinancing of certain existing debt near or upon maturity and the financing of future fleet replacement and expansion. Our ability to refinance existing indebtedness, or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, including the actual or perceived credit quality of our charterers and the market value of our fleet, as well as by adverse market conditions resulting from, among other things, general economic conditions, weakness in the financial markets and contingencies and uncertainties that are beyond our control. We may face liquidity issues if conditions in the dry bulk market worsen for a prolonged period and cause us to fail to comply with the terms of our debt agreements which could adversely affect our business. A significant reduction in cash generated from operations, or the loss of access to existing or new financing sources, could materially and adversely affect our ability to meet our obligations and sustain operations. To the extent that we are unable to enter into new credit facilities and obtain such additional secured indebtedness on terms acceptable to us, we will need to find alternative financing. In addition, we may also be liable for other damages for breach of contract. A failure to satisfy our financial commitments could result in the acceleration of our indebtedness and foreclosure on our vessels. Such events, if they occurred, would adversely affect our business, financial condition and results of operations.

The aging of our fleet may affect the ability of our older vessels to trade and may result in increased operating costs in the future, which could adversely affect our ability to operate such vessels profitably.

As of February 20, 2026, the average age of the vessels in our current fleet was 10.5 years and 11 vessels were over 15 years old. In general, demand for vessels over 15 years old may decrease, especially with the increasingly more stringent environmental regulations. Older vessels may become less fuel and energy efficient and will not be as advanced as more recently constructed vessels due to improvements in design and engine technology. Rates for cargo insurance, paid by charterers, also increase with the age of a vessel, making older vessels less desirable to charterers. Newbuild drybulk vessels may be more energy efficient and competition from these newbuilds could adversely affect the tradeability and the resale value of our older vessels. Furthermore, large established charterers with whom we are doing business may introduce vessel age trading limitations earlier than the 25 year useful life.

In addition, the cost to maintain a vessel in good operating condition increases with the age of the vessel. Vessels older than 15 years require dry-docking every 2-3 year intervals compared to 5 year intervals up to that age. The required steel renewals which increase considerably the cost of a dry-docking due to steel plate diminution may affect the operating costs mainly after the age of 20 years. Governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment, to our vessels and may restrict the type of activities in which our vessels may engage, which could adversely affect our ability to operate our vessels profitably. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

Due to our lack of vessel diversification, supply chain issues and adverse developments in the drybulk transportation business could adversely affect our business, financial condition and operating results.

We derive all our revenues exclusively from our business operations in the drybulk transportation industry, unlike other shipping companies which may have LNG carriers, tankers and container vessels. Since we depend exclusively on the transport of drybulk, an adverse market development in the drybulk sector of the transportation industry, such as the reduction of coal trade due to environmental concerns, decrease of iron ore trade due to less demand for steel products, or the disruption of the grains trade due to war in Ukraine could therefore have a stronger impact on our business, results of operations, cash flows and financial condition, than if we had multiple sources of revenues, lines of businesses or types of assets.

We are and will be exposed to floating interest rates and may selectively enter into interest rate derivative contracts, which can result in higher than market interest rates and charges against our income.

The loans under our credit facilities and sale and leaseback financings are generally advanced at a floating rate based on SOFR plus a margin, which is volatile and can affect the amount of interest payable on our debt, and which, in turn, could have an adverse effect on our earnings and cash flow. Between 2022 and 2023, three-month SOFR increased from 0.05% to 5.38% and between 2024 and 2025 three-month SOFR decreased from 5.38% to 3.719%. In order to manage our exposure to changes in the general level of interest rates and market interest rate fluctuations, we may, from time to time, use interest rate

derivatives to effectively fix certain of our floating rate debt obligations. As of February 20, 2026, we have entered into derivative contracts to economically hedge our exposure to interest rate risk, and we may enter into additional derivative contracts in the future. We effectively hedged the interest rate exposure of 12% of our loans outstanding as of December 31, 2025, which bear interest at SOFR. Our financial condition could be materially adversely affected at any time that we have not entered into interest rate hedging arrangements to hedge our exposure to the interest rates applicable to our credit facilities and any other financing arrangements we may enter into in the future. Moreover, entering into hedging arrangements is inherently risky and even if we have entered into such arrangements, our hedging strategies may not be effective and we may incur substantial losses. The use of interest rate derivatives may affect our results through mark to market valuation of these derivatives, while adverse movements in interest rate derivatives may require us to post cash as collateral for margin calls, which may impact our liquidity.

Because we generate substantially all of our revenues in U.S. dollars but incur a material portion of our expenses in other currencies, including our management fees, and also incur a material portion of our indebtedness and our capital expenditure requirements in other currencies, exchange rate fluctuations could have a material adverse effect on our business, financial condition and results of operations.

We generate substantially all of our revenues in U.S. dollars, but in 2025 we incurred approximately 21.8% of our vessel operating expenses in currencies other than the U.S. dollar, of which 55.9% was denominated in Euros. In addition, we incurred the majority of our management fees in Euros, and this will continue in the future. In February 2022, one of our subsidiaries issued a non-amortising unsecured bond in the amount of €100,000,000, which is listed in the Athens Stock Exchange (the "Bond"). The Bond is guaranteed by us and pays a coupon of 2.95% on a semi-annual basis. It matures in February 2027 and may be redeemed at our option in part or in full after February 2024, subject to the payment of a premium ranging from 1.5% to 0.5% of the redeemed amount depending on the timing of the redemption. As of February 20, 2026, we had entered into arrangements to counterbalance the currency risk arising from the Bond redemption for 55% of the outstanding amount, while we had not entered into any arrangements to counterbalance the currency risk arising from the coupon payments. As of December 31, 2025, all of our secured indebtedness, as well as the amounts due under the contracts for the acquisition of the newbuild vessels currently in our orderbook, were denominated in U.S. dollars. We have historically entered into shipbuilding contracts and purchase of vessels whereby part of the contract price was payable in Japanese yen and Singapore dollars. Also, new credit facilities and financing agreements, purchase of vessels or newbuild contracts may be denominated in or permit conversion into currencies other than the U.S. dollar. The use of different currencies could lead to fluctuations in our net income due to changes in the value of the U.S. dollar relative to other currencies, in particular the Euro and the Japanese yen. We have only partially hedged our overall currency exposure, and, as a result, our results of operations and financial condition, denominated in U.S. dollars, and our ability to pay dividends, could suffer.

Inflation pressures across the world economies and the changes in central bank rates could lead to subpar economic growth, declining market conditions and eventually contraction for a number of emerging and advanced economies, hamper the fragile recovery of world economies and could adversely affect dry-bulk world trade and freight markets, the cost of our capital, financing, loan and credit facilities and the cost of our overall indebtedness which could have a material adverse effect on our business, financial condition and results of operations.

The world economy is facing a number of challenges related to geopolitical tensions such as the Ukraine-Russia war, the Israeli-Gaza strip war, the disruption of trade in the Red Sea and others, which could lead to further large scale disruptions in the supply chains, energy and commodity markets and subsequently to a high inflation environment. Global economic prospects for 2026 and 2027 as per the IMF latest projections indicate a gradual normalization of inflation from an estimated 6.8% in 2023 (annual average), 5.8% in 2024 to 4.1% in 2025, 3.8% in 2026 and 3.4% in 2027, as forecasted in the January 2026 World Economic Outlook of the International Monetary Fund. Between 2022 and 2023, three-month SOFR increased from 0.05% to 5.38% and between 2024 and 2025, three-month SOFR decreased from 5.38% to 3.71%. Between 2022 and 2023, the European Central Bank raised interest rates from 0% to 4.5% and between 2024 and 2025, implemented a rate cut from 4.5% to 2.15%, responding to declining inflation and moderating economic growth in the Eurozone as economic activity remained subdued, aiming to support growth and ensure price stability. It is difficult to predict the future of interest rates, but changes in interest rates by both central banks could lead to subpar economic growth. These rate changes have significantly impacted borrowing costs and influenced global financial markets, particularly affecting shipping finance and vessel valuations.

As a result, global economic conditions and global financial markets have been, and continue to be, volatile and certain countries may face recession and uncertainty surrounding the potential for continued economic growth, which could lead to reduced demand for transportation of dry-bulk commodities and reduced charter rates. Global growth is projected to remain resilient at an estimated rate of 3.3% in 2026 and 3.2% for 2027, according to recent forecasts from the International Monetary Fund January 2026 World Economic Outlook forecast.

Concerns over geopolitical issues including the perception of an fragile truce in the trade war and acts of war in multiple regions, including Russia, Iran, North Korea, Ukraine, Israel, Palestine and Syria, have contributed to increased volatility and potentially tighter economic conditions introducing new layers of uncertainty and disrupting the global economy through their impact on financial markets. Tighter monetary conditions and lower growth expectation or recession as a result of the inflationary environment could potentially affect the financial and debt stability.We cannot predict how long the current global inflationary conditions and high interest rates will last or whether central banks may decide to further reduce rates in 2026. Persistent industry-wide inflationary pressures and higher for longer interest rates may affect the shipping industry in general and dry-bulk shipping specifically and could adversely affect our business and financial results by reducing our revenue due to low freight market conditions, increasing the costs of financing, loan and credit facilities, the cost of our operating expenses including our crew cost and our overall indebtedness, which could have a material adverse effect on our business, financial condition and results of operations.

Restrictive covenants in our existing credit facilities and financing agreements including our Bond, impose, and any future credit facilities and financing agreements will impose, financial and other restrictions on us, and any breach of these covenants could result in the acceleration of our indebtedness and foreclosure on our vessels.

We have substantial indebtedness and as of December 31, 2025, we had $548.6 million outstanding under our credit facilities and financing agreements.

Our existing credit facilities and financing agreements impose, and any future credit facility and financing agreement will impose, operating and financial restrictions on us. These restrictions generally limit our ability to, among other things:

- pay dividends if an event of default has occurred and is continuing or would occur as a result of the payment of such dividend;
- enter into certain long-term charters without the lenders' consent;
- incur additional indebtedness, including through the issuance of guarantees;
- change the flag, class or management of the vessel mortgaged under such facility or terminate or materially amend the management agreement relating to such vessel;
- create liens on their assets;
- make loans;
- make investments;
- make capital expenditures;
- undergo a change in ownership or control or permit a change in ownership and control of our Managers;
- sell the vessel mortgaged under such facility; and
- change our chief executive officer.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This may limit our ability to pay dividends to our shareholders, finance our future operations or pursue business opportunities.

Certain of our existing credit facilities require our subsidiaries to maintain financial ratios and satisfy financial covenants. Depending on the credit facility, certain of our subsidiaries are subject to financial ratios and covenants requiring that these subsidiaries:

- ensure that the market value of the vessel mortgaged under the applicable credit facility, determined in accordance with the terms of that facility, does not fall below 105%, 112%, 120%, 125% or 135%, as the case may be (the "Minimum Value Covenant");
- maintain at all times a minimum cash balance per vessel with the respective lender from $200,000 to $500,000 as the case may be; and
- ensure that we comply with certain financial covenants under the guarantees described below.

In addition, under our loan agreements or under guarantees we have entered into with respect to certain of our subsidiaries' credit facilities including our Bond, we are subject to financial covenants. Depending on the facility, these financial covenants include the following as of February 20, 2026:

- our total consolidated liabilities divided by our total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets), must not exceed 85% (the "Consolidated Leverage Covenant");
- our total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) less our total consolidated liabilities must not be less than $150 million (the "Net Worth Covenant");
- our ratio of its EBITDA over consolidated interest expense must not be less than 2.0:1, on a trailing 12 months' basis (the "EBITDA Covenant");
- a minimum of 30% or 35%, as the case may be, of our voting and ownership rights shall remain directly or indirectly beneficially owned by the Hajioannou family for the duration of the relevant credit facilities and in the case of one facility, Polys Hajioannou is required to beneficially hold a minimum of 20% of the voting and ownership rights (the "Control Covenant"); and
- payment of dividends is subject to no event of default having occurred and be continuing or would occur as a result of the payment of such dividends.

Non-compliance with these covenants, whether due to market downturns, operational challenges, or financial underperformance, could constitute a breach of the terms of our financing arrangements and could lead to defaults under our secured credit facilities. In such cases, our lenders may exercise their rights to accelerate the maturity of our outstanding debt obligations, demanding immediate repayment of the principal and any accrued interest. Failure to satisfy these repayment demands could result in the enforcement of security interests by the lenders, including foreclosure on the vessels securing our credit facilities. Foreclosure on our vessels would significantly impair our ability to generate revenue, disrupt our operations, and diminish our asset base. Additionally, the loss of key vessels could undermine our market position, negatively affect customer relationships, and hinder our ability to secure future charter contracts. As a result, such enforcement actions could materially and adversely impact our financial condition, operational performance, and overall business stability, potentially leading to long-term financial distress or insolvency.

The declaration and payment of dividends will always be subject to the discretion of our board of directors and will depend on a number of factors. Our board of directors may not declare dividends in the future.

In March 2022, we declared and paid a cash dividend of $0.05 per share of Common Stock, and have since declared and paid

quarterly consecutive cash dividends, each of $0.05 per share of Common Stock. The declaration and payment of future dividends, if any, will always be subject to the discretion of the board of directors of the Company. There is no guarantee that the Company's board of directors will determine to issue cash dividends in the future. The timing and amount of any dividends declared will depend on, among other things: (i) the Company's earnings, fleet employment profile, financial condition and cash requirements and available sources of liquidity; (ii) decisions in relation to the Company's growth, fleet renewal and leverage strategies; (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends; (iv) restrictive covenants in the Company's existing and future debt instruments; and (v) global economic and financial conditions. Therefore, we might not continue paying dividends on our shares of Common Stock in the future.

There may be a high degree of variability from period to period in the amount of cash, if any, that is available for the payment of dividends based upon, among other things:

- the rates we obtain from our charters as well as the rates obtained upon the expiration of our existing charters;
- the level of our operating costs;
- the level of our general and administrative costs;
- the number of unscheduled off-hire days and the timing of, and number of days required for, scheduled drydocking of our ships;
- vessel acquisitions and related financings;
- level of indebtedness;
- restrictions in our loan and credit facilities and in any future debt facilities;
- prevailing global and regional economic and political conditions;
- the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;
- the amount of cash reserves established by our board of directors; and
- restrictions under Marshall Islands and Liberian law.

We may incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distribution as dividends, if any. Our growth and fleet renewal strategies contemplate that we will finance the acquisition of our contracted newbuilds or selective acquisitions of second-hand vessels through a combination of cash on hand, our operating cash flow and debt financing or equity financing. If financing is not available to us on acceptable terms, our board of directors may decide to finance or refinance such acquisitions with a greater percentage of cash from operations to the extent available, which would reduce or even eliminate the amount of cash available for the payment of dividends. We may also enter into other agreements that will restrict our ability to pay dividends.

Our financing arrangements impose a number of restrictions on our ability to pay dividends, and we may not be able to pay dividends even though we have an established dividend policy. Under the terms of certain of our existing credit facilities, we are not permitted to pay dividends if an event of default has occurred and is continuing or would occur as a result of the payment of such dividend. We expect that any future credit facilities will also have restrictions on the payment of dividends. In addition, cash dividends on our Common Stock are subject to the priority of dividends on the 804,950 outstanding shares of Series C Preferred Shares and 3,195,050 outstanding shares of Series D Preferred Shares as of December 31, 2025.

The laws of the Republic of Liberia and of the Republic of the Marshall Islands, where our vessel-owning subsidiaries are incorporated, generally prohibit the payment of dividends other than from surplus or net profits, or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. Our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us. In addition, under guarantees we have entered into with respect to certain of our subsidiaries' existing credit and loan facilities, we are subject to financial and other covenants, which may limit our ability to pay dividends. We also may not have sufficient surplus or net profits in the future to pay dividends.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to make dividend payments.

We are a holding company and our subsidiaries, which are all wholly-owned by us, conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly-owned subsidiaries and cash and cash equivalents held by us. As a result, our ability to satisfy our financial obligations and to make dividend payments depends on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, and the laws of the Republic of Liberia, the Republic of the Marshall Islands where our vessel-owning subsidiaries are incorporated, and of the Republic of Cyprus, where one of our subsidiaries, the holding company of four of our vessel-owning subsidiaries, is incorporated, which regulate the payment of dividends by companies. We do not intend to obtain funds from other sources to pay dividends. If we are unable to obtain funds from our subsidiaries, our board of directors may exercise its discretion not to declare or pay dividends. Furthermore, certain of our outstanding financing arrangements restrict the ability of some of our subsidiaries to pay us dividends under certain circumstances, such as if an event of default exists.

We depend on our Managers to operate our business and our business could be harmed if our Managers fail to perform their services satisfactorily.

Pursuant to our management agreements with our Managers (the "Management Agreements"), our Managers provide us with technical, administrative and commercial services (including vessel maintenance, crewing, purchasing, shipyard supervision,

insurance, assistance with regulatory compliance, financial services and office space) and our executive officers. Our operational success depends significantly upon our Managers' satisfactory performance of these services. Our business would be harmed if our Managers failed to perform these services satisfactorily. In addition, if either of the Management Agreements were to be terminated, expire or if their terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than those under our Management Agreements.

Our ability to compete for and enter into charters and to expand our relationships with our existing charterers will depend largely on our relationship with our Managers and their reputation and relationships in the shipping industry. If our Managers suffer material damage to their reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms;
- maintain satisfactory relationships with our charterers and suppliers; and
- successfully execute our business strategies.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, financial condition and results of operations.Although we may have rights against our Managers if they default on their obligations to us, investors in us will have no recourse against our Managers. The failure of our Managers to perform their obligations could materially and adversely affect our business, results of operations, cash flows, financial condition and ability to pay dividends

Our Managers are permitted to provide certain management services to affiliates and third parties under the specific restrictions of our Management Agreements. Although our Managers are required to provide preferential treatment to our vessels with respect to chartering arrangements under the Management Agreements, our Managers' time and attention may be diverted from the management of our vessels in such circumstances. Further, we will need to seek approval from our lenders to change our Managers.

Management fees are payable to our Managers regardless of our profitability, which could have a material adverse effect on our business, financial condition and results of operations.

Pursuant to our Management Agreements, we pay our Managers a daily ship management fee of €950 per vessel and Safe Bulkers Management Monaco an annual ship management fee of €5.0 million for providing commercial, technical and administrative services (see the section entitled "Item 5. Operating and Financial Review and Prospects - A. Operating Results - General and Administrative Expenses" for more information). In addition, we pay our Managers certain commissions and fees with respect to vessel purchases, sales and newbuilds. The management fees do not cover expenses such as voyage expenses, vessel operating expenses, maintenance expenses, crewing costs, insurance premiums, commissions and certain company administration expenses such as directors' and officers' liability insurance, legal and accounting fees and other similar company administration expenses, which are reimbursed or paid by us. The management fees are payable whether or not our vessels are employed, and regardless of our profitability, and we have no ability to require our Managers to reduce the management fees if our profitability decreases, which could have a material adverse effect on our business, financial condition and results of operations. The latest expiration date of the Management Agreements with our Managers is May 2027. We expect to enter into new agreements with the Managers upon their expiration; however, the terms upon which the new management agreements will be entered into are unknown at this time and may be less favorable to the Company than those currently in place.

All of our Managers are privately held companies, and there is little or no publicly available information about them; an investor could have little advance warning of problems affecting our Managers that could have a material adverse effect on us.

The ability of our Managers to continue providing services for our benefit will depend in part on their own financial strength. Circumstances beyond our control could impair our Managers' financial strength. Because our Managers are privately held, it is unlikely that information about their financial strength would become public or available to us prior to any default by our Managers under the Management Agreements. As a result, we may, and our investors might, have little advance warning of problems that affect our Managers, even though those problems could have a material adverse effect on us.

Our chief executive officer also controls our Managers, which could create conflicts of interest between us and our Managers.

Our chief executive officer, Polys Hajioannou, controls both of our Managers. Polys Hajioannou, directly and through entities controlled by him, owns approximately 47.32% of our outstanding Common Stock as of February 20, 2026 (see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders" for more information). These relationships could create conflicts of interest between us, on the one hand, and our Managers, on the other hand. These conflicts may arise in connection with the chartering, purchase, sale and operation of the vessels in our fleet versus vessels owned or chartered-in by other companies affiliated with our Managers or our chief executive officer. To the extent we elect not to exercise our right of first refusal with respect to any drybulk vessel that may be acquired by companies affiliated with our chief executive officer, such companies could acquire and operate such drybulk vessels in competition with us. In addition, although under our Management Agreements our Managers will be required to first provide us any chartering opportunities in the drybulk sector, our Managers are not prohibited from giving preferential treatment in other areas of its management to vessels that are beneficially owned by related parties. In addition, under our restrictive covenant arrangements with Mr. Hajioannou and certain entities affiliated with him, he and such entities may own, operate or finance a maximum of eight drybulk vessels on the water at any one time or enter into an unlimited number of contracts with shipyards for newbuild drybulk vessels as part of his estate

or family planning. Any such drybulk vessels are not required to be managed by either of our Managers, and Mr. Hajioannou and his related entities are not required to first provide chartering opportunities to us with respect to such vessels. Additionally, our restrictive covenant arrangements permit Mr. Hajioannou to acquire up to a 35% ownership stake in any Minority Invested Business (as defined below) developed from a permitted acquisition, subject to certain requirements, including a commitment that, unless approved by the majority of our independent directors, no drybulk vessels owned by such Minority Invested Business will be managed by either of our Managers or any other person or entity in which Mr. Hajioannou has an ownership interest. These conflicts of interest may have an adverse effect on our business, financial condition and results of operations.

While we adhere to high standards of evaluating related party transactions, agreements between us and other affiliated entities may be challenged as less favorable than agreements that we could obtain from unaffiliated third parties.

We have entered into various transactions with Mr. Hajioannou, our Chairman and Chief Executive Officer, and entities controlled by and/or affiliated with Mr. Hajioannou. For example, in 2017, we sold one drybulk vessel to an entity owned by Mr. Hajioannou. While we believe this transaction was properly evaluated and approved by an independent special committee of our board of directors, certain terms related to the transaction, including price, may be challenged to be on terms that are less favorable to us than terms that would have otherwise been agreed upon with unaffiliated third-parties. Future transactions with Mr. Hajioannou and entities controlled by and/or affiliated with Mr. Hajioannou may undergo scrutiny by our shareholders, the media or others and result in a challenge of the terms associated with any such transaction.

Our business depends upon certain employees who may not necessarily continue to work for us; if such employees were no longer to be affiliated with us, our business, financial condition and results of operation could suffer.

Our future success depends, to a significant extent, upon the experience and industry knowledge of our chief executive officer, Polys Hajioannou, and certain other members of our senior management and of our Managers. Polys Hajioannou has substantial experience in the drybulk shipping industry and for over 30 years has worked with us, our Managers and their predecessor. He and other members of our senior management and of our Managers manage our business and their performance is crucial to the execution of our business strategies and to the growth and development of our business. If these individuals were no longer to be affiliated with us or our Managers, or if we were to otherwise cease to receive advisory services from them, we may be unable to recruit other employees with equivalent talent and experience, and our business and financial condition could suffer. In addition, no assurance can be given that we will be able to attract or retain key management personnel and other key employees. We do not maintain, and do not intend to maintain, "key man" life insurance on any of our executive officers.

The provisions in our restrictive covenant arrangements with our chief executive officer and certain entities affiliated with him restricting their ability to compete with us, like restrictive covenants generally, may not be enforceable.

Our chief executive officer, Polys Hajioannou, and certain entities affiliated with him have entered into restrictive covenant agreements with us under which they are precluded from competing with us during either (i) with respect to Polys Hajioannou, the term of his service with us as executive and director and for one year thereafter, or (ii) with respect to entities affiliated with Polys Hajioannou, during the term of the Management Agreements and for one year following the termination of our Management Agreements, in each case subject to certain exceptions. Courts generally do not favor the enforcement of such restrictions, particularly when they involve individuals and could be construed as infringing on such individuals' ability to be employed or to earn a livelihood. Our ability to enforce these restrictions, should it ever become necessary, will depend upon the circumstances that exist at the time enforcement is sought. A court may not enforce the restrictions as written by way of an injunction and we may not necessarily be able to establish a case for damages as a result of a violation of the restrictive covenants.

Our vessels may call on ports located in Iran, which is identified by the United States government as a state sponsor of terrorism and are subject to United States economic sanctions, which could be viewed negatively by investors and adversely affect the trading price of our Common Stock and Preferred Shares.

The United States, the European Union, the United Nations and other governments and their agencies impose sanctions and embargoes on certain countries and maintain lists of countries, individuals or entities they consider to be state sponsors of terrorism, involved in prohibited development of certain weapons or engaged in human rights violations. From time to time, vessels in our fleet have called and/or may call on ports located in countries identified by the United States government as state sponsors of terrorism and subject to United States economic sanctions. From January 1, 2022 through December 31, 2022, no vessels in our fleet made any calls on ports in Iran out of a total of 690 calls made on worldwide ports. From January 1, 2023 through December 31, 2023, no vessels in our fleet made any calls on ports in Iran out of a total of 809 calls made on worldwide ports. From January 1, 2024 through December 31, 2024, no vessels in our fleet made any calls on ports in Iran out of a total of 842 calls made on worldwide ports. From January 1, 2025 through December 31, 2025, no vessels in our fleet made any calls on ports in Iran out of a total of 830 calls made on worldwide ports. Iran is identified by the United States government as a state sponsor of terrorism. We will continue to monitor the economic sanctions in Syria following the recent collapse of Bashar al-Assad's regime. Although these designations and controls do not prevent our vessels from making calls on ports in these countries, potential investors could view such port calls negatively, which could adversely affect our reputation and the market for our Common Stock. Investor perception of the value of our Common Stock may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

Our policy is for our vessels to avoid making calls on ports in Iran unless the charterer represents to us that the cargo is not in contravention with any E.U., U.S. or United Nation sanctions and the export of such cargo has been authorized by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

If our vessels call on ports located in countries that are subject to sanctions and embargoes imposed by the U.S. or other governments, it could adversely affect our reputation and the market for our shares. From time to time, on charterers' instructions, our vessels may call on ports located in countries subject to certain sanctions and embargoes identified as state sponsors of terrorism. Sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In addition, charterers and other parties that we have previously entered into contracts with regarding our vessels may be affiliated with persons or entities that are now or may become the subject of sanctions imposed by the U.S. government, the E.U. and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such sanctions, we may suffer reputational harm and our results of operations may be adversely affected. Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretation. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our securities. For example, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries identified by the U.S. government as state sponsors of terrorism. Additionally, some investors may decide to divest their interest, or not to invest, in our company simply because we do business with companies that do business in sanctioned countries. The determination by these investors not to invest in, or to divest, our shares may adversely affect the price at which our shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn result in liability for the Company or negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third-parties that are unrelated to those countries or entities controlled by their governments.

See "Item 4. Information on the Company—B. Business Overview—Disclosure of activities pursuant to Section 13(r) of the U.S. Securities Exchange Act of 1934" for more information.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law; therefore, you may have more difficulty protecting your interests than shareholders of a U.S. corporation.

Our corporate affairs are governed by our articles of incorporation, our bylaws and by the Marshall Islands Business Corporations Act ("BCA"). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. The rights of shareholders of companies incorporated in the Republic of the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the non-statutory laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Republic of the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Thus, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction which has developed a more substantial body of case law in the corporate law area. Additionally, the Republic of the Marshall Islands does not have a legal provision for bankruptcy or a general statutory mechanism for insolvency proceedings. As such, any bankruptcy action involving the Company would have to be initiated outside of the Marshall Islands, and our shareholders and creditors may experience delays in their ability to recover their claims after any such insolvency or bankruptcy.

It may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are incorporated under the laws of the Republic of the Marshall Islands, and our Managers' business is operated primarily from their offices in Cyprus, Greece and Monaco. In addition, a majority of our directors and officers are or will be non-residents of the United States, and all of our assets and a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under the securities laws or otherwise. You may also have difficulty enforcing, both within and outside of the United States, judgments you may obtain in the United States courts against us or these persons in any action, including actions based upon the civil liability provisions of United States federal or state securities laws. There is also substantial doubt that the courts of the Republic of the Marshall Islands, the Republic of Cyprus or Greece would enter judgments in original actions brought in those courts predicated on United States federal or state securities laws.

We may be subject to lawsuits for damages and penalties.

The nature of our business exposes us to the risk of lawsuits for damages or penalties relating to, among other things, personal injury, property casualty and environmental contamination. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. However, such claims, even if lacking merit, defending against them could result in the expenditure of significant financial and managerial resources.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

Under some jurisdictions, vessels used for the conveyance of illegal drugs could subject the vessels to forfeiture to the government of such jurisdiction. Vessels in our fleet may call in ports in South America and other areas where smugglers, during vessel operations, and without our knowledge, may attempt to hide drugs and other contraband on those vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any member of the vessels' crew, we may face governmental or other regulatory claims, restrictions or penalties which could have an adverse effect on our reputation, our business, results of operations, cash flows and financial condition.

Regulatory and legal risks as a result of our global operations could have a material adverse effect on our business, results of operations and financial conditions.

Our global operations increase both the number and the level of complexity of U.S. or foreign laws and regulations applicable to us. These laws and regulations include international labor laws; U.S. laws such as the FCPA and other laws and regulations established by the Office of Foreign Assets Control; local laws such as the U.K. Bribery Act 2010; data privacy requirements like the European General Data Protection Regulation, enforceable as of May 25, 2018; and the E.U.-U.S. Privacy Shield Framework, adopted by the European Commission on July 12, 2016. We may inadvertently breach some provisions of those laws and regulations which could result in cease of business activities, criminal sanctions against us, our officers or our employees, fines and materially damage our reputation. In addition, detecting, investigating and resolving such cases of actual or alleged violations may be expensive and time consuming for our senior management.

Risks Relating to Our Common Stock and Preferred Shares

Polys Hajioannou, the largest shareholder of the Company, is able to significantly influence the outcome of matters on which our shareholders are entitled to vote and its interests may be different from yours.

As of February 20, 2026, Polys Hajioannou owned or controlled approximately 47.32%, of our outstanding Common Stock (*see "Item 7. Major Shareholders and Related Party Transactions – A. Major Shareholders"* for more information). Polys Hajioannou is the largest shareholder of the Company and is able to significantly influence the outcome of matters on which our shareholders are entitled to vote, including the election of our entire board of directors and other significant corporate actions including mergers, sales of assets or other similar transactions. The interests of Polys Hajioannou, in some circumstances, may be different from yours.

Our status as a foreign private issuer within the rules promulgated under the Exchange Act exempts us from certain requirements of the SEC and NYSE.

We are a "foreign private issuer" within the rules promulgated under the Exchange Act. Under the NYSE listing rules, a foreign private issuer may elect to comply with the practice of its home country and to not comply with certain NYSE corporate governance requirements, including the requirements that (a) a majority of the board of directors consist of independent directors, (b) a nominating and corporate governance committee be established that is composed entirely of independent directors and has a written charter addressing the committee's purpose and responsibilities, (c) a compensation committee be established that is composed entirely of independent directors and has a written charter addressing the committee's purpose and responsibilities, (d) an annual performance evaluation of the nominating and corporate governance and compensation committees be undertaken and (e) the obligation to obtain shareholder approval in connection with certain issuances of authorized stock or the approval of, and material revisions to, equity compensation plans. Moreover, we are not required to comply with certain requirements of the SEC that domestic issuers are required to comply with, including (a) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K, (b) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (c) the provisions of Regulation FD aimed at preventing issuers from making selective disclosures of material information and (d) the sections of the Exchange Act establishing insider liability for profits realized from any "short-swing" trading transaction (i.e., a purchase and sale, or sale and purchase, of the issuer's equity securities within less than six months). Therefore, you will not have the same protections afforded to shareholders of companies that are subject to all NYSE corporate governance requirements or SEC requirements.

For example, in reliance on the foreign private issuer exemption to the NYSE listing rules, a majority of our board of directors may not consist of independent directors; our board's approach may therefore be different from that of a board with a majority of independent directors, and as a result, the management oversight of our Company may be more limited than if we were subject to the NYSE listing rules. Because of these exemptions, investors are not afforded the same protections or information generally available to investors holding shares in public companies organized in the U.S.

See "Item 16G. Corporate Governance" for more information.

Future sales of our Common Stock could cause the market price of our Common Stock to decline and our existing shareholders may experience significant dilution.

We may issue additional shares of our Common Stock in the future and our shareholders may elect to sell large numbers of shares held by them from time to time, subject to applicable restrictions and limitations under Rule 144 of the Securities Act.

In April 2011, we issued and sold 5,000,000 shares of Common Stock in a public offering. The gross proceeds of the April 2011 public offering were approximately $42.0 million. In March 2012, we issued and sold 5,750,000 shares of Common Stock in a public offering. The gross proceeds of the March 2012 public offering were approximately $37.4 million. In November 2013, we issued and sold 5,750,000 shares of Common Stock in a public offering. Concurrently with that public offering, we issued and

sold 1,000,000 shares of Common Stock to an entity associated with our chief executive officer, Polys Hajioannou, in a private placement. The gross proceeds of the November 2013 public offering and private placement were approximately $50.2 million. In December 2016, we issued and sold 15,640,000 shares of Common Stock in a public offering, in which an entity associated with Polys Hajioannou purchased 2,727,272 shares of Common Stock. The gross proceeds of the December 2016 public offering were approximately $17.2 million. In April 2017, we completed an exchange offer (the "Exchange Offer") for our Series B Cumulative Redeemable Perpetual Preferred Shares, par value $0.01 per share, liquidation preference $25.00 per share ("Series B Preferred Shares"), in which we issued an additional 2,212,508 shares of Common Stock to holders of Series B Preferred Shares who tendered such preferred shares in the Exchange Offer.

In November 2018, one of our subsidiaries entered into a memorandum of agreement with an unaffiliated seller to acquire a Japanese-built, dry-bulk Post-Panamax class resale newbuild vessel. We had the option to finance up to 50% of the purchase price of the vessel through the issuance of our Common Stock to the seller. In November 2018, November 2019 and April 2020, we exercised our option and issued 1,441,048, 3,963,964 and 2,951,699 shares of our Common Stock respectively to the seller, to finance the first installment of $3.3 million, the second installment of $6.6 million and part of the third installment of $3.3 million, respectively of the purchase price of the vessel.

Sales of a substantial number of shares of our Common Stock in the public market, or the perception that these sales could occur, may depress the market price for our Common Stock. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

Our existing shareholders may also experience significant dilution in the future as a result of any future offering.

We also entered into a registration rights agreement in connection with our initial public offering with Vorini Holdings Inc., one of our principal shareholders, pursuant to which we have granted it and certain of its transferees the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act of 1933, as amended (the "Securities Act"), shares of our Common Stock held by them. Under the registration rights agreement, Vorini Holdings Inc. and certain of its transferees have the right to request us to register the sale of shares held by them on their behalf and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, those persons have the ability to exercise certain piggyback registration rights in connection with registered offerings initiated by us. Registration of such shares under the Securities Act would, except for shares purchased by affiliates, result in such shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration.

The market price of our Common Stock may be adversely affected by sales of substantial amounts of our Common Stock sale offerings.

In 2020 and 2021, the Company sold its Common Stock through an at the market offering program ("ATM") , which was terminated by the Company on May 8, 2023. In August 2024, the Company also filed a Registration Statement on Form F-3 with the SEC. While the Company does not presently have an ATM program, our board of directors could adopt an ATM program in the future dependent upon market conditions.

Subject to certain limitations in a typical sales agreement for an ATM program and compliance with applicable law, we would have the discretion to deliver notices to the sales agent at any time throughout the term of the sales agreement. The number of shares that would be sold by the sales agent after delivering a notice would fluctuate based on the market price of the shares of Common Stock during the sales period and limits we set with the sales agent. Because the sales of the shares offered hereby would be made directly into the market or in negotiated transactions, the prices which we sell these shares will vary and these variations may be significant. Purchasers of the shares we sell, as well as our existing shareholders, would experience significant dilution if we sell shares at prices significantly below the price at which they invested. Furthermore, all of our shares of Common Stock sold in the potential offering would be freely tradable without restriction or further registration under the Securities Act. As a result of this potential offering, a substantial number of our shares of Common Stock may be sold in the public market or may cause the perception that these sales could occur, either of, which may cause the market price of our Common Stock to decline. If the board of directors did approve a new ATM Program and the Company issued new shares under such program, this could make it more difficult for you to sell your shares of Common Stock at a time and price that you deem appropriate and could impair our ability to raise capital through the sale of additional equity securities.

We may adopt additional share repurchase programs which may affect the market for our Common Stock and Preferred Shares, including affecting our share price or increasing share price volatility.

The Company may, from time to time, repurchase Common Stock or Preferred Shares in the open market, in privately negotiated transactions or otherwise, depending upon several factors, including market and business conditions, the trading price of our Common Stock and other investment opportunities. The repurchase programs may be limited, suspended or discontinued at any time without prior notice. In June 2019, we announced a share repurchase program under which we could, from time to time, purchase up to 5,000,000 shares of Common Stock in the aggregate on the open market. In March 2020, we expanded such share repurchase program to provide for the repurchase of an additional 1,500,000 shares of Common Stock on the open market. In March 2020, we announced a preferred share repurchase program under which we could, from time to time, purchase up to 100,000 shares of each of our Series C Preferred Shares and Series D Preferred Shares on the open market. Additionally, in March 2022, we issued a notice of redemption of 1,492,554 of the outstanding Series C Preferred Shares. The redemption was completed on April 29, 2022, at a redemption price of $25.00 per Series C Preferred Share in the amount of $37.3 million plus all accumulated and unpaid dividends to, but excluding, the redemption date, of $0.7 million. Following the redemption, there were 804,950 Series C Preferred Shares outstanding, as of December 31, 2022, as of December 31, 2023, as of

December 31, 2024 and as of December 31, 2025. In June 2022, we authorized a program under which we could, from time to time, purchase up to 5,000,000 shares of Common Stock in the aggregate on the open market. In March 2023, we expanded such share repurchase program to provide for the repurchase of an additional 5,000,000 shares of Common Stock on the open market, up to a total of 10,000,000 shares of Common Stock, all of which had been repurchased and canceled. In May 2023, we authorized a program under which we could, from time to time, purchase up to 5,000,000 shares of Common Stock in the aggregate on the open market. In July 2023, the Company terminated the program, having repurchased and canceled an amount of 139,891 shares of Common Stock. In November 2023, we authorized an additional repurchase program for up to 5,000,000 shares of Common Stock. In April 2024, the Company terminated the program, having repurchased and canceled an amount of 4,860,953 shares of Common Stock. In November 2024, we authorized an additional repurchase program for up to 5,000,000 shares of Common Stock. In December 2024, the Company terminated the program, having repurchased and canceled an amount of 1,488,690 shares of Common Stock. In February 2025, we authorized a repurchase program for up to 3,000,000 shares of Common Stock, all of which had been repurchased and canceled. In December 2025, we authorized an additional repurchase program for up to 10,000,000 shares of Common Stock. The program supersedes any prior repurchase program of the Company. As of February 20, 2026, the Company had repurchased and cancelled an amount of 91,443 shares of Common Stock under the repurchase program.

There is no guarantee of a continuing public market for you to resell our common or preferred stock.

Our Common Stock and Preferred Shares trade on the NYSE. We cannot assure you that an active and liquid public market for our Common Stock or Preferred Shares will continue, which would likely have a negative effect on the price of our Common Stock or Preferred Shares, as applicable, and impair your ability to sell or purchase our Common Stock or Preferred Shares, as applicable, when you wish to do so.

If our Common Stock falls below the continued listing standard of $1.00 per share or otherwise fails to satisfy any of the NYSE continued listing requirements, and if we are unable to cure such deficiency during any subsequent cure period, our Common Stock could be delisted from the NYSE. If our Common Stock ultimately were to be delisted for any reason, we could face significant material adverse consequences, including:

- limited availability of market quotations for our Common Stock;
- a limited amount of news and analyst coverage for us;
- a decreased ability for us to issue additional securities or obtain additional financing in the future;
- limited liquidity for our shareholders due to thin trading;
- loss of preferential tax rates for dividends received by certain non-corporate U.S. holders, loss of “mark-to-market” election by U.S. Holders in the event we are treated as a ''passive foreign investment company'', and loss of our tax exemption under Section 883 of the Internal Revenue Code of 1986, as amended (the “Code”); and
- cause a default under certain senior secured credit facilities.

We have adopted a shareholders rights plan which could make it more difficult for a third-party to acquire us while the plan remains in effect.

We have in effect a shareholders rights plan that is intended to enable all shareholders to realize the long-term value of their investment in the Company and to protect against any person or group from gaining control of the Company through coercive or otherwise unfair takeover tactics. The shareholders rights plan is not intended to deter offers that are fair and otherwise in the best interests of the Company’s shareholders. In connection with the Company’ s adoption of the shareholders rights plan, the Company declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of our Common Stock. The Rights will be exercisable on the earlier of (1) the tenth day after the public announcement that a person or group acquires ownership of 10% or more of the Company’s Common Stock without the approval of the board of directors or (2) the tenth business day (or such later date as determined by the board of directors) after a person or group announces a tender or exchange offer which would result in that person or group holding 10% or more of the Company’s Common Stock. Polys Hajioannou, the Company’s Chairman and chief executive officer, and his brother Nicolaos Hadjioannou are excluded persons for purposes of the shareholders rights plan and shares of our Common Stock held by Mr. Hajioannou or Mr. Hadjioannou and entities controlled by and/or affiliated or associated with Mr. Hajioannou or Mr. Hadjioannou or members or their respective families are not subject to the restrictions of the shareholders rights plan.

The Rights also become exercisable if a person or group that already beneficially owns 10% or more of our Common Stock (other than one or more of the excluded persons described above) acquires any additional shares of our Common Stock without the approval of the board of directors. If the Rights become exercisable, all Rights holders (other than the person or group triggering the Rights) will be entitled to acquire certain of our securities at a substantial discount. The Rights may substantially dilute the stock ownership of a person or group attempting to take over our company without the approval of the board of directors, and the rights plan could make it more difficult for a third-party to acquire our company or a significant percentage of our outstanding shares of Common Stock, without first negotiating with the board of directors.

Anti-takeover provisions in our organizational documents and Management Agreements could make it difficult for our shareholders to replace or remove our current board of directors and together with our adoption of a shareholders rights plan could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of the shares of our Common Stock.

Several provisions of our articles of incorporation and bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition,

the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. These provisions:

- authorize our board of directors to issue "blank check" preferred stock without shareholder approval;
- provide for a classified board of directors with staggered, three-year terms;
- prohibit cumulative voting in the election of directors;
- authorize the removal of directors only for cause;
- prohibit shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- provide that special meetings of our shareholders may only be called by the chairman of our board of directors, chief executive officer or a majority of our board of directors.

Pursuant to our shareholders rights plan any person that attempts to acquire us without the approval of our board of directors may have their shareholdings substantially diluted.

Each Manager may terminate the applicable Management Agreement prior to the end of its term if there is a change in directors after which at least one of the members of our board of directors is not a continuing director. "Continuing directors" means, as of any date of determination, any member of our board of directors who was (a) a member of our board of directors on May 29, 2018 or (b) nominated for election or elected to our board of directors with the approval of a majority of the directors then in office who were either directors on May 29, 2018 or whose nomination or election was previously so approved. In the event that either Management Agreement is so terminated, the Company shall pay to Safe Bulkers Management an amount in cash equal to the Management Fees paid or payable to either Manager, in the aggregate, during the 36 months preceding the applicable termination.

These anti-takeover provisions, including the provisions of our shareholders rights plan, could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our Common Stock and your ability to realize any potential change of control premium.

The amount of cash we have available for dividends on or to redeem our Preferred Shares will not depend solely on our profitability.

The actual amount of cash we will have available for dividends or to redeem our Preferred Shares will depend on many factors, including the following:

- changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;
- restrictions under our existing or future credit facilities or any future debt securities, including existing restrictions under our existing credit facilities on our ability to pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default and restrictions on our ability to redeem securities;
- the amount of any cash reserves established by our board of directors; and
- restrictions under the laws of the Republic of the Marshall Islands, which generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

The laws of the Republic of Liberia and of the Republic of the Marshall Islands, where our vessel-owning subsidiaries are incorporated, generally prohibit the payment of dividends other than from surplus or net profits, or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. Our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us. In addition, under guarantees we have entered into with respect to certain of our subsidiaries' existing credit facilities, we are subject to financial and other covenants, which may limit our ability to pay dividends and redeem the Preferred Shares. These and future agreements may limit our ability to pay dividends on and to redeem the Preferred Shares. We also may not have sufficient surplus or net profits in the future to pay dividends.

Our Preferred Shares represent perpetual equity interests, they are subordinate to our debt and your interests could be diluted by the issuance of additional preferred shares, including additional Preferred Shares and by other transactions.

The Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Preferred Shares may be required to bear the financial risks of an investment in the Preferred Shares for an indefinite period of time. Our Preferred Shares are subordinate to all of our existing and future indebtedness and to any other senior securities we may issue in the future with respect to assets available to satisfy claims against us. Each series of our Preferred Shares rank pari passu with one another and any class or series of capital stock established after the original issue date of such preferred shares that is not expressly subordinated or senior to such preferred shares as to the payment of dividends and amounts payable upon liquidation, dissolution or winding up. As of December 31, 2025, we had aggregate debt outstanding of $548.6 million, of which $44.8 million payable within the next 12 months. Our existing indebtedness restricts, and our future indebtedness may include restrictions on, our ability to pay dividends on or redeem preferred shares. In March 2022, we issued a notice of redemption of 1,492,554 of the outstanding Series C Preferred Shares. The redemption was completed on April 29, 2022, at a redemption price of $25.00 per Series C Preferred Share in the amount

of $37.3 million plus all accumulated and unpaid dividends to, but excluding, the redemption date, of $0.7 million. Following the redemption, there were 804,950 Series C Preferred Shares outstanding, as of December 31, 2025. Our articles of incorporation currently authorize the issuance of up to 20,000,000 shares of blank check preferred stock, par value $0.01 per share, of which, as of December 31, 2025, 804,950 shares of Series C Preferred Shares and 3,195,050 shares of Series D Preferred Shares were issued and outstanding. Of the blank check preferred stock, 1,000,000 shares have been designated Series A Participating Preferred Stock in connection with our adoption of a shareholders rights plan as described under "Item 10. Additional Information—B. Articles of Incorporation and Bylaws—Shareholders Rights Plan." The issuance of additional preferred shares on a parity with or senior to the Preferred Shares would dilute the interests of holders of such shares, and any issuance of preferred shares senior to such preferred shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Preferred Shares.

The liquidation preference amount on our Preferred Shares is fixed and Preferred shareholders will have no right to receive any greater payment regardless of the circumstances.

The payment due upon a liquidation to holders of any series of our Preferred Shares is fixed at the redemption preference of $25.00 per share plus accumulated and unpaid dividends to the date of liquidation. If, in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, you will have no right to receive or to participate in these amounts. Furthermore, if the market price for our Preferred Shares is greater than the liquidation preference, Preferred shareholders will have no right to receive the market price from us upon our liquidation.

Holders of Preferred Shares have extremely limited voting rights.

The voting rights of holders of Preferred Shares are extremely limited. Our Common Stock is the only class or series of our shares carrying full voting rights. Holders of Preferred Shares have no voting rights other than the ability (voting together as a class with all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable, including all of the Preferred Shares), subject to certain exceptions, to elect one director if dividends for six quarterly dividend periods (whether or not consecutive) payable on our Preferred Shares are in arrears and certain other limited protective voting rights.

Our ability to pay dividends on and to redeem our Preferred Shares is limited by the requirements of the laws of the Republic of the Marshall Islands, the laws of the Republic of Liberia and existing and future agreements.

The laws of the Republic of Liberia and of the Republic of the Marshall Islands, where our vessel-owning subsidiaries are incorporated, generally prohibit the payment of dividends other than from surplus or net profits, or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. Our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us. In addition, under guarantees we have entered into with respect to certain of our subsidiaries' existing credit facilities, we are subject to financial and other covenants, which may limit our ability to pay dividends and redeem the Preferred Shares. These and future agreements may limit our ability to pay dividends on and to redeem the Preferred Shares. We also may not have sufficient surplus or net profits in the future to pay dividends.

As a Marshall Islands corporation, and with certain of our subsidiaries organized under the laws of the Marshall Islands and other offshore jurisdictions, our corporate structure and operations are subject to economic substance laws and related regulatory requirements, compliance with which could affect our business and operating results.

The Marshall Islands has enacted economic substance legislation with which we and our subsidiaries may be required to comply. While we currently believe that we and our subsidiaries are in compliance with applicable economic substance requirements, such requirements are subject to change, reinterpretation, and evolving enforcement practices. In addition, changes to our business, operating profile, or group structure could result in unanticipated noncompliance. Any failure to comply with applicable economic substance laws or related reporting obligations could result in the imposition of fines, financial or administrative penalties, enhanced monitoring or audits, spontaneous exchange of information with foreign tax authorities, or other regulatory actions, including, in certain circumstances, the striking off or dissolution of a non-compliant entity. The occurrence of any of the foregoing could disrupt our operations and could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

In addition, the Council of the European Union periodically assesses jurisdictions based on tax transparency, fair taxation, governance, and the existence of real economic activity, and may classify jurisdictions as cooperative, under observation ("gray list"), or non-cooperative ("blacklist"). As of October 17, 2023, the Republic of the Marshall Islands has been designated as a cooperative jurisdiction for tax purposes. However, we cannot predict whether the Marshall Islands may be reclassified in the future, how quickly EU authorities would respond to any legislative or regulatory developments in the Marshall Islands or other relevant jurisdictions, or how EU financial institutions, lenders, charterers, insurers, or other counterparties would react during any period in which we or our subsidiaries remain organized in jurisdictions that are classified as non-cooperative. If the Marshall Islands were to be included on the EU list of non-cooperative jurisdictions in the future, and if defensive measures, sanctions, or other tax, financial, or regulatory restrictions were adopted by one or more EU Member States, or if additional economic substance requirements were imposed or enforced by the Marshall Islands, our access to financing, commercial relationships, operational flexibility, and overall business could be adversely affected, which could have a material adverse effect on our business, financial condition, and results of operations.

Tax Risks

In addition to the following risk factors, you should read *"Item 10. Additional Information—E. Tax Considerations—Marshall*

Islands Tax Considerations," "Item 10. Additional Information—E. Tax Considerations—Liberian Tax Considerations," and *"Item 10. Additional Information —E. Tax Considerations—United States Federal Income Tax Considerations"* for a more complete discussion of expected material Marshall Islands, Liberian and United States federal income tax consequences of owning and disposing of our Common Stock and Preferred Shares.

We may earn shipping income that will be subject to United States income tax, thereby reducing our cash available for distributions to you.

Under United States tax rules, 50% of our gross income attributable to shipping that begins or ends in the United States may be subject to a 4% United States federal income tax (without allowance for deductions). The amount of this income may fluctuate, and we may not qualify for any exemption from this United States tax. Many of our charters contain provisions that obligate the charterers to reimburse us for this 4% United States tax. To the extent we are not reimbursed by our charterers, the 4% United States tax will decrease our cash that is available for dividends.

For a more complete discussion, see the section entitled *"Item 10. Additional Information—Tax Considerations—E. United States Federal Income Tax Considerations—Taxation of Operating Income in General."*

United States tax authorities could treat us as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States investors.

We are an international company that conducts business throughout the world. Tax laws and regulations are highly complex and subject to interpretation. A non-United States corporation will generally be treated as a "passive foreign investment company," or PFIC, for United States federal income tax purposes if either (a) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (b) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." United States investors in a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC. In particular, United States investors who are individuals would not be eligible for preferential tax rates otherwise applicable to qualified dividends.

Based on our current operations and anticipated future operations, the composition of our income and assets, and the value of our assets, we believe that it is more likely than not that we were not a PFIC for the most recently ended taxable year and expect that it is more likely than not that we will not be a PFIC for our current taxable year or in the foreseeable future. In this regard, we intend to treat gross income we derive or are deemed to derive from our period time chartering activities as services income, rather than rental income. Accordingly, we do not expect our income from our period time chartering activities to constitute "passive income," and we do not expect the assets we own and operate in connection with the production of that income to constitute passive assets.

There are legal uncertainties involved in this determination. In Tidewater Inc. v. United States, 565 F.3d 299 (5th Cir. 2009), the United States Court of Appeals for the Fifth Circuit held that, contrary to the position of the United States Internal Revenue Service, or the "IRS," in that case, and for purposes of a different set of rules under the Code, income received under a period time charter of vessels should be treated as rental income rather than services income. If the reasoning of the Fifth Circuit in this case were extended to the PFIC context, the gross income we derive or are deemed to derive from our period time chartering activities would be treated as rental income, and we would probably be a PFIC. The IRS has stated that it disagrees with the holding in Tidewater and has specified that income from period time charters should be treated as services income. However, the IRS' statement with respect to the Tidewater decision was an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers. In light of these authorities, the IRS or a United States court may not accept the position that we are not a PFIC, and there is a risk that the IRS or a United States court could determine that we are a PFIC. Moreover, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and our PFIC status for each taxable year will depend on facts, including the composition of our income and assets and the value of our assets (which may be determined in part by reference to the market value of our Common Stock and Preferred Shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. We may constitute a PFIC for a future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. Holders (as defined in the section entitled "Item 10. Additional Information—Tax Considerations—E.United States Federal Income Tax Considerations—U.S. Holders" would face adverse United States tax consequences. See *"Item 10. Additional Information—E. "Tax Considerations—United States Federal Income Tax Considerations— U.S. Holders"* for a more comprehensive discussion of the United States federal income tax consequences to United States investors if we are treated as a PFIC.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Safe Bulkers, Inc. was incorporated in the Republic of the Marshall Islands on December 11, 2007, for the purpose of acquiring ownership of various subsidiaries that either owned or were scheduled to own vessels. Polys Hajioannou, our chief executive officer, has a long history of operating and investing in the international shipping industry, including a long history of vessel ownership. Vassos

Hajioannou, the late father of Polys Hajioannou, our chief executive officer, first invested in shipping in 1958. Polys Hajioannou has been actively involved in the industry since 1987, when he joined the predecessor of Safety Management.

Over the past 39 years under the leadership of Polys Hajioannou, we have sold or contracted to sell 31 drybulk vessels during periods of what we viewed as favorable second-hand market conditions and have contracted to acquire 72 drybulk newbuilds and 13 drybulk second-hand vessels. Also under his leadership, we have expanded the classes of drybulk vessels in our fleet and the aggregate carrying capacity of our fleet has grown from 887,900 dwt prior to our initial public offering in May 28, 2008 to 4,559,000 dwt as of February 20, 2026. Information on our capital expenditure requirements are discussed in "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources." More recently after 2020, we have initiated an extensive fleet renewal and upgrade program by which we have ordered 20 newbuilds with advance energy efficiency characteristics with deliveries from 2022 onwards, on top of 11 existing ships built after 2014 with superior energy efficiency characteristics compared to pre-2014 designs, known as eco-ships; environmentally upgraded 26 existing vessels and sold, or contracted to sell, 17 older vessels, replaced with seven younger second-hand vessels in order to establish a competitive advantage in the developing environment towards decarbonization. The quality and size of our current fleet, together with our long-term relationships with several of our charter customers, are, we believe, the results of our long-term strategy of maintaining a high quality fleet, our broad knowledge of the drybulk industry and our strong management team. In addition to benefiting from the experience and leadership of Polys Hajioannou, we also benefit from the expertise of our Managers which, along with their predecessor, have specialized in drybulk shipping since 1965. In June 2008, we completed an initial public offering of our Common Stock in the U.S. and our Common Stock began trading on the NYSE. Our principal executive office is located at Apt. D11, Les Acanthes, 6, Avenue des Citronniers MC 98000 Monaco. Our registered address in the Republic of the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH96960 and telephone numbers are +30 2 111 888 400 and +357 25 887 200. The name of our registered agent at such address is The Trust Company of the Marshall Islands, Inc.

The SEC maintains an internet site at http://www.sec.gov that contains reports, information statements, and other information regarding issuers that we file electronically with the SEC.

B. Business Overview

We are an international provider of marine drybulk transportation services, that owns and operates a modern and diverse fleet of dry bulk vessels, transporting bulk cargoes, particularly coal, grain and iron ore, along worldwide shipping routes for some of the world's largest consumers of marine drybulk transportation services. As of February 20, 2026, we had a fleet of 45 drybulk vessels, with an aggregate carrying capacity of 4,559,000 dwt.

We employ our vessels on both period time charters and spot time charters, according to our assessment of market conditions, with some of the world's largest consumers of marine drybulk transportation services. The vessels we deploy on period time charters provide us with relatively stable cash flow and high utilization rates, while the vessels we deploy in the spot market allow us to maintain our flexibility in low charter market conditions. We are focused on owning a modern, well-maintained fleet with the best designs in the shipping dry-bulk sector, targeting to reduce the environmental impact from our operations. Over the past several years, we have made publicly available our annual sustainability report, where we present in detail our environmental, social and governance strategy for the future, as well as the impact of our operations and business on society and the environment. We believe that integrating ESG at the very heart of our corporate strategy, will enable us to continue to have access to capital, enjoy existing and future investors' trust, reduce our fleets' carbon footprint and remain competitive in the dry bulk market.

Our ESG Strategy

During previous years, a number of countries and the IMO, have adopted regulatory frameworks to reduce GHG emissions (increased energy efficiency standards for existing vessels and newbuilds, classification of vessels on the basis of annual CO2 emissions, cap and trade regimes, carbon taxes and penalties, and incentives or mandates for using alternative fuels with lower carbon footprint compared to fossil fuels or using renewable energy), due to concerns over the risk of climate change. GHG emissions reduction measures may impose operational and financial restrictions affecting increasingly more the less efficient vessels, reducing their trade and competitiveness, increasing their environmental compliance costs, imposing additional energy efficiency investments, or even making such older, less energy efficient vessels obsolete. The environmental initiatives are complemented with initiatives towards the local societies where we operate and the way our company is governed, altogether included in a framework known as Environmental, Social and Governance or "ESG". Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices hindering access to capital and reallocating capital as a result of their assessment of a company's ESG practices.

Safe Bulkers, targeting to reduce the environmental impact of our operations, and increase the sustainability of our business over time, has placed and integrated ESG at the heart of our corporate strategy and has undertaken significant investments with the purpose of increasing our fleet's environmental competitiveness and successfully meet society's expectations as to our proper role. In light of investors' increased focus on ESG matters and in response to the GHG environmental regulations, we have assessed the applicability of relevant energy efficiency measures, and decided to pursue a two-fold strategy: i) a comprehensive fleet renewal program consisting of several newbuild orders with advanced energy efficiency characteristics, the acquisition of younger second-hand vessels and the sale of older, less efficient vessels at suitable times and ii) an extensive program for environmental upgrading of existing vessels in our fleet during their dry-dockings.

As of February 20, 2026, our fleet consisted of 45 vessels, one of which was held for sale, 11 of which are eco-ships built after 2014, with superior energy efficiency characteristics compared to pre-2014 designs, and 12 vessels built 2022 onwards, compliant with the most recent IMO GHG Phase 3 - NOx Tier III regulations. In addition, the Company's outstanding orderbook consists of eight newbuilds compliant with the IMO GHG Phase 3 - NOx Tier III regulations, including two methanol dual fueled, to be delivered four in 2026, two in 2027, one in 2028 and one in 2029 and following all scheduled deliveries, reaching 31 vessels with improved energy efficiency characteristics. The aggregate capital expenditure for the 20 newbuilds was approximately $734.9 million.

During the last five years and until February 20, 2026, the Company has sold or contracted to sell 17 vessels with total deadweight of 1.5 million tonnes and of 15.0 years average age with aggregate gross sale proceeds of $297.1 million and acquired seven second-hand vessels with total deadweight of 1.0 million tonnes and of 9.2 years average age at an aggregate gross acquisition cost of $187.0 million.

In parallel and as of February 20, 2026, we have completed environmental upgrades on 26 vessels through an extensive vessel environmental upgrade program which involves application of low friction paints and installation of energy saving device.While we are investing in newbuilds, relatively young second-hand vessels and environmental upgrades, we continue to monitor technological developments in relation to new environmentally friendly alternative marine fuels, which we expect will play an increasingly important role in the next decade.

As of February 20, 2026, we have installed Scrubbers on 21 of our vessels, including in all eight of our Capesize class vessels, effectively reducing SOx emissions compared to VLSFO and capitalizing on our Scrubber investments in relation to price differential between VLSFO and HSFO. The total cost of the Scrubber investments has amounted to $57.7 million, which we estimate we have already recovered through the additional earnings of the Scrubber-fitted vessels. As of February 20, 2026, we have retrofitted our entire fleet with BWTS.

On the financing front, during 2025, aligning financing with our corporate sustainability agenda we secured a new sustainability-linked financing of $75 million for six vessels incorporating a mechanism that adjusts the interest margin based on independently verified performance related to fleet carbon intensity index, measured against annual sustainability performance targets, and amended the terms of an existing $100 million financing for six vessels to include similar terms.

In 2023, we established our environmental, social and governance board committee. The ESG Committee which consists of six board members, four of whom are independent directors, reviews the Company's ESG performance and ensures governance oversight by the Board of Directors of the ESG strategy and implementation, consistent with the priorities outlined and articulated in the Company's annual sustainability report.

Further to the above, the Company is undertaking various actions in relation to its corporate governance, personnel initiatives and the society aiming towards continuously advanced integration. We believe that integrating ESG at the very heart of our corporate strategy will reduce our fleets' carbon footprint and environmental impact, and in parallel, improve our environmental-based competitiveness and social acceptance, allow us to enjoy existing and future investors' trust and enable us to continue to have access to capital.

Our Fleet, Newbuilds and Employment Profile

As of February 20, 2026, our fleet comprised 45 vessels, one of which was held for sale, of which eight are Panamax class vessels, 12 are Kamsarmax class vessels, 17 are Post-Panamax class vessels and eight are Capesize class vessels, with an aggregate carrying capacity of 4,559,000 dwt and an average age of 10.5 years.

Our orderbook consists of eight environmentally advanced Japanese and Chinese Kamsarmax class newbuild vessels, including two methanol dual-fueled, with scheduled deliveries four in the remainder of 2026, two in 2027, one in 2028 and one in 2029. All eight newbuilds are designed to comply with the requirements of the IMO for EEDI Phase 3 and NOx Tier III. Assuming no additional vessel sales occur for any of our vessels and delivery of all eight contracted newbuild vessels through 2029 as scheduled, our fleet will comprise of eight Panamax class vessels, 20 Kamsarmax class vessels, 17 Post-Panamax class vessels and eight Capesize class vessels, and the aggregate carrying capacity of our 53 vessels will be 5,213,800 dwt. The majority of vessels in our fleet have sister ships with similar specifications. We believe using sister ships provides cost savings because it facilitates efficient inventory management and allows for the substitution of sister ships to fulfill our period time charter obligations.

The table below presents additional information with respect to our drybulk vessel fleet, including our newbuilds, and their deployment as of February 20, 2026. Certain vessels that are chartered on time charters at a daily gross charter rate linked to the Baltic Panamax Index ("BPI"),or the Baltic Capesize Index ("BCI"), are shown in the below table with the special notation BPI or BCI, plus or minus the relevant charter hire adjustments, where applicable. For certain vessels that are equipped with Scrubbers, the benefit from Scrubber operation (the ''Scrubber Benefit'') is calculated on the basis of the price differential between HSFO and VLSFO for the specific voyage. In cases where the Scrubber Benefit can be calculated or it is a part of the charter rate, it is included in the referenced charter rate. A special notation on the table is provided in cases where the Scrubber Benefit is not part of the referenced charter rate and it cannot be calculated.

Vessel Name	Dwt	Year Built[1]	Country of Construction	Charter Type	Charter Rate[2]	Commissions[3]	Charter Period[4]	Sister Ship[5]
CURRENT FLEET								
Panamax								
Zoe	75,000	2013	Japan	Period	$13,000	5.00%	Apr 2025-Apr 2026	
Koulitsa 2	78,100	2013	Japan	Spot	$14,900	5.00%	Jan 2026-Apr 2026	H

Kypros Land	77,100	2014	Japan	Period	BPI 82 5TC * 102%	5.00%	Dec 2025-Mar 2026	H
					$18,727	5.00%	Apr 2026-Jun 2026	
Kypros Sea	77,100	2014	Japan	Period	$15,000	5.00%	Sep 2025-May 2026	H
Kypros Bravery	78,000	2015	Japan	Period	$14,250	5.00%	Aug 2025-Apr 2026	F
Kypros Sky	77,100	2015	Japan	Period[19]	$11,750	3.75%	Aug 2020-Aug 2022	H
					BPI 82 5TC * 97% - $2,150	3.75%	Aug 2022-May 2026	
Kypros Loyalty	78,000	2015	Japan	Spot	$13,400	5.00%	Jan 2026-Mar 2026	F
Kypros Spirit	78,000	2016	Japan	Spot	$11,000	5.00%	Jan 2026-Feb 2026	F
					$18,000	5.00%	Feb 2026-May 2026	
Kamsarmax								
Pedhoulas Commander	83,700	2008	Japan	Period	$17,000	5.00%	Feb 2026-Jul 2026	
Pedhoulas Rose	82,000	2017	China	Period[15]	$14,600	5.00%	Oct 2025-Mar 2026	
Pedhoulas Cedrus[12]	81,800	2018	Japan	Period	$15,500	5.00%	Sep 2025-Apr 2026	
Vassos[9]	82,000	2022	Japan	Period	$14,000	5.00%	Aug 2025-May 2026	
					$16,000	5.00%	May 2026-Oct 2026	
Pedhoulas Trader[7]	82,000	2023	Japan	Period	$15,625	5.00%	Jul 2025-Mar 2026	
					$18,750	5.00%	Mar 2026-Sep 2026	
Morphou	82,000	2023	Japan	Period	$17,000	5.00%	Jan 2026-Oct 202	J
Rizokarpaso[10]	82,000	2023	Japan	Period	$16,325	5.00%	Jan 2026-Jun 2026	J
Ammoxostos[11]	82,000	2024	Japan	Period	$17,250	5.00%	Sep 2025-Apr 2026	J
Kerynia	82,000	2024	Japan	Period	$16,750	5.00%	Sep 2025-May 2026	J
Pedhoulas Farmer	82,500	2024	China	Period	$15,250	5.00%	Aug 2025-Mar 2026	K
Pedhoulas Fighter	82,500	2024	China	Period	$16,000	5.00%	Aug 2025-Apr 2026	K
					$17,000	5.00%	Apr 2026-Sep 2026	
Efrossini	82,000	2025	Japan	Spot	$18,600	3.75%	Feb 2026-Apr 2026	K
Post-Panamax								
Marina	87,000	2006	Japan	Period[15]	$12,900	5.00%	Apr 2025-Mar 2026	C
Xenia	87,000	2006	Japan	Spot[15]	$13,000	5.00%	Dec 2025-Mar 2026	C
Sophia	87,000	2007	Japan	Spot[15,23]	$10,750	5.00%	Jan 2026-Mar 2026	C
Eleni	87,000	2008	Japan	Period[15]	$14,000	5.00%	Oct 2025-Apr 2026	C

Martine	87,000	2009	Japan	Spot[15]	$13,250	5.00%	Feb 2026-Apr 2026	C
Andreas K	92,000	2009	South Korea	Spot[15]	$15,000	5.00%	Jan 2026-Mar 2026	D
Agios Spyridonas	92,000	2010	South Korea	Spot[15,24]	$13,000	5.00%	Jan 2026-Mar 2026	D
Venus Heritage	95,800	2010	Japan	Spot[15]	$16,500	5.00%	Feb 2026-Apr 2026	E
Venus History	95,800	2011	Japan	Spot[15]	$15,800	5.00 %	Feb 2026-Mar 2026	E
Venus Horizon	95,800	2012	Japan	Period[15]	$16,000	5.00%	Jan 2026-Jun 2026	E
Venus Harmony	95,700	2013	Japan	Period	$17,750	5.00%	Feb 2026-Sep 2026	
Troodos Sun [14]	85,000	2016	Japan	Spot[15]	$14,250	5.00%	Dec 2025-Feb 2026	G
				Period[15]	$19,075	3.75%	Feb 2026-Aug 2026	
Troodos Air	85,000	2016	Japan	Spot[16]	$14,000	3.75 %	Jan 2026-Mar 2026	G
Troodos Oak	85,000	2020	Japan	Spot	$24,850	5.00%	Jan 2026-Apr 2026	
Climate Respect	87,000	2022	Japan	Spot[25]	$13,000	5.00%	Feb 2026-Mar 2026	I
Climate Ethics	87,000	2023	Japan	Spot[26]	$12,000	5.00%	Jan 2026-Mar 2026	I
Climate Justice	87,000	2023	Japan	Period	$17,600	5.00%	Jan 2026-Nov 2026	I
Capesize								
Mount Troodos	181,400	2009	Japan	Period[15,21]	$20,000	5.00%	Jul 2024-May 2027	
Kanaris	178,100	2010	China	Period[6]	$25,928	2.50 %	Sep 2011-Sep 2031	
Pelopidas	176,000	2011	China	Period[15]	$22,375	3.75%	Aug 2025-Aug 2026	
Michalis H[27]	180,400	2012	China	Spot[16]	$27,250	5.00%	Jan 2026-Mar 2026	
Stelios Y	181,400	2012	Japan	Period[15,20]	$28,958	3.75%	Jan 2026-Dec 2026	B
					BCI 5TC * 117%	3.75%	Jan 2027-Feb 2027	
Aghia Sofia[13]	176,000	2012	China	Period[16]	$27,000	5.00%	Feb 2026-Sep 2027	
Lake Despina[8]	181,400	2014	Japan	Period[15,18]	$25,911	3.75%	Dec 2024-Jul 2028	
Maria	181,300	2014	Japan	Period[15,17]	$25,950	5.00%	Apr 2024-Mar 2028	B
Total	**4,559,000**							
Chartered-In								
Arethousa [22]	75,000	2012	Japan	Period	$14,700	5.00%	Oct 2025-Mar 2026	
Total	**75,000**							
Newbuilds orderbook								
TBN	81,800	Q2 2026	Japan	Period	$18,300	3.75%	Apr 2026-Feb 20276	
TBN	81,800	Q3 2026	Japan					
TBN	81,200	Q4 2026	China					
TBN	82,000	Q4 2026	Japan					

TBN	81,200	Q1 2027	China
TBN	81,800	Q1 2027	Japan
TBN	82,500	Q4 2028	China
TBN	82,500	Q1 2029	China
Subtotal	**654,800**		
Total	**5,213,800**		

(1) For existing vessels, the year represents the year built. For our newbuild, the date shown reflects the expected delivery dates.
(2) Quoted charter rates are the recognized daily gross charter rates. For charter parties with variable rates among periods or consecutive charter parties with the same charterer, the recognized gross daily charter rate represents the weighted average gross daily charter rate over the duration of the applicable charter period or series of charter periods, as applicable. In the case of a charter agreement that provides for additional payments, namely ballast bonus to compensate for vessel repositioning, the gross daily charter rate presented has been adjusted to reflect estimated vessel repositioning expenses. Gross charter rates are inclusive of commissions. Net charter rates are charter rates after the payment of commissions. In the case of voyage charters, the charter rate represents revenue recognized on a pro rata basis over the duration of the voyage from load to discharge port less related voyage expenses.
(3) Commissions reflect payments made to third-party brokers or our charterers.
(4) The start dates listed reflect either actual start dates or, in the case of contracted charters that had not commenced as of February 20, 2026, the scheduled start dates. Actual start dates and redelivery dates may differ from the referenced scheduled start and redelivery dates depending on the terms of the charter and market conditions and does not reflect the options to extend the period time charter.
(5) Each vessel with the same letter is a "sister ship" of each other vessel that has the same letter, and under certain of our charter contracts, may be substituted with its "sister ships."
(6) Charterer of MV Kanaris agreed to reimburse us for part of the cost of the Scrubbers and BWTS installed on the vessel, which is recorded by increasing the recognized daily charter rate by $634 over the remaining tenor of the time charter party.
(7) MV Pedhoulas Trader was sold and leased back in September 2023 on a bareboat charter basis for a period of ten years with a purchase option in favor of the Company three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(8) MV Lake Despina was sold and leased back in April 2021 on a bareboat charter basis for a period of seven years with a purchase option in favor of the Company five years and six months following the commencement of the bareboat charter period at a predetermined purchase price.
(9) MV Vassos was sold and leased back in May 2022 on a bareboat charter basis for a period of ten years with a purchase option in favor of the Company three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(10) MV Rizokarpaso was sold and leased back in November 2023 on a bareboat charter basis for a period of ten years with a purchase option in favor of the Company three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(11) MV Ammoxostos was sold and leased back in January 2024 on a bareboat charter basis for a period of ten years with a purchase option in favor of the Company three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(12) MV Pedhoulas Cedrus was sold and leased back in February 2021 on a bareboat charter basis for a period of ten years with a purchase option in favor of the Company three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(13) MV Aghia Sofia was sold and leased back in September 2022 on a bareboat charter basis, for a period of five years with purchase options in favor of the Company commencing three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(14) MV Troodos Sun was sold and leased back in August 2021 on a bareboat charter basis for a period of ten years, with purchase options in favor of the Company commencing three years following the commencement of the bareboat charter period and a purchase obligation at the end of the bareboat charter period, all at predetermined purchase prices.
(15) Scrubber benefit was agreed on the basis of fuel consumption of heavy fuel oil and the price differential between the HSFO and the VLSFO cost for the voyage and is not included on the daily.
(16) Scrubber benefit was agreed on the basis of consumption of heavy fuel oil and the price differential between the heavy fuel oil and the compliant fuel cost for the voyage and is included on the daily gross charter rate presented.
(17) A period time charter for a duration of 48 to 60 months at a gross daily charter rate of $25,950. The charter agreement also grants the charterer an option to extend the period time charter for an additional duration of 12 to 30 months at a gross daily charter rate of $26,250.
(18) A period time charter for a duration of 3 years at a gross daily charter rate of $22,500 plus a one-off $3.0 million payment upon charter commencement. The charter agreement also grants the charterer an option to extend the period time charter for an additional year at a gross daily charter rate of $27,500. In September 2024, the Company agreed the extension of the long-term period time charter. The new time charter period commenced in December 2024 with a minimum duration of four years until July 2028 at a gross daily time charter rate of $24,000, plus a one-off $2.5 million payment upon the new period charter commencement, plus compensation for the use of the Scrubber.
(19) A period time charter of 5 years at a daily gross charter rate of $11,750 for the first two years and a gross daily charter rate linked to the BPI-82 5TC times 97% minus $2,150, for the remaining period.
(20) A period time charter for a duration of two and a half years at a gross daily charter rate linked to the BCI 5TC times 117%. The charter agreement also grants the charterer an option to extend the period time charter for an additional three years at a gross daily charter rate of $23,000.
(21) A period time charter for a duration of 22 to 26 months at a gross daily charter rate of $20,000. The charter agreement also grants the charterer an option to extend the period time charter to a total duration of 34 to 36 months at the same gross daily charter rate. In December 2025, the charterer exercised the option and extended the period time charter to a total duration of 34 to 36 months.
(22) In March 2023, the Company entered into an agreement to sell MV Efrossini, a 2012 Japanese-built, Panamax class vessel to an unaffiliated third party at a gross sale price of $22.5 million. The sale was consummated in July 2023, and upon delivery of the vessel to her new owners, renamed MV Arethousa, she was immediately chartered back by the Company at a gross daily charter rate of $16,050 for a period of 10 to 14 months. In July 2024, the Company extended the period of the charter agreement for a duration of five to seven months at a gross daily charter rate of $15,500 commencing from September 2024. In October 2024, the Company further extended the period of the charter agreement for an additional duration of four to seven months commencing from February 2025 at a gross daily charter rate of $13,750 for the first four months and $15,500 thereafter. In May 2025, the Company extended the period of the charter agreement for an additional duration of three to five months commencing from June 2025 at a gross daily charter rate linked to the BPI-74 4TC times 107.5% until 1 September 2025 and $12,500/day thereafter. In August 2025, the Company further extended the period of the charter agreement for an additional duration of six to eight months commencing from September 2025 at a gross daily charter rate of $12,500/day.
(23) A spot time charter at a daily gross charter rate of $10,750 plus ballast bonus of $0.1 million upon charter commencement.
(24) A spot time charter at a daily gross charter rate of $13,000 plus ballast bonus of $0.3 million upon charter commencement.
(25) A spot time charter at a daily gross charter rate of $13,000 plus ballast bonus of $0.2 million upon charter commencement.
(26) A spot time charter at a daily gross charter rate of $12,000 plus ballast bonus of $0.2 million upon charter commencement.
(27) In February 2026, the Company entered into an agreement for the sale of MV Michalis H, a 2012 Chinese-built, Capesize class dry-bulk vessel, for a gross sale price of $35.2 million and a forward delivery date to her new owners in the first quarter of 2026.

Chartering of Our Fleet

Our vessels are used to transport bulk cargoes, particularly coal, grain and iron ore, along worldwide shipping routes. We may employ our vessels in time charters or in voyage charters.

A time charter is a contract to charter a vessel for a fixed period of time at a set daily rate and can last from a few days up to

several years, where the vessel performs one or more trips between load port(s) and discharge port(s). Based on the duration of vessel's employment, a time charter can be either a long-term, or period, time charter with duration of more than three months, or a short-term, or spot, time charter with duration of up to three months. Under our time charters, the charterer pays for most voyage expenses, such as port, canal and fuel costs, agents' fees, extra war risks insurance and any other expenses related to the cargoes, and we pay for vessel operating expenses, which include, among other costs, costs for crewing, provisions, stores, lubricants, insurance, maintenance and repairs, tonnage taxes, drydocking and intermediate and special surveys.

Voyage charters are generally contracts to carry a specific cargo from a load port to a discharge port, including positioning the vessel at the load port. Under a voyage charter, the charterer pays an agreed upon total amount or on a per cargo ton basis, and we pay for both vessel operating expenses and voyage expenses. We infrequently enter into voyage charters. Voyage charters together with spot time charters are referred to in our industry as employment in the spot market.

We intend to employ our vessels on both period time charters and spot time charters, according to our assessment of market conditions, with some of the world's largest consumers of marine drybulk transportation services. The vessels we deploy on period time charters provide us with relatively stable cash flow and high utilization rates, while the vessels we deploy in the spot market allow us to maintain our flexibility in low charter market conditions. As of February 20, 2026, the average remaining duration of the charters for our existing fleet was 0.5 years. See, ''Item 5. Operational and Financial Review and Prospects D. Trend information.'' for additional information.

Our Customers

Since 2005, our customers have included over 30 national, regional and international companies, including Bunge, Cargill, Glencore, Daiichi, Intermare Transport G.m.b.H., Energy Eastern Pte. Ltd., NYK, NS United Kaiun Kaisha, Kawasaki Kisen Kaisha, Oldendorff GmbH and Co. KG, Louis Dreyfus Armateurs, Louis Dreyfus Commodities, ArcelorMittal or their affiliates. During 2025, one of our charterers, namely ADM International SARL, accounted for 16.46% of our revenues, with each one accounting for more than 10.0% of total revenues. During 2024, two of our charterers, namely Nippon Yusen Kabushiki Kaisha and Cargill International S.A., accounted for 24.51% of total revenues with each one accounting for more than 10.0% of total revenues. During 2023, two of our charterers, namely Olam International Limited. and Cargill International S.A., accounted for 26.87% of total revenues with each one accounting for more than 10.0% of total revenues. We seek to charter our vessels primarily to charterers who intend to use our vessels without sub-chartering them to third parties. A prospective charterer's financial condition and reliability are also important factors in negotiating employment for our vessels.

Management of Our Fleet

In May 2008, we entered into a management agreement with Safety Management and in May 2015, we entered into a management agreement with Safe Bulkers Management, pursuant to which our Managers provided us with our executive officers, technical, administrative, commercial and certain other services. Each of these management agreements expired on May 28, 2018. In May 2018, we entered into new management agreements (the "Original Management Agreements"), pursuant to which our Managers continue to provide us with technical, administrative, commercial and certain other services. Each of the Original Management Agreements was effective as of May 29, 2018 and had an initial three-year term which could be extended on a three-year basis on May 29, 2021 and May 29, 2024 upon mutual agreement with the Managers. On May 29, 2021, the Company and the Managers agreed to extend the term of the Original Management Agreements until May 28, 2024. On April 1, 2022, we entered into a new management agreement with the New Manager, and together with the Original Management Agreements, the "Management Agreements", with the initial term that expired on May 29, 2024. The Management Agreements were extended for an additional three-year period, subject to our ability to terminate each Management Agreement upon written notice at least 24 months prior to the end of the current term. Each Management Agreement will expire on May 29, 2027 and we expect to enter into new agreements with the Managers upon their expiration. The terms of any such new agreements have not yet been determined. Our arrangements with our Managers and their performance are reviewed by our board of directors. Our management team, collectively referred to in this annual report as our "executive officers," provide strategic management for our company and also supervise the management of our day-to-day operations by our Managers. Our Managers report to us and our board of directors through our executive officers.

Pursuant to the Management Agreements, in return for providing such services our Managers receive a ship management fee of €950 per day per vessel and one of our Managers receives an annual ship management fee of €5.0 million. For the three year period from May 29, 2021 to May 28, 2024 the daily ship management fee was €875 and the annual ship management fee was €3.5 million. For the three year period from May 29, 2018 to May 28, 2021 the daily ship management fee was €875 and the annual ship management fee was €3.0 million. Our Managers also receive a commission of 1.0% based on the contract price of any vessel sold by it on our behalf, and a commission of 1.0% based on the contract price of any vessel bought by it on our behalf, including the acquisition of each of our contracted newbuilds. We also pay our Managers a supervision fee of $550,000 per newbuild, of which 50% is payable upon the signing of the relevant supervision agreement, and 50% upon successful completion of the sea trials of each newbuild, which we capitalize, for the on-premises supervision by selected engineers and others on the Managers' staff of newbuilds we have agreed to acquire pursuant to shipbuilding contracts, memoranda of agreement, or otherwise.

Our Managers have agreed that, during the term of our Management Agreements and for a period of one year following their termination, our Managers will not provide management services to, or with respect to, any drybulk vessels other than (a) on our behalf or (b) with respect to drybulk vessels that are owned or operated by companies affiliated with our chief executive officer or his family members, and drybulk vessels that are acquired, invested in or controlled by companies affiliated with our chief executive officer or his family members, subject in each case to compliance with, or waivers of, the restrictive covenant agreements entered into between us and such companies. Our Managers have also agreed that if one of our drybulk vessels and a drybulk vessel owned or operated by any such company are both available and meet the criteria for a charter being arranged by our Managers, our drybulk vessel will receive such charter.

The foregoing description of the Management Agreements does not purport to be complete and is qualified in its entirety by reference to the Management Agreements, copies of which are attached as Exhibit 4.1 and Exhibit 4.2 and incorporated herein by reference.

See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Management Agreements" for more information.

Competition

We operate in highly competitive markets that are based primarily on supply and demand. Our business fluctuates in line with the main patterns of trade of the major drybulk cargoes and varies according to changes in the supply and demand for these items. We believe we differentiate ourselves from our competition by providing modern vessels with advanced designs and technological specifications. As of February 20, 2026, our fleet had an average age of 10.5 years. The majority of our fleet has been built in Japanese shipyards, which we believe provides us with an advantage in attracting large, well-established customers, including Japanese customers.

The drybulk sector is characterized by relatively low barriers to entry, and ownership of drybulk vessels is highly fragmented. In general, we compete with other owners of Panamax class or larger drybulk vessels for charters based upon price, customer relationships, operating expertise, professional reputation and size, age, location and condition of the vessel.

Crewing and Shore Employees

Our management team consists of our chief executive officer, president, chief financial officer and assistant chief financial officer, chief operating officer, chief financial controller and assistant chief financial controller, chief compliance officer and our internal auditor. Our Managers are responsible for the technical management of our fleet and therefore also handle the recruiting, either directly or through crewing agents, of the senior officers and all other crew members for our vessels. As of December 31, 2025, approximately 933 people served on board the vessels in our fleet, and our Managers employed approximately 174 people on shore.

Permits and Authorizations

We are required by various governmental and other agencies to obtain certain permits, licenses, certificates and financial assurances with respect to each of our vessels. The kinds of permits, licenses, certificates and financial assurances required by governmental and other agencies depend upon several factors, including the commodity being transported, the waters in which the vessel operates, the nationality of the vessel's crew and the type and age of the vessel. All permits, licenses, certificates and financial assurances currently required to operate our vessels have been obtained. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of doing business.

Risk of Loss and Liability Insurance

General

The operation of our fleet involves risks such as mechanical failure, collision, property loss, cargo loss or damage as well as personal injury, illness and loss of life. In addition, the operation of any oceangoing vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, the risk of piracy and the liabilities arising from owning and operating vessels in international trade. The U.S. Oil Pollution Act of 1990 ("OPA 90"), which imposes virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for vessel owners and operators trading in the United States market.

Our Managers are responsible for arranging insurance for all our vessels on the terms specified in our Management Agreements, which we believe are in line with standard industry practice. In accordance with our Management Agreements, our Managers procure and maintain hull and machinery insurance, war risks insurance, freight, demurrage and defense coverage and protection and indemnity coverage with mutual assurance associations. Due to our low incident rate and the relatively young age of our fleet, we are generally able to procure relatively low rates for all types of insurance.

While our insurance coverage for our drybulk vessel fleet is in amounts that we believe to be prudent to protect us against normal risks involved in the conduct of our business and consistent with standard industry practice, our Managers may not be able to maintain this level of coverage throughout a vessel's useful life. Furthermore, all risks may not be adequately insured against, any particular claim may not be paid and adequate insurance coverage may not always be obtainable at reasonable rates.

Hull and machinery insurance

Our marine hull and machinery insurance covers risks of partial loss or actual or constructive total loss from collision, fire, grounding, engine breakdown and other insured risks up to an agreed amount per vessel. Our vessels will each be covered up to at least their fair market value after meeting certain deductibles per incident per vessel. We also maintain increased value coverage for each of our vessels. Under this increased value coverage, in the event of the total loss of a vessel, we are entitled to recover amounts in excess of the total loss amount recoverable under our hull and machinery policy.

Protection and indemnity insurance

Protection and indemnity insurance is a form of mutual indemnity insurance provided by mutual marine protection and indemnity associations ("P&I Associations") formed by vessel owners to provide protection from large financial loss to one club member by contribution towards that loss by all members.

Protection and indemnity insurance covers our third-party liabilities in connection with our shipping activities. This includes

third-party liability and other related expenses of injury or death of crew members, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Our coverage, except for pollution, will be unlimited. Furthermore, within this aggregate limit, club coverage is also limited to the amount of the member's legal liability.

Our protection and indemnity insurance coverage for pollution is limited to $1.0 billion per vessel per incident. Our protection and indemnity insurance coverage in respect of passengers is limited to $2.0 billion and in respect of passengers and seamen is limited to $3.0 billion per vessel per incident. The 12 P&I Associations that comprise the International Group of P&I Clubs (the "International Group") insure approximately 90% of the world's commercial blue-water tonnage and have entered into a pooling agreement to reinsure each P&I Association's liabilities. As a member of a P&I Association that is a member of the International Group, we are subject to calls payable to the P&I Association based on the International Group's claim records, as well as the claim records of all other members of the individual associations.

Although the P&I Associations compete with each other for business, they have found it beneficial to mutualize their larger risks among themselves through the International Group. This is known as the "Pool." This pooling is regulated by a contractual agreement which defines the risks that are to be covered and how claims falling on the Pool are to be shared among the participants in the International Group. The Pool provides a mechanism for sharing all claims in excess of $10.0 million up to, currently, approximately $8.9 billion. On that basis, all claims up to $10.0 million will be covered by each Club's Individual Retention and all claims in excess of $10.0 million up to $100.0 million will be covered by the Pool. The Pool is structured in three layers from $10 million to $100 million. For amounts in excess of $30 million, the Pool is reinsured by the Group captive reinsurance vehicle, Hydra Insurance Company Limited ("Hydra"). Hydra is a Bermuda incorporated Segregated Accounts company in which each of the 12 Group Clubs has its own segregated account (or "cell") ring fencing its assets and liabilities from those of the company or any of the other Club cells. Hydra reinsures each Club in respect of that Club's liabilities within the Pool and reinsurance layers in which it participates. Through the participation of Hydra, the Group Clubs can retain, within their Hydra cells, premium which would otherwise have been paid to the commercial reinsurance markets.

For the 2025/2026 policy year, the International Group maintained a three layer Group General Excess of Loss ("GXL") GXL reinsurance program, together with an additional Collective Overspill layer, which combine to provide commercial reinsurance cover of up to $3.1 billion per vessel per incident, comprising of reinsurance for all claims of up to $2.1 billion per vessel per incident in excess of the $100.0 million insured by the Pool and an additional $1.0 billion in excess of the aforesaid $2.1 billion per vessel per incident in respect of claims for overspill. For the 2026/2027 policy year, the International Group maintained a three layer GXL reinsurance program, together with an additional Collective Overspill layer, which combine to provide commercial reinsurance cover of up to $3.35 billion per vessel per incident, comprising of reinsurance for all claims of up to $2.35 billion per vessel per incident in excess of the $100.0 million insured by the Pool and an additional $1.0 billion in excess of the aforesaid $2.35 billion per vessel per incident in respect of claims for overspill.

War Risks Insurance

Our war risk insurance covers hull or freight damage, detention or diversions risks and P&I liabilities (including crew) arising out of confiscations, seizure, capture, vandalism, sabotage and/or other war risks and is subject to separate limits of:

(i) each vessel's hull and machinery value and each vessel's corresponding increased value, and

(ii) for war risks P&I liabilities including crew up to $500.0 million per vessel per incident.

Regulations: Safety and the Environment

General

Oceangoing vessels are subject to international conventions, national, state and local laws and regulations in force in international waters and the countries in which they operate or are registered.

The International Maritime Organization (the "IMO") is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. Key IMO Conventions are the International Convention for the Safety of Life at Sea ("SOLAS"), 1974, as amended, which provides for the International Safety Management code (the "ISM") and the International Ship Port-facility Security (the "ISPS"); the International Convention for the Prevention of Pollution from Ships, 1973, (the "MARPOL") as modified by the Protocols of 1978 and 1997; and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (the "STCW") as amended, including the 1995 and the Manila Amendments. Other IMO regulations, in part, regulate maritime labor (the Maritime Labor Convention, "MLC"), greenhouse gas emissions ("GHG"), ballast water discharges, control of vessel antifouling systems and vessels' recycling.

The United States (the "US") through the Environmental Protection Agency (the "EPA") have a regulatory framework which includes the Oil Pollution Act ("OPA 90"), the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") the Clean Water Act (the "CWA") and the Clean Air Act (the "CAA").

The European Union (the "EU") focuses specifically on greenhouse gas emissions reduction through monitoring (the "EU MRV"), trading scheme (the "EU ETS"), adaptation of EU legislation to achieve CO2 emission targets ("Fit-for-55") and the reduction of carbon content in fuels through a penalty mechanism (the "Fuel EU").

Other national and local regulatory bodies in the jurisdictions where our vessels travel and in the ports where our vessels call, may have imposed or in the future may impose additional regulations, which we monitor.

A variety of governmental and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (such as the US Coast Guard, (the "USCG"), the Australian Maritime Safety Authority - AMSA,

the China Maritime Safety Administration – MSA, other Port State Controls and the harbor master or equivalent where we call), classification societies, flag state administration (country of registry), charterers and terminal operators. Certain of these entities require us to obtain permits, licenses, financial assurances and certificates for the operation of our vessels.

Our fleet complies with all current requirements and follows the periodical surveys required. Failure to follow the periodical surveys, the identification of deficiencies during inspections and failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels, which may materially adversely affect our business, financial condition and results of operations.

We expect that the regulatory environment will become more stringent in the following years, especially in relation to GHG emissions and discharges, which could limit the ability of our less efficient, or older vessels, or vessels equipped with Scrubbers to do business, or increase the cost of doing business, which may materially adversely affect our business, financial condition and results of operations and may require additional investments. We anticipate incurring additional expenditures in the current or subsequent fiscal years to comply with certain requirements, including the improvement of the fleet's environmental profile. Because additional measures for environmental compliance are still under development, we cannot predict the ultimate cost of complying with such new stringent regulations.

Safety and environmental regulations can also affect the resale prices, or useful lives of our vessels or require reductions in cargo capacity, ship modifications or operational changes or restrictions. Failure to comply with these requirements could lead to decreased vessel availability, or more costly insurance coverage for environmental matters, or result in the denial of access to certain jurisdictional waters or ports, or the detention in certain ports, which would have a material adverse effect on our business, financial condition and results of operations.

Our environmental strategy is founded on responsible fleet renewal, regulatory compliance, and continuous energy efficiency upgrades aimed at reducing the Company's environmental footprint. Recognizing the importance of environmental protection, the Company has implemented a long-term investment program focused on replacing older, less efficient vessels with younger second-hand ships and state-of-the-art new buildings; over the past five years, 17 older vessels were sold, or contracted to be sold, and replaced with seven more efficient vessels, maintaining a competitive average fleet age. The newbuilding program emphasizes advanced, energy-efficient designs fully compliant with IMO EEDI Phase 3 and NOx Tier III standards, with a total of 20 new vessels reaching 12 deliveries from 2022 onwards, significantly lowering fuel consumption and emissions compared to vessels built six or seven years ago. In support of future decarbonization requirements, we have also ordered two dual-fuel methanol-powered Kamsarmax vessels, aligning with the EU FuelEU Maritime Regulation effective from 2025 and the IMO Global Fuel Standard under the Net-Zero Framework. Although EU FuelEU Maritime Regulation is effective at present, decisions about IMO Global Fuel Standard under the Net-Zero Framework have been postponed for one year and are likely to be revised with uncertain outcome. In parallel, we continue to upgrade our existing fleet through the application of ultra-low friction paints, installation of energy-saving devices, and shaft power generator retrofits, aiming to maintain favorable CII ratings and avoid lower GHG performance classifications. By 2025, environmental upgrades had been completed on 26 existing vessels, with further energy-saving retrofits planned for 2026, underscoring the Company's commitment to operational efficiency, emissions reduction, and sustainable maritime transportation.

We believe that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all vessels and may accelerate the scraping of older vessels throughout the dry bulk shipping industry. As a result, we are required to maintain operating standards for all our vessels that emphasize efficiency, operational safety, quality maintenance, reduced environmental footprint, continuous training of our officers and crews and compliance with the regulations. Failure to maintain such standards may materially adversely affect our business, financial condition and results of operations.

In 2024, as part of the ISM compliance, the Company voluntarily implemented, an Integrated Management System ("IMS") in compliance with DryBMS standard, replacing the existing Safety Management Systems "SMS", focusing on crew welfare, Code of Conduct and targeting higher levels of performance in terms of safety, health, security and pollution prevention of our fleet. The Managers are certified with ISO 14001 and ISO 50001 relating to environmental standards and energy efficiency respectively, while we have obtained additional environmental class notation for most of our fleet. The Company, also undertakes timely Rightship inspections, which classify vessels according to holistic operational, technical, crew and safety requirements for older vessels gradually reaching a reducing age limit towards ten years, securing employability by major charterers.

Environmental and safety regulations could incur material liabilities, including cleanup obligations and claims for natural resource, personal injury and property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations. Violations of, or liabilities under, environmental and safety regulations can result in substantial penalties, fines and other sanctions, including, in certain instances, seizure or detention of our vessels. In addition, we are subject to the risk that we, our affiliated entities, or our or their respective officers, directors, shore employees, crew on board and agents may take actions determined to be in violation of such environmental and safety regulations and our environmental and safety policies. Any such actual or alleged environmental and safety regulations and policies violation, under negligence, willful misconduct or fault, could result in substantial fines, civil and/or criminal penalties or curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention from our senior management. Events of this nature would have a material adverse effect on our business, financial condition and results of operations.

Under our Management Agreements, our Managers have assumed technical management responsibility for our fleet, including compliance with all applicable regulations. If the Management Agreements with our Managers terminate, we will attempt to hire

another party to assume this responsibility. In the event of termination, we might be unable to hire another party to perform these and other services for the present fee structure and related costs. However, due to the nature of our relationship with our Managers, we do not expect our Management Agreements to be terminated early.

Regulatory Compliance

Vessel's compliance with international conventions, corresponding regulations and ordinances of its flag state can be confirmed by the applicable port state control, flag state, or upon application or by official order, the classification society, acting and on behalf of the authorities concerned.

The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules and regulations of the classification society. In addition, each vessel must comply with all applicable laws, rules and regulations of the vessel's country of registry, or "flag state," as well as the international conventions of which that flag state is a member.

The classification society also undertakes, upon request, other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case or to the regulations of the country concerned.

All areas subject to survey as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are prescribed elsewhere. The period between two subsequent surveys of each area must not exceed five years. The maintenance of class, regular and extraordinary surveys of a vessel's hull and machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

- Annual Surveys. For oceangoing vessels, annual surveys are conducted for their hulls and machinery, including the electrical plants, and for any special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.
- Intermediate Surveys. Extended annual surveys are referred to as "intermediate surveys" and typically are conducted on the second or third annual survey after commissioning and after each class renewal.
- Class Renewal / Special Surveys. Class renewal surveys, also known as "special surveys," are more extensive than intermediate surveys and are carried out at the end of each five-year period. During the special survey the vessel is thoroughly examined, including thickness-gauging to determine any diminution in the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. It may be expensive to have steel renewals pass a special survey if the vessel is aged or experiences excessive wear and tear. A vessel owner has the option of arranging with the classification society for the vessel's machinery to be on a continuous survey cycle, according to which all machinery would be surveyed within a five-year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class.

Vessels are drydocked during intermediate and special surveys for repairs of their underwater parts. Intermediate surveys may not be required for vessels under the age of 15 years. If "in water survey" notation is assigned by class, as is the case for our vessels, the vessel owner has the option of carrying out an underwater inspection of the vessel in lieu of drydocking, subject to certain conditions. In the event that an "in water survey" notation is assigned as part of a particular intermediate survey, drydocking would be required for the following special survey thereby generally achieving a higher utilization for the relevant vessel. Drydocking can be undertaken as part of a special survey if the drydocking occurs within 15 months prior to the special survey due date. Special surveys may be extended under certain provisions for a period of up to three months from their due date. A detailed schedule of expected drydockings and special surveys for the next three years is provided in the following table:

Vessel Name	Drydocking	Scheduled Survey (1)
Marina	January-26	January-26
Troodos Air (2)	March-26	March-26
Xenia	April-26	April-26
Andreas K	June-26	August-29
Pedhoulas Commander	Aprl-26	May-28
Eleni	May-26	November-28
Kypros Spirit	July-26	July-26
Venus History (2)	September-26	September-26
Pelopidas	November-26	November-26
Michalis H	January-27	January-27
Agios Spyridonas	January-27	January-30
Pedhoulas Rose	January-27	January-27
Venus Horizon (2)	February-27	February-27
Martine	May-27	February-29
Vassos	May-27	May-27

Vessel Name	Drydocking	Scheduled Survey (1)
Sophia	June-27	June-27
Mount Troodos (2)	Jul-27	Jul-27
Aghia Sofia (2)	Jul-27	Jul-27
Climate Respect	Jul-27	Jul-27
Venus Heritage	Nov-27	Nov-27
Maria	Jan-28	Jan-28
Climate Ethics	Jan-28	Jan-28
Koulitsa 2	Feb-28	Feb-28
Pedhoulas Cedrus	Jun-28	Jun-28
Climate Justice	Jun-28	Jun-28
Lake Despina	Jun-28	Jun-28
Kanaris	Jun-28	Jun-28
Zoe	Jul-28	Jul-28
Pedhoulas Trader	Sep-28	Sep-28
Morphou	Oct-28	Oct-28
Rizokarpaso	Nov-28	Nov-28
Venus Harmony	Nov-28	Nov-28

(1) Intermediate, Docking or Special survey date.
(2) Environmental upgrades.

Failure to complete timely repairs, surveys, or dry dockings may affect our results of operations.

Following a survey, if any defects are found, the classification surveyor will issue a "recommendation or condition of class" which must be rectified by the vessel owner within the prescribed time limits.In general, insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society which is a member of the International Association of Classification Societies ("IACS"). All our vessels are certified as being "in class".

Environmental Regulations

IMO regulations

Prevention of Air Pollution from Ships - MARPOL Annex VI

MARPOL Annex VI sets limits on sulphur oxide and nitrogen oxide emissions from vessel exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons.

Emission Control Areas ("ECA") have been established with more stringent controls on sulphur emissions. In ECA vessels must use more expensive fuels with fuel sulphur content up to 0.1%, (LSMGO), while the global sulphur cap was set at 3.5% before 2020. Presently, designated ECAs include specified areas of North America, the Caribbean, the North Sea and the Baltic Sea. The Mediterranean Sea was designated an ECA in 2024, which status took effect on May 1, 2025.

In 2008, the IMO Marine Environment Protection Committee ("MEPC") adopted amendments to Annex VI regarding particulate matter, nitrogen oxides and sulphur oxide emissions. These amendments, which entered into force in 2010, are designed to reduce air pollution from vessels by, among other things by:

i. Establishing new tiers of stringent nitrogen oxide emissions standards for new marine engines, depending on their date of installation (Tier I, Tier II, Tier III); and
ii. Implementing a progressive reduction of sulphur oxide emissions from ships.

In relation to Sulphur Oxides, a new global 0.5% sulphur cap on marine fuels came into force on January 1, 2020 reducing the previous sulphur cap of 3.5%, while the sulphur content of up to 0.1% is maintained for ECA. Vessels may use LSMGO (0.1% sulphur content) for ECA and VLSFO (0.5% sulphur content) globally, or HSFO (3.5% sulphur content) if they are equipped with Scrubbers. The viability of Scrubber investments mainly depends on the price differential between VLSFO, which usually is more expensive than HSFO. In case the Scrubber is designed to reduce sulphur oxide emissions to below 0.1% equivalent fuel sulphur content, HSFO may also be used in ECA improving the viability of Scrubber investments. Effluents restrictions from Scrubbers have been or are considered to be imposed in various jurisdictions, mainly in ports, which may affect the use, and as a consequence, the viability of such investments.

In response to sulphur oxides emissions regulations, since 2019 we have installed Scrubbers on 21 of our vessels. In all Scrubber-fitted vessels the Company has introduced critical spares inventory on board to secure smooth operation and compliance with existing regulations.

Our non-Scrubber-fitted vessels may use LSMGO for ECA passage and VLSFO globally. Our Scrubber-fitted vessels, which use HSFO, are designed to reduce the sulphur emissions of HSFO to levels below 0.1% sulphur content. As a result, they are suitable for global use and ECA passage with the cheaper HSFO, providing an additional commercial advantage based on further increased price differential of LSMGO versus HSFO compared to price differential of VLSFO versus HSFO and a further environmental advantage due to their reduced SOx emissions.

Additional, or new regulatory requirements, including the adoption of additional ECA, or other new or more stringent emissions requirements adopted by the IMO, the US, the EU, or individual states in which we operate, could require vessel modifications or otherwise increase the costs of our operations. For example, the addition of Mediterranean Sea ECA, effective since May 1, 2025, is expected to increase fuel costs for non-scrubber-fitted vessels operating in the region and may influence trade patterns depending on future compliance trends.

Discharge Regulations (MARPOL Annexes I, IV & V)

Discharges of oily substances, at sea: MARPOL Annex I covers all the fluids which contain oil and can be discharged overboard at sea. The affirmed objective of MARPOL Annex I, which entered into force on October 2, 1983, is to protect the marine environment through the complete elimination of pollution by oil and other damaging elements and to lessen the chances of accidental discharge of any such elements. Vessels are equipped with 15ppm oily water separator which prevents oil to be discharged at sea above this concentration. Violation of this regulation or faulty operation of this equipment could lead to substantial financial penalties, criminal actions against our crew and us and detention of the vessel. We comply with all provisions of MARPOL Annex I and have developed crew training sessions, managerial procedures, regular reviews and inspections to ensure such compliance by our vessels. Violation of MARPOL Annex I would have a material adverse effect on our business, financial condition and results of operations and would affect our reputation.

Discharges of sewage: MARPOL Annex IV contains a set of regulations regarding the discharge of sewage into the sea from ships, including regulations regarding the ships' equipment and systems for the control of sewage discharge, the provision of port reception facilities for sewage, and requirements for survey and certification. We comply with all provisions of MARPOL Annex IV and regularly conduct reviews and inspections to ensure such compliance with our vessels.

Discharge of garbage: MARPOL Annex V seeks to reduce the amount of garbage being discharged into the sea from ships. Garbage includes, among other things, all kinds of food waste, domestic and operational waste, all plastics, cargo residues, incinerator ashes, cooking oil etc. and should be disposed of continuously or periodically at port garbage reception facilities. We comply with all provisions of MARPOL Annex V and regularly conduct reviews and inspections to ensure such compliance with our vessels.

Greenhouse Gas Regulations

The IMO GHG strategy aims to significantly curb GHG emissions from international shipping. The strategy now aims to reduce well-to-wake GHG emissions by 20%, striving for 30% in 2030 and then 70%, striving for 80%, in 2040 compared to 2008, and reaching net-zero by 2050. There is also a 2030 target to achieve an uptake of zero or near-zero GHG emissions technologies, fuels and/or energy sources, representing at least 5%, striving for 10% of the energy used by international shipping. The GHG Strategy also addresses life cycle GHG emissions, with the overall objective of reducing GHG emissions within the boundaries of international shipping and preventing a shift of emissions to other sectors.

As of January 1, 2018, our vessels began monitoring and reporting CO2 emissions pursuant to the IMO Data Collection System ("DCS") regulation.

IMO has developed short term measures for GHG reduction including the Energy Efficiency Design Index (the "EEDI"), the Energy Efficiency Existing Ship Index (the "EEXI") and the Carbon Intensity index (the "CII") and is in progress of developing medium term measures including a goal-based marine fuel standard ("GFS") and an economic element known as "Levy".

Short-term measures

The EEDI: The EEDI provides a specific figure for an individual vessel design, expressed in grams of CO2 per ship's capacity-mile (grams of CO2 per ton mile) and is calculated by a formula based on the technical parameters for a specific ship defined during its design stage. The reduction of EEDI for newbuilds takes place in three phases in a staggered manner, namely Phase 1 (between 2015 to 2019), 2 (between 2020 to 2024) and 3 (after 2025), each phase providing for a reduction by 10%, 20% and 30% respectively compared to a reference line representing the average efficiency for ships built between 2000 and 2010. EEDI Phase 4 can be introduced later this decade, further tightening requirements for newbuilds.

The EEXI: Like the EEDI, the EEXI is a design efficiency index calculated for an existing vessel, which requires a vessel to achieve a required level of technical efficiency (the "Required EEXI") under specified reference conditions. The Required EEXI is the vessel's required maximum grams of CO2 emitted per ship's capacity-mile (grams of CO2 per ton mile) under reference conditions, given its type and capacity and is set to a 20% reduction of CO2 emissions for existing ships.

Compliance is determined by the vessel's design and arrangements and can be achieved either by implementation of energy efficiency measures or by limiting the maximum continuous rating of main engine leading to reduced vessel speed.

This regulation entered into force on January 1, 2023. Demonstration of compliance is required by the vessel's first survey for the issue or endorsement of the International Air Pollution Prevention Certification, following entry into force.

All of our vessels have been issued an International Energy Efficiency Certificate by the classification society with respect to the compliance with the applicable requirements of the regulation.

However, further, reduction of the Required EEXI could correspond to lower vessel speeds below her operational and technical requirements making her commercially inefficient or may require additional energy efficiency investments, affecting vessel's valuation our financial condition and our results of operations.

The CII: A mandatory CII expressed by the Annual Efficiency Ratio ("AER") in grams of CO2 per dwt-mile, and a rating scheme was introduced on January 1, 2023, where all cargo vessels above 5,000 GT are given a rating of A to E every year as part of the IMO GHG Short Term measures. The rating thresholds will become increasingly stringent towards 2030. For ships that achieve a D rating for three consecutive years or an E rating, a corrective action plan needs to be developed as part of the Ship's Energy Efficiency Management Plan ("SEEMP") and approved. The SEEMP requirements are strengthened to include mandatory content, such as an implementation plan on how to achieve the CII targets and was reviewed at the end of 2025, with particular focus on the enforcement of the carbon intensity rating requirements.

Candidate mid-term measures:

To ensure that shipping reaches the stated ambitions, the IMO has decided to implement a basket of measures consisting of two parts:

- A technical element which will be a GFS regulating the phased reduction of marine fuel GHG intensity.
- An economic element widely known as Levy, which will be some form of a maritime GHG emissions pricing mechanism.

MEPC 80 adopted the Guidelines on Life Cycle Assessment of GHG Intensity of Marine Fuels (the "LCA Guidelines"), which set out methods for calculating well-to-wake and tank-to-wake GHG emissions for all fuels and other energy carriers (e.g. electricity) used on a ship. These guidelines do not include any provision for application or requirements; they are intended to support the GFS under development. The IMO guidelines will be kept under review and developed further in the coming years, focusing on default emissions factors, sustainability criteria, fuel certification and handling of on-board carbon capture.

However, discussions at MEPC 83 highlighted significant divergences among member states regarding the design of the global pricing mechanism, the treatment of revenues, and the methodology for assessing the life-cycle emissions of fuels. As a result, the formal adoption of the mid-term measures, has been delayed for at least 1 year from the earlier indicative timeline. The IMO has scheduled further negotiations for upcoming MEPC in 2026, and there is increasing uncertainty whether the measures will enter into force.

IMO GHG Regulations Impact

GHG reduction measures adopted, or further additional measures to be adopted by the IMO, may impose operational and financial restrictions, carbon tax and penalties affecting initially more, less efficient vessels starting from 2023, gradually affecting younger vessels, even newbuilds after 2030, reducing their trade and competitiveness, increasing their environmental compliance costs, imposing additional energy efficiency investments, or even making such vessels obsolete. Furthermore, the cost of new alternative fuels is expected to be high compared to fossil fuels and their availability at this stage, unknown.

All such and potentially other developments may result in financial impacts on our operations that we cannot predict with certainty at this time, which could have a material adverse effect on our business, financial condition and results of operations.

Other conventions relating to prevention of marine pollution

Control of Harmful Anti-fouling Systems on Ships convention

In 2001, IMO adopted the Anti-fouling system control convention which entered into force in 2008. The convention bans anti-fouling paints, which prevent marine life from attaching to ships but harm the environment and disrupt ecosystems. Parties to the Convention must ensure their ships, and others entering their ports, comply with these rules. All of our vessels have been issued an International Anti-Fouling System Certificate by the classification society with respect to the compliance with the applicable requirements of the regulation.

Ballast Water Management ("BWM") convention

In 2004 the IMO adopted the BWM Convention, implementing regulations calling for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The BWM Convention took effect in September 2017 with certain extensions. By September 8, 2024, all vessels subject to the BWM Convention are required to have installed a ballast water treatment system. We have installed a ballast water treatment system in all of our vessels and a Ballast Water Management Plan Statement of Compliance was issued.

Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships

On May 15, 2009, the IMO adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "Hong Kong Convention"). The Hong Kong Convention will enter into force two years after it has been ratified by IMO member states representing at least 40% of the world fleet. The convention was signed by 67 member states of the IMO, and entered into force on June 26, 2025, following the fulfillment of the ratification criteria by Bangladesh and Liberia on June 26, 2023. One of the key requirements of the Hong Kong Convention will be for ships over 500 gross tones operating in international waters to maintain an Inventory of Hazardous Materials (an "IHM"). We have established policies to ensure that each of our vessels covered by the Convention will maintain an accurate and up to date IHM. We are working actively with shipyards constructing our newbuilds on order to ensure that the vessels will be properly equipped with IHM.

US Regulations - Environmental Protection Agency

Oil Pollution Act

The OPA 90 streamlined and strengthened EPA's ability to prevent and respond to catastrophic oil spills. A trust fund financed by a tax on oil is available to clean up spills when the responsible party is incapable or unwilling to do so. The OPA 90 requires oil storage facilities and vessels to submit to the Federal government plans detailing how they will respond to large discharges. EPA

has published regulations for above ground storage facilities; The OPA also requires the development of Area Contingency Plans to prepare and plan for oil spill response on a regional scale. All of our vessels have USCG approved response plans.

OPA 90 preserves the right to recover damages under other existing laws, including maritime tort law.

All owners and operators of vessels over 300 gross tons are required to establish and maintain with the USCG evidence of financial responsibility sufficient to meet their potential aggregate liabilities under OPA 90 and under the CERCLA which is discussed in the following paragraph. An owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest maximum liability under OPA 90 and CERCLA. We have complied with these requirements by providing a financial guarantee evidencing sufficient self-insurance. We have satisfied these requirements and obtained a USCG certificate of financial responsibility for all of our vessels.

The limits of responsible parties' liability do not apply if an incident was directly caused by violation of applicable US safety, construction or operating regulations or by a responsible party's gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities.

The USCG's regulations concerning certificates of financial responsibility provide, in accordance with OPA 90, that claimants may bring suit directly against an insurer or guarantor that furnishes certificates of financial responsibility, and that the insurer or guarantor may only assert limited defenses. Certain organizations that had typically provided certificates of financial responsibility under pre-OPA 90 laws, including the major protection and indemnity organizations, have declined to furnish evidence of insurance for vessel owners and operators if they are subject to direct actions or required to waive insurance policy defenses. This requirement may limit the availability of coverage required by the USCG and could increase our costs of obtaining this insurance for our fleet, as well as the costs of our competitors that also require such coverage.

OPA 90 requires the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion, including bunkers, to prepare and submit a response plan for each vessel.

OPA 90 specifically permits individual states to impose their own liability regimes regarding oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills. In some cases, states which have enacted such legislation have not yet issued implementing regulations defining vessels owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call.

We currently maintain, for each of our vessels, oil pollution liability coverage insurance in the amount of $1.0 billion per incident. Although our vessels carry a relatively small number of bunkers, a spill of oil from one of our vessels could be catastrophic under certain circumstances. We also carry hull and machinery protection and indemnity insurance to cover the risks of fire and explosion.

While we believe that our existing insurance coverage is adequate, not all risks can be insured and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates. If the damage from a catastrophic spill exceeds our insurance coverage, the payment of that damage could have a severe, adverse effect on us and could possibly result in our insolvency.

Comprehensive Environmental Response Compensation and Liability Act

The CERCLA was enacted by Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad Federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment.

Liability under CERCLA is generally limited to the greater of $300 per gross ton or $0.5 million per vessel carrying non-hazardous substances ($5.0 million for vessels carrying hazardous substances), unless the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited.

Clean Water Act

The Clean Water Act establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters. The basis of the CWA was enacted in 1948 and was called the Federal Water Pollution Control Act, but the Act was significantly reorganized and expanded in 1972. "Clean Water Act" became the Act's common name with amendments in 1972.

Under the CWA, EPA has implemented pollution control programs such as setting wastewater standards for industry. EPA has also developed national water quality criteria recommendations for pollutants in surface waters.

It also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under the more recently enacted OPA 90 and CERCLA, discussed above. Under the CWA, EPA has implemented pollution control programs such as setting wastewater standards for industry. The CWA made it unlawful to discharge any pollutant from a point source into navigable waters, under certain conditions.

Under EPA regulations, commercial vessels greater than 79 feet in length are required to obtain coverage under the National Pollutant Discharge Elimination System ("NPDES") the US Vessel General Permit (the "VGP") to discharge ballast water and other wastewater into US waters by submitting a Notice of Intent (a "NOI").

We have submitted NOIs for our vessels operating in US waters and anticipate incurring costs to meet the requirements of the VGP.

In addition, various states have enacted legislation restricting ballast water discharges and the introduction of non-indigenous species considered to be invasive. These and any similar ballast water discharge restrictions enacted in the future could increase the costs of operating in the relevant waters.

The current VGP, issued by EPA in 2013 (the ''2013 VGP''), requires most vessels to meet numeric ballast water discharge limits on a staggered schedule based on the first dry docking after January 1, 2014, or January 1, 2016 (depending on vessel

ballast capacity). The 2013 VGP also requires vessel modifications and the installation of ballast treatment equipment which will significantly increase the cost of investments to comply with such requirements.

The 2013 VGP contains more stringent effluent limits for oil to sea interfaces and exhaust gas scrubber wash water, aimed at improving environmental protection of US waters. The 2013 VGP requires the use of an environmentally acceptable lubricant for all oil to sea interfaces for vessels or alternative seal systems, unless technically infeasible. The intent of this new requirement is to reduce the environmental impact of lubricant discharges on the aquatic ecosystem by increasing the use of environmentally acceptable lubricants for vessels operating in waters of the US. All of our vessels are in compliance with the 2013 VGP.

On December 4, 2018, the Vessel Incidental Discharge Act (''VIDA'') requires EPA to develop new national standards of performance for commercial vessel incidental discharges and the USCG to develop corresponding implementing regulations.

Pursuant to VIDA, the VGP interim requirements apply until EPA publishes future standards and the USCG publishes corresponding implementing regulations under VIDA (anticipated in late 2026).

Several US states, such as California, adopted more stringent legislation or regulations relating to the permitting and management of ballast water discharges compared to EPA regulations. These requirements do not currently impact our operational costs, as such technologies are not currently available. However, if a decision is made to comply with such requirements, we could incur additional investment during the installation of any such ballast water treatment plants.

Clean Air Act

To protect public health and welfare nationwide, the Clean Air Act requires EPA to establish national ambient air quality standards for certain common and widespread pollutants based on the latest science.

EPA has set air quality standards for six common "criteria pollutants": particulate matter (also known as particle pollution), ground level ozone, sulfur dioxide, nitrogen dioxide, carbon monoxide, and lead.

States are required to adopt enforceable implementation plans to achieve and maintain air quality meeting the air quality standards. State implementation plans ("SIPs") also must control emissions that drift across state lines and harm air quality in downwind states. The setting of these pollutant standards was coupled with directing the states to develop SIPs, applicable to appropriate industrial sources in the state, in order to achieve these standards. Several SIPs regulate emissions resulting from vessel loading and unloading operations by requiring the installation of vapor control equipment.

European Union Regulations

Greenhouse Gas Regulations

The EU has implemented environmental policies targeting to curb CO2 emissions, having intermediate targets 55% reduction by 2030 and 80% reduction by 2050. The EU legislation covers inwards and outwards voyages to and from EU ports as well as intra voyages within EU. The monitoring, reporting and verification of CO2 emissions from maritime transport is done through the EU MRV mechanism, which runs in parallel with the globally applicable IMO DCS system. The main pillars of legislation include a trading scheme EU ETS applicable from January 1, 2024 and a penalty scheme known as Fuel EU, which promotes the use of alternative low carbon intensity non biological origin fuels, applicable from January 1, 2025.

EU Emissions Trading System

The European Parliament and Council have revised the EU ETS, Directive 2003/87/EC, introducing the extension to maritime transport which initiated January 1, 2024. The EU ETS is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively.

The EU ETS, requires shipping companies to surrender 40% of European Union Allowances ("EUAs") in 2024, 70% in 2025 and 100% in 2026; each EUA corresponding to a ton of CO2 equivalent emitted, as recorded by the EU MRV. All emissions from intra-EU voyages and within EU ports will be covered by the EU ETS, and 50% of the emissions for journeys to or from a non-EU country.

The annual procedure of EU MRV, together with all the associated processes, is known as the EU ETS compliance cycle. Operators covered by the EU ETS are required to have an approved monitoring plan for monitoring and reporting annual emissions. Every year, operators must submit an emissions report. The data for a given year must be verified by an accredited verifier by March 31 of the following year. Once verified, operators must surrender the equivalent number of EUAs by September 30 of that year. The Company is responsible to surrender the EUAs to the relevant EU authorities and to collect them from the charterers according to the principle "the polluter pays".

The EU Emissions Trading Directive 2023/959/EC extended the EU Emissions Trading System to maritime transport and provides that all maritime emissions allowances are to be auctioned, with no free allocation. A total of 78.4 million allowances has been earmarked for auction specifically for the maritime sector. Allowances must therefore be acquired through the open market, which may entail significant cost, particularly in periods of elevated demand when multiple shipping companies seek to procure allowances simultaneously. Compliance with the EU ETS has required the implementation of new systems, specialized personnel, enhanced data management and reporting infrastructure including controls and procedures, revised service agreements, and cost-recovery mechanisms, resulting in material upfront and ongoing administrative costs. The total cost of compliance, including future EU emissions liabilities and the cost of acquiring emissions allowances (to the extent required), is inherently difficult to forecast on an annual basis. Such costs depend on several variables, including our fleet size, trading patterns within and to and from the EU, prevailing allowance prices e.t.c. Since the inclusion of maritime transport, the price of EU Allowances (EUAs) has exhibited significant volatility, with wide price fluctuations observed throughout 2024 and 2025, which may materially affect our voyage economics and overall profitability. We continuously evaluate EUA procurement strategies, timing considerations, and

hedging opportunities in order to manage exposure and mitigate the financial impact of ETS related volatility.

EU "Fit-for-55" and FuelEU Maritime

In July 2021, the EU tabled the 'Fit for 55' package as a response to the requirements in the EU Climate Law to reduce Europe's net greenhouse gas emissions.

In July 2023, as part of Fit for 55, the EU completed the legislative procedure and adopted the FuelEU Maritime initiative directed at the shipping industry, with the goal to reduce the greenhouse gas intensity of the energy used on-board by 55% until 2030 and by 80% until 2050. The new rules promote the use of renewable and low-carbon fuels in shipping and came into force on January 1, 2025. FuelEU takes into account all greenhouse gas emissions (not only CO2) from the entire supply chain ('well-to-wake').

The FuelEU Maritime regulation contains the following main provisions:

- measures to ensure that the greenhouse gas intensity of fuels used by the shipping sector will gradually decrease over time, by 2% in 2025 to as much as 80% by 2050.
- a special incentive regime to support the uptake of the so-called renewable fuels of non-biological origin with a high de-carbonization potential.
- an exclusion of fossil fuels from the regulation's certification process.
- a voluntary pooling mechanism, under which ships will be allowed to pool their compliance balance with one or more other ships, with the pool – as a whole - having to meet the greenhouse gas intensity limits on average.
- revenues generated from the regulation's implementation (FuelEU penalties) should be used for projects in support of the maritime sector's decarbonization with an enhanced transparency mechanism.
- monitoring of the regulation's implementation through the Commission's reporting and review process.

EU GHG Regulations Impact

Only a portion of our trading activity is currently conducted to, from, or within the EU, and therefore EU GHG regulations have a more limited impact compared to the IMO GHG measures expected to be implemented after 2027. However, the renewal of our fleet with highly energy-efficient IMO EEDI Phase 3 vessels and the continuous improvement of existing vessels through an extensive environmental upgrade program may result in a higher share of voyages falling within the scope of EU GHG regulations.

As GHG legislation in EU is implemented in a staggered manner with gradually increasing taxes and penalties and additional EU regulations may come into force in the future to achieve the stated EU CO2 emissions targets, we cannot predict with certainty what will be the financial impact, but we expect that increasingly more stringent regulations will have a material adverse effect on our business, financial condition and results of operations.

EU Ship Recycling Regulation

On November 20, 2013, the EU adopted Regulation (EU) No 1257/2013 (the "EU Ship Recycling Regulation"), which seeks to facilitate the ratification of the Hong Kong Convention and sets forth rules relating to vessel recycling and management of hazardous materials on vessels. In addition to new requirements for the recycling of vessels, the EU Ship Recycling Regulation contains rules for the control and proper management of hazardous materials and prohibits or restricts the installation or use of certain hazardous materials on vessels. The EU Ship Recycling Regulation applies to vessels flying the flag of an EU member state and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a member state. The EU Ship Recycling Regulation took effect on non-EU-flagged vessels calling on EU ports of call beginning as of December 31, 2020. Our vessels comply with this regulation.

Chinese environmental regulations

The China Maritime Safety Administration (the "China MSA") issued the Regulation on Data Collection of Energy Consumption for Ships in November 2018. This regulation is effective as of January 1, 2019, and requires ships calling on Chinese ports to report fuel consumption and transport work details directly to the China MSA. This regulation also contains additional requirements for Chinese-flagged vessels (domestic and international) and for other non-Chinese-flagged international navigating vessels. In November 2022, the China MSA published an additional Regulation of Administrative Measures of Ship Energy Consumption Data and Carbon Intensity, which came into effect on December 22, 2022. This regulation was essentially enacted to implement MARPOL Annex VI to Chinese-flagged vessels, though a few of its provisions also apply to foreign ships with a gross tonnage of at least 400 entering and exiting Chinese ports. This Regulation essentially applies more stringent rules around that collection and reporting of data related to ships' energy consumption, as is already required by the 2018 regulation.

On October 23, 2023, the China MSA published a circular modifying its monitoring and inspection requirements for vessels listed as being subject to intensified monitoring and inspection. Having entered into effect on December 1, 2023, the circular overrides 2013 rules to expand the kinds of vessels that can be entered into the list, while also authorizing provincial-level MSA offices to enter vessels parallel to the China MSA's existing authority. The rules as modified no longer distinguish between Chinese and foreign vessels, while conditions have been established to remove a vessel from the list. Currently, our Company has no vessels on the list in question, and we monitor compliance with applicable rules and regulations to avoid any such entry. However, regardless of our efforts, our vessels could enter into this list, as a result of amendment of rules by the China MSA. Such an event would result in heightened monitoring, inspection and compliance costs, as well as associated delays in the vessels' operations.

In accordance with IMO ECA zones, examples of additional requirements imposed locally from time to time are: (i) the Domestic Emission Control Areas ("DECAs") introduced by China, in 2015, which have designated the Pearl River Delta, the Yangtze River Delta and the Bohai-Rim Area (Beijing, Tianjin and Hebei) as areas where vessels navigating, berthing and operating are required to use VLSFO. As of January 1, 2019, China expanded the scope of the DECAs to include all coastal waters within 12 nautical

miles of the mainland. Our Scrubber-fitted vessels do not operate the Scrubbers while in such areas, due to certain additional restrictions, and instead are using LSMGO.

Safety Regulations

Adopted on November 1, 1974 and entering into force on May 25, 1980, the Safety of Life at Sea ("SOLAS") Convention is widely recognized as the most significant international treaty for merchant ship safety. Originating in response to the Titanic disaster in 1914, it has evolved through several versions, with the 1974 iteration introducing the tacit acceptance procedure for streamlined amendments. Regular updates to SOLAS, as amended, ensure that it remains a vital framework for safeguarding lives at sea and enhancing maritime safety standards globally. By addressing critical areas such as ship construction, equipment, operations, and emergency preparedness, SOLAS chapters aim to minimize risks at sea and safeguard lives. Regular updates and compliance with SOLAS regulations are essential for maintaining operational integrity, protecting human life, and fostering a culture of safety within the maritime industry.

International Safety Management Code

The operation of our vessels is affected by the requirements set forth in the International Safety Management (the "ISM") Code. The ISM Code requires vessel's owner, manager or bareboat charterer who has assumed responsibility for the operation of the vessel from the vessel's owner and on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the ISM Code, to develop and maintain an extensive safety management system ("SMS") that includes the adoption of a safety and environmental protection policies setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The ISM Code requires vessel operators to obtain a safety management certificate for each vessel they operate from the vessel's flag state. The certificate verifies that the vessel operates in compliance with its approved SMS. Currently, our Managers have the requisite documents of compliance and safety management certificates for each of the vessels in our fleet for which the certificates are required by the IMO. Our Managers are required to renew these documents of compliance and safety management certificates every five years. Compliance is externally verified on an annual basis for the Managers and between the second and third years for each vessel by the applicable flag state.

Although all our vessels are currently ISM Code-certified, such certification may not be always maintained by all our vessels. Non-compliance with the ISM Code may subject such party to increased liability, invalidate existing insurance or decrease available insurance coverage for the affected vessel and result in a denial of access to, or detention in, certain ports. For example, the USCG and EU authorities have indicated that vessels not in compliance with the ISM Code will be prohibited from trading in US and EU ports.

DryBMS Standards

The demand for further increase of safety, operational efficiency, and sustainability across the dry-bulk shipping sector has led to the development of a new managerial system known as DryBMS, launched by the International Association of Dry Cargo Shipowners ("Intercargo") and "Rightship" a global organization providing vetting, safety scoring and GHG rating on equal merits monitored by industry stakeholders.

As of June 1, 2024, our Company has voluntary implemented a new computerized Integrated Management System ('IMS') in compliance with DryBMS Standards, which replaces the existing SMS, and is in line with Rightship, focusing on crew welfare and code of conduct, and ensuring the competence and commitment to the highest level of standards of our staff and fleet. The implementation of the new IMS requires continuous intensive training of our crew and shore personnel, as well as increased operational costs.

Maritime Transportation Security Act and ISPS Code

On November 25, 2002, the Maritime Transportation Security Act (the "MTSA") came into force. To implement certain portions of the MTSA, the USCG issued regulations in July 2003 requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the US Similarly, in December 2002, amendments to SOLAS created a chapter of the convention dealing specifically with maritime security. This chapter came into effect in July 2004 and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code (the "ISPS Code"). Among the various requirements are:

- on-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications.
- on-board installation of ship security alert systems.
- the development of vessel security plans; and
- compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-US vessels from MTSA vessel security measures, provided such vessels have on board a valid "International Ship Security Certificate" that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. We have implemented the various security measures addressed by the IMO, SOLAS and the ISPS Code, and we have approved ISPS certificates and plans on board all of our vessels, which have been certified by the applicable flag state.

Other Regulations

Other additional conventions and regulations compliment the maritime operations framework, some of which are presented in the following paragraphs.

Maritime Labor Convention

The International Labour Organization's Maritime Labour Convention was adopted in 2006 (the "MLC 2006"). The basic aims of the MLC 2006 are to ensure comprehensive worldwide protection of the rights of seafarers and to establish a level playing field for countries and ship owners committed to providing decent working and living conditions for seafarers, protecting them from unfair competition on the part of substandard ships. The MLC 2006 was ratified on August 20, 2012, and all of our vessels were certified by August 2013, as required.

Bunker Convention

The Bunker Convention also requires registered owners of ships over 1,000 gross to maintain insurance in specified amounts to cover their liability for relevant pollution damage. The Bunker Convention became effective on November 21, 2008. Liability limits under the Bunker Convention were increased as of June 2015. With respect to non-ratifying states, including the United States, liability for spills and releases of oil carried as bunker in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur. The IMO also adopted a requirement, which became effective in 2011, that vessels traveling through the Antarctic region (waters south of latitude 60 degrees south) must use lower density fuel.

Polar Code

In November 2014 and May 2015, the IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code entered into force on January 1, 2017. The Polar Code covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. Ships intending to operate in the applicable areas must have a Polar Ship Certificate. A Polar Water Operational Manual is also needed on board the ship for the owner, operator, master, and crew to have sufficient information regarding the ship to assist in their decision-making process. The Polar Code applies to new ships constructed after January 1, 2017. After January 1, 2018, ships constructed before January 1, 2017, are required to meet the relevant requirements by the earliest intermediate or renewal survey. These requirements have limited application in our fleett.

Cyber Security

Recent action by the IMO's Maritime Safety Committee and US agencies indicate that cyber security regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cyber security threats. The Maritime Safety Committee, at its 98th session in June 2017, adopted Resolution MSC.428(98) - Maritime Cyber Risk Management in Safety Management Systems. The resolution encouraged administrations to ensure that cyber risks are appropriately addressed in existing safety management systems, no later than the first annual verification of the company's Document of Compliance after January 1, 2021. In response to the above cyber security resolution, we are performing cyber security risk assessments for our vessels and are gradually implementing additional measures and training and have incorporated the cyber risk management system into the IMS.

Regulations on the Economic Substance Situation of the Marshall Islands

On January 1, 2019, the Economic Substance Regulations (ESRs), adopted by the Republic of the Marshall Islands, entered into force. ESRs apply to all non-resident entities based in the Marshall Islands and to foreign shipping entities registered in the Marshall Islands that meet the definition of "relevant entity" and derive income from "related activity". The term "relevant entity" according to the ESRs includes any non-domestic entity based in the Marshall Islands or a "foreign maritime entity" established under Marshall Islands law which is centrally managed and controlled outside the Marshall Islands and is a taxable entity of a state other than the Marshall Islands. The term "relevant activity" according to the ESRs refers to certain restrictively mentioned activities, including "shipping" and "holding business", which may apply to us and our Subsidiaries governed by the law of the Marshall Islands. According to the ESRs, for each annual reporting period, each relevant entity that earns income from a related activity should demonstrate in the context of an audit of its financial position that (i) its administration and management in relation to the relevant activity is carried out on Marshall Islands, (ii) its main business-related activity is in the Marshall Islands (although regulators understand and recognize that the core income-generating activities of shipping companies generally take place in international waters), and (iii) (a) has a sufficient amount of expenditure in the Marshall Islands, (b) has a sufficient physical presence in the Marshall Islands, and (c) has a sufficient number of qualified employees in the Marshall Islands, taking into account the size of the relevant activities in the Marshall Islands. As of July 1, 2020, all non-resident entities organized in the Marshall Islands and the foreign maritime entities of the Marshall Islands are required to submit a declaration of economic substance within twelve (12) months of their anniversary. The statement of economic substance is submitted to the corporate register on an annual basis. If the Corporate Registry finds that an entity does not meet the financial status criteria for the relevant reporting period, it will issue a non-compliance notice and impose penalties, which will be described in the notice. Penalties can range from fines of up to $ 100,000 and / or revocation of the entity's founding documents and dissolution. We intend to comply with all relevant ESR reporting requirements.

The Council of the European Union periodically publishes a list of non-cooperative jurisdictions for tax purposes, identifying jurisdictions that, in the Council's view, require improvements to their legal and regulatory frameworks in order to comply with internationally accepted tax transparency and economic substance standards. In February 2023, the Republic of the Marshall Islands, among

other jurisdictions, was included on the EU list due to perceived deficiencies in the enforcement of economic substance requirements, and was subsequently removed from the list in October 2023. We cannot predict whether the Marshall Islands may be re-included on the EU list in the future, what remedial actions it may take in response, or the timing and effectiveness of any such actions. We also cannot predict how quickly EU authorities would respond to any legislative or regulatory changes implemented by the Marshall Islands, or how EU financial institutions, lenders, charterers, or other counterparties may react during any period in which we or our subsidiaries remain organized under the laws of the Marshall Islands while it is included on the list. Any re-listing of the Marshall Islands, the adoption of adverse measures by EU Member States, or any failure by us to comply with applicable legislation or requirements implemented to achieve or maintain removal from the list could have a material adverse effect on our business, financial condition, results of operations, and access to financing.

Coronavirus Outbreak

Covid-19 resulted in globally reduced industrial activity with lower demand for cargoes such as iron ore and coal, contributing to lower drybulk rates in 2020. The outbreak of Covid-19 in China and other countries in early 2020, led to a number of countries, ports and organizations to take measures against its spread, such as quarantines and restrictions on travel. Such measures were taken initially in Chinese ports, where we conduct a large part of our operations, and gradually expanded to other countries globally covering most ports where we conduct business. Presently, travel restrictions have been eased. As of May 2023, the World Health Organization declared that Covid-19 no longer constituted a public health emergency of international concern, indicating transition to long-term management of the pandemic. If during the remaining period of 2026, an outbreak of public health threats and epidemics or pandemics should occur and similar restrictive measures are adopted for their control, disruptions to the international shipping industry and delays may be expected in relation to the deliveries of our newbuilds and our newbuild program, which could negatively affect our business, financial performance, results of operations and our financial condition.

The length and severity of epidemics and pandemics and their disruptions, such as the impact of any new outbreaks or new variants that may emerge, their impact and effect and the impact of these and other factors on the shipping industry as a whole may not be not possible to ascertain. However, the occurrence of any of the foregoing events or other epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, any related remediation measures on our performance and business prospects, and our ability to pay dividends.

Disclosure of Activities Pursuant to Section 13(r) of the U.S. Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act. Section 13(r) requires an issuer to disclose whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran. Disclosure is required even where the activities, transactions or dealings are conducted in compliance with applicable law. Provided in this section is information concerning the activities of us and our affiliates that occurred in 2025 and which we believe may be required to be disclosed pursuant to Section 13(r) of the Exchange Act.

In 2025, our vessels did not make any port calls to Iran.

Our charter party agreements for our vessels restrict the charterers from calling in Iran in violation of E.U., U.S. or United Nation sanctions and that has not been authorized by the Office of Foreign Assets Control of the U.S. Department of the Treasury. There can be no assurance that our vessels will not, from time to time in the future on charterer's instructions, perform voyages which would require disclosure pursuant to Exchange Act Section 13(r).

On January 16, 2016, the U.S. and the E.U. lifted nuclear-related sanctions on Iran through the implementation of the Joint Comprehensive Plan of Action ("JCPOA") among the P5+1 (China, France, Germany, Russia, the U.K. and the U.S.), the E.U. and Iran to ensure that Iran's nuclear program will be exclusively peaceful. All activities, transactions and dealings reported in this section occurred after the implementation of the JCPOA. However, U.S. nuclear-related sanctions have been re-imposed effective August 7, 2018 and November 5, 2018 as a result of the withdrawal of the U.S. from the JCPOA. We may charter our vessels to charterers and sub-charterers, including, as the case may be, Iran-related parties, who may make, or may sublet the vessels to sub-charterers who may make, port calls to Iran, so long as the activities continue to be permissible and not sanctionable under applicable U.S. and E.U. and other applicable laws.

Seasonality

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. Seasonality is related to several factors and may result in quarter-to-quarter volatility in our results of operations, which could affect the amount of dividends, if any, that we pay to our shareholders. For example the market for marine drybulk transportation services is typically stronger in the fall months in anticipation of increased consumption of coal in the northern hemisphere during the winter months and the grain export season from North America. Similarly, the market for marine drybulk transportation services is typically stronger in the spring months in anticipation of the South American grain export season due to increased distance traveled known as ton mile effect, as well as increased coal imports in parts of Asia due to additional electricity demand for cooling during the summer months. Demand for marine drybulk transportation services is typically weaker at the beginning of the calendar year and during the summer months. In addition, unpredictable weather patterns during these periods tend to disrupt vessel scheduling and supplies of certain commodities.

C. Organizational Structure

Safe Bulkers, Inc. is a holding company with 60 subsidiaries, 11 of which are incorporated in Liberia, 48 in the Republic of the Marshall Islands and one in the Republic of Cyprus, each as of February 20, 2026. Our subsidiaries are ultimately wholly-owned by us. A list of our subsidiaries as of February 20, 2026 is set forth in Exhibit 8.1 to this annual report.

D. Property, Plant and Equipment

We have no freehold or material leasehold interest in any real property. We occupy office space at Apt. D11, Les Acanthes, 6, Avenue des Citronniers, MC98000 Monaco, where our principal executive office is established. We also occupy office space at 5th floor, 61 rue du Rhone, 1204, Geneva, Switzerland, where a representation office is established. Other than our vessels, we do not have any material property. Certain of our vessels are subject to priority mortgages, which secure our obligations under our various credit facilities. For further details regarding our credit facilities, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Credit Facilities."

ITEM 4A UNRESOLVED STAFF COMMENTS

None.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the notes to those statements included elsewhere in this annual report. This discussion includes forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report, our actual results may differ materially from those anticipated in these forward-looking statements. Please see the section "Forward-Looking Statements" at the beginning of this annual report.

Overview

Our business is to provide international marine drybulk transportation services by operating vessels in the drybulk sector of the shipping industry. We deploy our vessels on a mix of period time and spot time charters according to our assessment of market conditions, adjusting the mix of these charters to take advantage of the relatively stable cash flow and high utilization rates associated with period time charters, or to profit from attractive spot time charter rates during periods of strong charter market conditions, or to maintain employment flexibility that the spot market offers during periods of weak time charter market conditions. We believe our customers, some of which have been chartering our vessels for over 27 years, enter into period time and spot time charters with us because of the quality of our modern vessels and our record of safe and efficient operations.

Our Managers

Our operations are managed by our Managers, Safety Management, Safe Bulkers Management Ltd., and Safe Bulkers Management Monaco, under the supervision of our executive officers and our board of directors. Under our Management Agreements, our Managers provide us with technical, administrative and commercial services and our executive management. All three of our Managers are controlled by Polys Hajioannou. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Management Agreements" for more information.

Selected Financial Data

The following table presents selected consolidated financial and other data of Safe Bulkers, Inc. for each of the five years in the five year period ended December 31, 2025. The selected consolidated financial data of Safe Bulkers, Inc. is a summary of, is derived from, and is qualified by reference to, our audited consolidated financial statements and notes thereto, which have been prepared in accordance with United States (the "U.S.") generally accepted accounting principles ("U.S. GAAP").

Our audited consolidated statements of income, shareholders' equity and cash flows for the years ended December 31, 2023, 2024 and 2025 and the consolidated balance sheets at December 31, 2024 and 2025, together with the notes thereto, are included in "Item 18. Financial Statements" and should be read in their entirety.

The historical results included below and elsewhere in this document are not necessarily indicative of our future performance.

	Year Ended December				
	2021	2022	2023	2024	2025
	(in thousands of U.S. dollars except share data)				
STATEMENT OF OPERATIONS					
Revenues	$ 343,475	$ 364,050	$ 295,393	$ 320,679	$ 288,131
Commissions	(14,444)	(14,332)	(10,992)	(13,046)	(12,394)
Net revenues	**$ 329,031**	**$ 349,718**	**$ 284,401**	**$ 307,633**	**$ 275,737**
Voyage expenses	$ (9,753)	$ (9,969)	$ (21,666)	$ (16,728)	$ (19,451)
Vessel operating expenses	(72,049)	(80,211)	(89,201)	(92,601)	(97,347)
Depreciation and amortization	(52,364)	(49,518)	(54,129)	(58,135)	(59,878)
General and administrative expenses					
Management fee to related parties	(19,221)	(17,723)	(19,199)	(21,357)	(24,051)

	Year Ended December				
Company administration expenses	(3,277)	(4,079)	(4,564)	(5,678)	(5,802)
Early redelivery income, net	7,470	—	—	—	—
Other operating costs	—	(3,570)	(1,869)	(1,262)	(3,837)
Gain on sale of assets	11,579	—	10,375	16,555	4,596
Operating income	**$ 191,416**	**$ 184,648**	**$ 104,148**	**$ 128,427**	**$ 69,967**
Interest expense	$ (14,719)	$ (17,138)	$ (24,707)	$ (31,375)	$ (30,343)
Other finance costs	(798)	(1,353)	(756)	(618)	(712)
Interest income	69	783	2,497	3,396	5,120
Gain/(loss) on derivatives	2,188	8,723	523	(3,670)	7,325
Foreign currency (loss)/gain	(910)	(1,101)	(1,873)	4,172	(10,044)
Amortization and write-off of deferred finance charges	(2,898)	(2,008)	(2,481)	(2,956)	(2,750)
Net income	**$ 174,348**	**$ 172,554**	**$ 77,351**	**$ 97,376**	**$ 38,563**
Earnings per share of Common Stock, basic and diluted	$ 1.44	$ 1.36	$ 0.61	$ 0.83	$ 0.30
Cash dividends declared per share of Common Stock	—	0.20	0.20	0.20	0.20
Cash dividends declared per share of Preferred C Shares	2.00	2.00	2.00	2.00	2.00
Cash dividends declared per share of Preferred D Shares	2.00	2.00	2.00	2.00	2.00
Weighted average number of shares of Common Stock outstanding, basic and diluted	113,716,354	120,653,507	113,619,092	107,576,009	103,038,189

	Year Ended December				
	2021	2022	2023	2024	2025
	(in thousands of U.S. dollars)				
OTHER FINANCIAL DATA					
Net cash provided by operating activities	$ 217,208	$ 218,046	$ 122,207	$ 130,458	$ 102,292
Net cash provided by/(used in) investing activities	8,554	(229,404)	(151,726)	(71,732)	9,700
Net cash (used in)/provided by financing activities	(225,906)	(40,101)	29,141	(25,858)	(52,371)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(144)	(51,459)	(378)	32,868	59,621

	Year Ended December				
	2021	2022	2023	2024	2025
	(in thousands of U.S. dollars)				
BALANCE SHEET DATA					
Total current assets	$ 124,116	$ 157,701	$ 146,721	$ 165,391	$ 200,601
Total fixed assets	952,813	1,077,400	1,181,221	1,229,522	1,192,883
Other non-current assets	17,391	10,817	11,874	8,183	9,698
Total assets	1,094,320	1,245,918	1,339,816	1,403,096	1,403,182
Total current liabilities	88,692	91,317	55,733	86,472	69,058

Long-term debt, net of current portion and of deferred finance charges	315,796	370,806	482,391	478,450	497,772
Total liabilities	415,080	474,002	547,305	571,478	572,475
Common stock, $0.001 par value	122	119	112	105	102
Total shareholders' equity	679,240	771,916	792,511	831,618	830,707
Total liabilities and shareholders' equity	1,094,320	1,245,918	1,339,816	1,403,096	1,403,182

A. Operating Results

Our operating results are largely driven by the following factors:

- *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.
- *Available days.* We define available days (also referred to as voyage days) as the total number of days in a period during which each vessel in our fleet was in our possession net of off-hire days associated with scheduled maintenance, which includes major repairs, drydockings, vessel upgrades or special or intermediate surveys. Available days are used to measure the number of days in a period during which vessels should be capable of generating revenues.
- *Operating days.* We define operating days as the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, excluding scheduled maintenance. Operating days are used to measure the aggregate number of days in a period during which vessels actually generate revenues.
- *Fleet utilization on ownership days.* We calculate fleet utilization on ownership days by dividing the number of our operating days during a period by the number of our ownership days during that period. This measure demonstrates the percentage of time in the relevant period our vessels generate revenue. During the three years ended December 31, 2025, our average annual fleet utilization on ownership days rate was approximately 96.9%.
- *Fleet utilization on available days.* We calculate fleet utilization on available days by dividing the number of operating days by the number of our available days during that period. Fleet utilization is used to measure a company's ability to efficiently find suitable employment for its vessels and minimize the number of days that its vessels are off-hire for reasons such as scheduled repairs, vessel upgrades, drydockings or special surveys. During the three years ended December 31, 2025, our average annual fleet utilization on available days rate was approximately 98.8%.
- *Time charter equivalent rates.* We define time charter equivalent rates ("TCE rates") as our revenues less commissions and voyage expenses during a period divided by the number of our available days during the period. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on period time charters and spot time charters with daily earnings generated by vessels on voyage charters, because charter rates for vessels on voyage charters are generally not expressed in per day amounts, while charter rates for vessels on period time charters and spot time charters generally are expressed in such amounts. The TCE rate is a non-GAAP measure. We believe the TCE rate provides additional meaningful information because it assists our management in making decisions regarding the deployment and use of our vessels. We use TCE to compare period-to-period changes in our performance despite changes in the mix of charter types and management believes that the TCE rate assists investors and our management in evaluating our financial performance. We have only rarely employed our vessels on voyage charters and, as a result, generally our TCE rates approximate our time charter rates.

The following table reflects our revenues, commissions, voyage expenses, time charter equivalent revenue, available days and time charter equivalent rate for the periods indicated:

	Year Ended December 31,	
	2024	2025
	(in thousands of U.S. dollars except available days and time charter equivalent rate)	
Revenues	$ 320,679	$ 288,131
Less commissions	13,046	12,394
Less voyage expenses	16,728	19,451
Time charter equivalent revenue	**$ 290,905**	**$ 256,286**
Available days	16,527	16,523
Time charter equivalent rate	**$ 17,602**	**$ 15,511**

- *Daily vessel operating expenses.* We define vessel operating expenses to include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys, tonnage taxes and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period. Our ability to control our fixed and variable expenses, including our daily vessel operating expenses, also affects our financial results. In addition, factors beyond our control can cause our vessel operating expenses to increase, including developments relating to market premiums for insurance, cost of lubricants and changes in the value of the U.S. dollar compared to currencies in which certain of our expenses are denominated, such as certain crew wages.
- *Daily vessel operating expenses excluding drydocking and pre-delivery expenses.* We calculate daily vessel operating expenses excluding drydocking and pre-delivery expenses by dividing vessel operating expenses excluding drydocking and pre-delivery expenses for the relevant period by ownership days for such period. This measure assists our management and investors by increasing the comparability of our performance from period to period. Drydocking expenses include costs of shipyard, paints and agent expenses, and pre-delivery expenses include initially supplied spare parts, stores, provisions and other miscellaneous items provided to a newbuild or second-hand acquisition prior to their operation, which costs may vary from period to period.
- *Daily general and administrative expenses.* We define general and administrative expenses to include daily management fees and daily company administration expenses as defined below. Daily vessel general and administrative expenses are calculated by dividing general and administrative expenses by ownership days for the relevant period.
- *Daily management fees.* We define management fees to include the fees payable to our Managers for managing our fleet. Daily management fees are calculated by dividing management fees by ownership days for the relevant period.
- *Daily company administration expenses.* We define company administration expenses to include expenses incurred related to the administration of our company such as legal costs, audit fees, independent directors' compensation, listing fees to NYSE and other miscellaneous expenses. Daily company administration expenses are calculated by dividing company administration expenses by ownership days for the relevant period.

The following table reflects our ownership days, available days, operating days, fleet utilization, TCE rates, daily vessel operating expenses, daily vessel operating expenses excluding drydocking and pre-delivery expenses, daily general and administrative expenses and daily management fees for the periods indicated:

	Year ended December 31,			
		2024		2025
Ownership days		16,806		16,814
Available days		16,527		16,523
Operating days		16,255		16,399
Fleet utilization on ownership days		96.72%		97.53%
Fleet utilization on available days		98.35%		99.25%
TCE rates	$	17,602	$	15,511
Daily vessel operating expenses	$	5,510	$	5,790
Daily vessel operating expenses excluding drydocking and pre-delivery expenses	$	4,978	$	5,317
Daily general and administrative expenses consisting of:	$	1,609	$	1,775
(a) Daily management fees	$	*1,271*	$	*1,430*
(b) Daily company administration expenses	$	*338*	$	*345*

Revenues

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily charter rates that our vessels earn under our charters, which, in turn, are affected by a number of factors, including:

- levels of demand and supply in the drybulk shipping industry;
- the age, condition and specifications of our vessels;
- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the availability of our vessels, which is related to the amount of time that our vessels spend in dry-dock undergoing repairs and the amount of time required to perform necessary maintenance or upgrade work; and
- other factors affecting charter rates for drybulk vessels.

Revenue is recognized as earned on a straight-line basis over the charter period in respect of charter agreements that provide for varying rates. The difference between the revenue recognized and the actual charter rate is recorded either as unearned revenue or accrued revenue (see "—Unearned Revenue / Accrued Revenue" below). Commissions (address and brokerage), regardless

of charter type, are always charged to us and are deferred and amortized over the related charter period and are presented as a separate line item in revenues to arrive at net revenues in the accompanying consolidated statements of income.

Revenues are generated from time charters, period and spot, and voyage charters. Revenues from our time charters comprised 100.0% of our revenues for the years ended December 31, 2023, 2024 and 2025, from which our period time charters comprised 77.5%, 79.7% and 77.5%, respectively, and our spot time charters comprised 22.5%, 20.3% and 22.5%, respectively, of our revenues for the years ended December 31, 2023, 2024 and 2025. No voyage charters were performed during the years ended December 31, 2023, 2024 and 2025.

Unearned Revenue / Accrued Revenue

Unearned revenue as of December 31, 2025 includes: (i) cash received prior to the balance sheet date relating to services rendered after the balance sheet date amounting to $3.8 million and (ii) deferred revenue resulting from straight-line revenue recognition in respect of charter agreements that provide for variable charter rates amounting to $3.8 million.

Unearned revenue as of December 31, 2024 includes: (i) cash received prior to the balance sheet date relating to services rendered after the balance sheet date amounting to $3.9 million and (ii) deferred revenue resulting from straight-line revenue recognition in respect of charter agreements that provide for variable charter rates amounting to $5.3 million.

Accrued revenue as of December 31, 2025 represents revenue in the amount of $0.6 million earned prior to cash being received in respect of charter agreements that provide for variable charter rates.

Accrued revenue as of December 31, 2024 represents revenue in the amount of $0.9 million earned prior to cash being received in respect of charter agreements that provide for variable charter rates.

Commissions

We pay commissions currently reaching up to 5.0% on our period time and spot time charters, to unaffiliated ship brokers, to brokers associated with our charterers and to our charterers. These commissions are directly related to our revenues, from which they are deducted. The amount of our total commissions to unaffiliated ship brokers and other brokers associated with our charterers and to our charterers might grow, as revenues increase due to improving market conditions and delivery of our contracted newbuild vessels, or decrease as a result of deteriorating market conditions. These commissions do not include fees we pay to our Managers, which are described under "Item 4. Information on the Company—B. Business Overview—Management of Our Fleet."

Voyage Expenses

We charter our vessels primarily through period time charters and spot time charters under which the charterer is responsible for most voyage expenses, such as the cost of bunkers, port expenses, agents' fees, canal dues, extra war risks insurance and any other expenses related to the cargo. We are responsible for the remaining voyage expenses such as draft surveys, hold cleaning, bunkers during ballast period or for vessel repositioning, cost of bunkers consumed and paid back by charterers under certain time charters for which we receive variable consideration, courier and other minor miscellaneous expenses related to the voyage, as well as hire expenses of vessel we may charter-in from time to time. We expect that our voyage expenses will decrease in the future if fewer vessels are employed in the spot market, in which case both vessel repositioning costs and quantity of bunkers consumed under certain time charters for which we receive variable consideration based on charterers consumption, should decrease. We generally do not employ our vessels on voyage charters under which we would be responsible for all voyage expenses.

Vessel Operating Expenses

Vessel operating expenses include costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys, tonnage taxes and other minor miscellaneous items. We expect that our vessel operating expenses will slowly increase in the future as our fleet grows. Our crewing costs, which are a significant part of our vessel operating expenses, may increase in the future due to the limited supply and increase in demand for well-qualified crew. Furthermore, we expect that insurance costs, drydocking, maintenance, spare parts and stores costs will increase from the levels achieved in 2025 as our vessels age. A portion of our vessel operating expenses including crew wages paid to our Greek crew members are in currencies other than the U.S. dollar. These expenses may increase or decrease as a result of fluctuation of the U.S. dollar against these currencies.

Depreciation

We depreciate our drybulk 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 from the date of initial delivery from the shipyard. Second-hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. Furthermore, we estimate the residual value of our vessels is equal to the product of its light-weight tonnage and estimated scrap rate, which we previously estimated to be $182 per light-weight ton. Effective January 1, 2022, we changed the estimate of vessels' residual value, from a scrap rate of $182 per light weight ton to $375 per light weight ton.

Vessels, Net

Vessels are stated at their historical cost, which consists of the contracted purchase price and any direct material expenses incurred upon acquisition (including improvements, on-site supervision expenses incurred during the construction period if the vessels are newbuilds, commissions paid, delivery expenses and other expenditures to prepare the vessel for her initial voyage), less accumulated depreciation and impairment charges, if any. Financing costs incurred during the construction period of the vessels if the vessels are newbuilds are also capitalized and included in the vessels' cost. Certain subsequent expenditures for conversions and major improvements are also capitalized, if it is determined that they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels.

As of December 31, 2024 and 2025, we capitalized interest amounting to $1,636 thousand and $725 thousand, respectively.

General and Administrative Expenses

General and administrative expenses consist of management fees paid to our Managers and expenses incurred relating to the administration of the Company.

Management fees paid to our Managers include services offered to us for managing our vessels (i.e., chartering, operations, technical, supply, crewing and accounting services), the services provided to us by our executive officers as well as the preparation of disclosure documents and the preparation for compliance with the Sarbanes-Oxley Act. Pursuant to the terms of the Management Agreements with our Managers, for the provision of such services, we pay a daily ship management fee of €950 per vessel and pay Safe Bulkers Management Monaco an annual ship management fee of €5.0 million.

Expenses related to the administration of our company primarily include legal costs, audit fees, independent directors' compensation, listing fees to the NYSE and other miscellaneous expenses such as director and officer liability insurance costs and public relations expenses.

Interest Expense and Other Finance Costs

We incur interest expense on outstanding indebtedness under our existing loan and credit facilities, which we include in interest expense. We also incurred financing costs in connection with establishing those facilities, which are deferred and amortized over the period of the facility. The amortization of the finance costs is included in amortization and write-off of deferred finance charges. We will incur additional interest expense in the future on our outstanding borrowings and under future borrowings.

Inflation

Inflation is expected to have a notable effect on our expenses given current economic conditions. In the event that significant global inflationary pressures persist, these pressures would increase our financing expenses, operating, voyage and administrative expenses.

Results of Operations

Year ended December 31, 2025 compared to year ended December 31, 2024

During the year ended December 31, 2025, we had an average of 46.1 drybulk vessels in our fleet. During the year ended December 31, 2024, we had an average of 45.9 drybulk vessels in our fleet.

During the year ended December 31, 2025, we acquired the newbuild Kamsarmax vessel Efrossini and sold the Kamsarmax vessels Pedhoulas Leader, built 2007 and Pedhoulas Merchant, built 2006.

During the year ended December 31, 2024, we acquired the newbuild Kamsarmax vessels Ammoxostos, Kerynia, Pedhoulas Farmer and Pedhoulas Fighter and sold the Panamax vessels Maritsa built 2005 and Paraskevi 2, built 2011, the Kamsarmax vessel Pedhoulas Cherry, built 2015, and the Post-Panamax vessel Panayiota K, built 2010.

Revenues

Revenues decreased by 10.1%, or $32.6 million, to $288.1 million during the year ended December 31, 2025 from $320.7 million during the year ended December 31, 2024, mainly due to lower market rates.

Commissions

Commissions to unaffiliated ship brokers, other brokers associated with our charterers and our charterers during the year ended December 31, 2025 amounted to $12.4 million, a decrease of $0.6 million, or 5.0%, compared to $13.0 million during the year ended December 31, 2024. Commissions as a percentage of revenues increased to 4.3% of revenues during the year ended December 31, 2025 compared to 4.1% of revenues for the year ended December 31, 2024.

Voyage expenses

During the year ended December 31, 2025, we recorded voyage expenses of $19.5 million, compared to $16.7 million during the year ended December 31, 2024, an increase of 16.3%, or $2.8 million mainly due to increased bunker consumption costs for scrubber fitted vessels under charter agreements, which provide for variable consideration based on the bunker consumption.

Vessel operating expenses

Vessel operating expenses increased by 5.1% to $97.3 million during the year ended December 31, 2025 from $92.6 million during the year ended December 31, 2024. Ownership days in 2025 were 16,814 compared to 16,806 in 2024. Daily operating expenses increased by 5.1% to $5,790 during the year ended December 31, 2025 from $5,510 during the year ended December 31, 2024.

Vessel operating expenses increased as a net result of the following:

(i) the increase in crew wages, repatriation and related crew costs expenses by 4.3% to $42.7 million in 2025, compared to $40.9 million in 2024, due to increased crew remunerations;

(ii) the increase in cost of spares, stores and provisions by 11.7% to $23.1 million in 2025 compared to $20.7 million in 2024, primary due to increased spare parts used during vessels drydockings and unscheduled repairs;

(iii) the increase in repairs, maintenance and drydocking costs by 4.3% to $16.9 million in 2025, compared to $16.2 million in 2024, primarily due to unscheduled repairs, regulatory compliance work, and additional inspection requirements during 2025;

(iv) the decrease in insurance costs by 4.2% to $5.4 million in 2025, compared to $5.7 million in 2024, due to reduction in insurance expenses reflecting long-term policy retention.

Other factors influencing vessel operating expenses, such as taxes and other miscellaneous expenses, had a minor effect on the increased operating expenses.

The Company expenses drydocking and pre-delivery costs as incurred, which costs may vary from period to period. Vessel operating expenses excluding vessel drydocking and pre-delivery costs increased by 6.9% to $89.4 million in 2025, compared to $83.7 million in 2024, primarily due to increased crew wages, spares, stores and provisions and repairs and maintenance. Drydocking expense is related to the number of drydockings in each period and pre-delivery expense is related to the number of newbuild deliveries and second-hand acquisitions in each period. Certain other shipping companies may defer and amortize drydocking expense. Daily operating expenses, excluding vessel drydocking and pre-delivery costs, increased by 6.8% to $5,317 during the year ended December 31, 2025 from $4,978 during the year ended December 31, 2024.

Gain on sale of assets

Gain on sale of assets amounted to $4.6 million during the year ended December 31, 2025, compared to $16.6 million during the year ended December 31, 2024, as a result of gain on the sale of two of our vessels in 2025 compared to four in 2024.

Depreciation and amortization

Depreciation and amortization expense increased by 3.0% to $59.9 million during the year ended December 31, 2025, compared to $58.1 million during the year ended December 31, 2024, as a result of the increased average number of vessels during 2025 and the effect of fleet renewal activities, including the sale of older vessels and the acquisition of newbuild ones.

General and administrative expenses

General and administrative expenses increased by 10.4% to $29.9 million during the year ended December 31, 2025, compared to $27.0 million during the year ended December 31, 2024. The increase of $2.8 million is mainly due to the increase by $2.7 million in the management fees charged by our Managers of $24.1 million in 2025 from $21.4 million in 2024. Management fees which are denominated in Euros increased in 2025 compared to 2024 mainly due to the strengthening of the exchange rate of Euro against the USD during 2025. Company administration expenses increased by $0.1 million to $5.8 million in 2025 from $5.7 million during 2024 due to increased environmental, social and governance expenses.

As a result:

- Daily general and administrative expenses which consist of daily management fees and daily company administration expenses, increased by 10.4% to $1,775 during the year ended December 31, 2025, from $1,609 during the year ended December 31, 2024;
- Daily management fees increased by 12.6% to $1,430 during the year ended December 31, 2025, from $1,271 during the year ended December 31, 2024; and
- Daily company administration expenses increased by 2.1% to $345 during the year ended December 31, 2025, from $338 during the year ended December 31, 2024.

Interest expense

Interest expense decreased by 3.3% to $30.3 million during the year ended December 31, 2025, compared to $31.4 million, during the year ended December 31, 2024. This was the combined effect of: i) the decrease in the weighted average interest rate of our outstanding indebtedness of 5.615% per annum ("p.a.") for the year ended December 31, 2025, compared to the weighted average interest rate of our outstanding indebtedness of 6.358% p.a. for the year ended December 31, 2024 reflecting the decreasing interest rate environment, and ii) the increase in average loans outstanding of $545.7 million during the year ended December 31, 2025, compared to the average loans outstanding of $510.6 million during the year ended December 31, 2024. The total principal amount of loans outstanding as of December 31, 2025 was $548.6 million, compared to $545.6 million as of December 31, 2024.

The discussion relating to the year ended December 31, 2024 compared to year ended December 31, 2023, can be found in the Company's 20-F for the year ended December 31, 2024 filed with the SEC on March 10, 2025, under ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS - Year ended December 31, 2024 compared to year ended December 31, 2023.

B. Liquidity and Capital Resources

As of December 31, 2025, we had liquidity of $382.3 million consisting of $162.8 million in cash, cash equivalents, bank time deposits and restricted cash and of $219.5 million available under our revolving credit facilities. We had an existing fleet of 45 vessels, and six newbuild vessels in our orderbook. Our contracted revenue was approximately $164.2 million, net of commissions, from our non-cancellable spot and period time charter contracts, including contracted revenue linked to the BPI and BCI index, calculated as of December 31, 2025, which does not include the Scrubber benefit. Furthermore, we had additional borrowing capacity in relation to six newbuilds upon their delivery.

As of February 20, 2026, we had liquidity of $381.0 million consisting of $160.9 million in cash, cash equivalents, bank time deposits and restricted cash and of $220.1 million available under the revolving credit facilities. We had an existing fleet of 45 vessels, one of which was held for sale, and eight newbuild vessels in our orderbook. The gross sale proceeds of our held for sale vessel amount to $35.2 million. Our contracted revenue was approximately $184.8 million, net of commissions, from our non-cancellable spot and period time charter contracts, including contracted revenue linked to the BPI and BCI index, calculated as of February 20, 2026, which does not include the Scrubber benefit. Furthermore, we had additional borrowing capacity in relation to eight newbuilds upon their delivery.

Our aggregate remaining contractual obligations as of December 31, 2025 were $839.3 million of which $208.2 million payable in 2026, $368.8 million payable in 2027 and 2028, $127.8 million payable in 2029 and 2030 and $134.5 million payable 2031 onwards. The aggregate remaining contractual obligations as of December 31, 2025, consist of:

i) $548.6 million of aggregate debt outstanding of which $44.8 million relates to the current portion of long term debt payable within 2026;
ii) $161.2 million of remaining capital expenditure requirements relating to the purchase consideration of the six newbuilds, of which $110.1 million payable in 2026;
iii) $40.8 million of payments to our Managers which represent the daily and annual ship management fees, the acquisition fees and the supervision fees, of which $28.5 million payable in 2026; and
iv) $88.7 million of loan and swap interest and bond coupon payments, of which $24.8 million payable in 2026, consisting of estimated interest payments we expect to make with respect to our long-term debt obligations and interest rate swap agreements, reflecting an assumed Term SOFR-based applicable interest rate of 3.652% (using the three-month SOFR rate as of December 31, 2025) plus the relevant margin of the applicable credit facility.

Our primary liquidity needs are to fund debt repayment, capital expenditures in relation to vessel acquisitions and vessel improvements, vessel operating expenses, general and administrative expenses, financing expenses and potential redemption of preferred shares, repurchase of common stock and dividend payments to our shareholders. We anticipate that our primary sources of funds will be existing cash and cash equivalents and bank time deposits, cash generated from operations, available amounts under our revolving credit facilities and, possibly, other future equity or debt financing.

In our opinion, the contracted cash flow from operations, the committed borrowing capacity and the existing cash and cash equivalents will be sufficient to fund the operations of our fleet and any other present financial requirements of the Company, including our working capital requirements, and our capital expenditure requirements at least through the end of the first quarter of 2027. However, we may seek and refinance our debt which may result in additional indebtedness and/or deferring repayments to later periods, and/or lower interest rates to maintain a strong cash position. Future needs in relation to financing and investing activities may involve equity issuance or refinancing of existing debt and financing of any future fleet replacement and expansion program or fleet upgrades and improvements, in addition to use of our existing cash and operating cash surplus. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, including the actual or perceived credit quality of our charterers and the market value of our fleet, as well as by adverse market conditions resulting from, among other things, general economic conditions, weakness in the financial and equity markets and contingencies and uncertainties that are beyond our control. To the extent that market conditions deteriorate, charterers may default or seek to renegotiate charter contracts, and vessel valuations may decrease, resulting in a breach of our debt covenants. In addition, refinancing of our existing debt in the future may be difficult. Our contracted revenues may decrease and we may be required to make additional prepayments under existing loan facilities, resulting in additional financing needs.

A failure to fulfill our capital expenditures commitments generally results in a forfeiture of advances paid with respect to the contracted newbuild vessel and a write-off of capitalized expenses. In addition, we may also be liable for other damages for breach of contract. A failure to satisfy our financial commitments could result in the acceleration of our indebtedness and foreclosure on our vessels. Such events could adversely impact the dividends we intend to pay, and could have a material adverse effect on our business, financial condition and results of operation.

We paid dividends to our common shareholders each quarter between the date of our initial public offering in June 2008 and the second quarter of 2015. In March 2022, we re-established paying dividends to our common shareholders and have since paid another 15 quarterly consecutive dividends of $0.05 per common share, totaling $88.9 million. In February 2026, we declared a dividend on the Company's common stock of $0.05 per share, totaling $5.1 million, payable on or about March 18, 2026, to shareholders of record at the close of trading of the Company's common stock on the NYSE on March 2, 2026.

During 2025, we declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1.6 million, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6.4 million. In January 2026, we declared and paid a quarterly dividend of $0.50 per share, of Series C Preferred Shares, totaling $0.4 million, and of Series D Preferred Shares, totaling $1.6 million.

Our future liquidity needs will impact our dividend policy. The declaration and payment of dividends, if any, will always be subject to the discretion of the board of directors of the Company. There is no guarantee that the Company's board of directors will determine to issue cash dividends in the future. The timing and amount of any dividends declared will depend on, among other things: (i) the Company's earnings, fleet employment profile, financial condition and cash requirements and available sources of liquidity; (ii) decisions in relation to the Company's growth, fleet renewal and leverage strategies; (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends; (iv) restrictive covenants in the Company's existing and future debt instruments; and (v) global economic and financial conditions. In addition, cash dividends on our Common Stock are subject to the priority of dividends on our Preferred Shares.

In 2020 and 2021, the Company sold its Common Stock through an ATM program, which was terminated by the Company on May 8, 2023. In August 2024, the Company filed a Registration Statement on Form F-3 with the SEC. The Company does not presently have an ATM program, however, our board of directors could adopt an ATM program in the future dependent upon market conditions.

In June 2022, we authorized a program under which we may from time to time purchase up to 5,000,000 shares of our common stock. In March 2023, the Company announced an increase of the June 2022 share repurchase program, authorizing the Company to purchase up to a total of 10,000,000 shares of the Company's Common Stock. All shares of Common Stock repurchased under the June 2022 and March 2023 share repurchase programs have been canceled. In May 2023 we announced a new share repurchase program. In July 2023, the Company terminated the program, having repurchased and canceled 139,891 shares of Common Stock. In November 2023, we authorized a share repurchase program under which we may from time to time purchase up to 5,000,000 shares of common stock. In April 2024, the Company terminated the program, having repurchased and canceled an amount of 4,860,953 shares of Common Stock. In November 2024, we authorized an additional repurchase program

for up to 5,000,000 shares of Common Stock. In December 2024, the Company terminated the program, having repurchased and canceled an amount of 1,488,690 shares of Common Stock. In February 2025, we authorized a repurchase program for up to 3,000,000 shares of Common Stock, all of which had been repurchased and canceled. In December 2025, we authorized a new repurchase program for up to 10,000,000 shares of Common Stock, which supersedes any prior repurchase program of the Company. As of February 20, 2026, the Company had repurchased and cancelled an amount of 91,443 shares of Common Stock under this repurchase program.

In February 2022, our wholly owned subsidiary Safe Bulkers Participations successfully completed a public offer in Greece of €100,000,000 of an unsecured bond that was admitted for trading in the Athens Exchange under the ticker symbol SBB1. The Bond is guaranteed by the Company, is non-amortizing, matures in February 2027, and carries a coupon of 2.95% payable semi-annually. It may be redeemed early by the Company in part or in full after February 2024, subject to the payment of premium ranging from 1.5% to 0.5% of the redeemed amount depending on the timing of the redemption. The net proceeds of the offering were used for the acquisition of vessels. One of the independent members of the board of directors of the Company currently serves as the Chief Executive Officer of the financial institution that was the adviser and one of the lead underwriters in the public offer of the Bond. The transaction was evaluated and approved by the board of directors of the Company excluding that independent member of the board of directors of the Company.

As of December 31, 2025, and as of December 31, 2024, we did not have any off-balance sheet arrangements.

Cash Flows

Cash and cash equivalents increased to $141.6 million as of December 31, 2025, compared to $81.1 million as of December 31, 2024. We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents were primarily held in U.S. dollars, Euros and Japanese Yen.

Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to $102.3 million in 2025 and $130.5 million in 2024, consisting of net income after non-cash items of $106.7 million and $140.5 million respectively plus a decrease in working capital of $4.4 million and $10.0 million during 2025 and 2024, respectively.

The major drivers of the change of net cash provided by operating activities are the decreased inflows related to net revenues of $31.9 million in 2025 compared to 2024, the increased outflows related to vessel voyage expenses of $2.8 million in 2025 compared to 2024, the decreased outflows related to interest expense of $1.0 million in 2025 compared to 2024, the increased outflows related to the operating expenses of $4.8 million in 2025 compared to 2024 and the increased outflows related to general and administrative expense of $2.8 million in 2025 compared to 2024. The major drivers of the cash outflow of the working capital during 2025 are the increased inventories of $8.0 million due to the increased number of vessels in the spot market and the decreased unearned revenue of $1.6 million as a result of the timing of revenue collection, and the recognition of straight line revenue for charter parties we entered in prior years partially offset by the decreased receivables of $4.5 million compared to 2024, as a result of the decreased outstanding bunker settlement from charterers due to decreased number of vessels on period time charters, where the bunkers on board the vessels upon delivery are sold to the charterers.

Net Cash Provided by/(Used in) Investing Activities

Net cash flows provided by investing activities were $9.7 million for the year ended December 31, 2025 compared to cash flows used in investing activities of $71.7 million for the year ended December 31, 2024. The increase in cash flows provided by investing activities of $81.4 million from 2024 is mainly attributable to the following factors: (i) a decrease of $102.8 million in payments for vessel acquisitions, advances for vessels under construction and major improvements during the year ended December 31, 2025 compared to the same period of 2024, (ii) a decrease of $54.6 million in proceeds from sale of assets during the year ended December 31, 2025 compared to the same period of 2024, (iii) an increase of $4.8 million in short term investment during the year ended December 31, 2025 compared to the same period of 2024 and (iv) a net decrease of $33.1 million in time deposits during the year ended December 31, 2025, compared to a net increase of $4.9 million during the same period of 2024.

Net Cash Used in Financing Activities

Net cash flows used in financing activities were $52.4 million for the year ended December 31, 2025, compared to $25.9 million for the year ended December 31, 2024. This increase in cash flows used in financing activities of $26.5 million, compared to the year ended December 31, 2024, is mainly attributable to an increase of $13.3 million in long term debt principal payments, a decrease in proceeds from long-term debt by $33.4 million, offset by a decrease in repurchases of common stock by $17.9 million, a decrease of $0.9 million in dividend payments, a decrease of $0.6 million in payments of deferred financing costs and a decrease of $0.8 million in the payment of other financing liability payments compared to the year ended December 31, 2024.

The discussion relating to the cash flows for the year ended December 31, 2024 compared to year ended December 31, 2023, can be found in the Company's 20-F for the year ended December 31, 2024 filed with the SEC on March 10, 2025, under ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS - B. Liquidity and Capital Resources.

Credit Facilities

We operate in a capital intensive industry which requires significant amounts of investment, and we fund a portion of this investment through long-term debt. We or our subsidiaries have generally entered into financing arrangements in order to finance the acquisition of our vessels, to refinance existing indebtedness and for general corporate purposes. In 2025 (a) seven of our subsidiaries entered into a credit facility, secured by the vessels owned by them, the proceeds of which were used to purchase back four of those vessels previously financed under sale and leaseback agreements and refinance an existing credit facility secured by the other three vessels, (b) one of our subsidiaries entered into a reducing revolving credit facility, used for general corporate purposes, (c) we entered into a reducing revolving credit facility, secured by six of our vessels, used to refinance an existing

revolving credit facility, secured by those six vessels, and for general corporate purposes and (d) we amended the terms of an existing facility to incorporate a mechanism that adjusts the interest margin based on independently verified performance related to fleet carbon intensity index, measured against annual sustainability performance targets.

The term of our 19 financing arrangements outstanding as of December 31, 2025, ranged from five to 10 years. They are repaid by monthly or, quarterly principal installments and a balloon payment due on maturity. We generally pay interest at SOFR plus a margin, plus a credit adjustment spread on facilities that had originally been contracted based on LIBOR, except for one facility which is deemed to bear interest at a fixed rate, and another facility, where a portion of the principal amounts is deemed to bear interest at a fixed rate.

The obligations under our financing arrangements are secured by, among other types of security, first priority mortgages over the vessels owned by the respective borrower subsidiaries, first priority assignments of all insurances and earnings of the mortgaged vessels or ownership of the vessels under sale and leaseback financing and guarantees by us.

Covenants Under Credit Facilities

The credit facilities impose operating and financial restrictions on us. These restrictions in our existing credit facilities generally limit our subsidiaries' ability to, among other things, and subject to exceptions set forth in such credit facilities:

- pay dividends if an event of default has occurred and is continuing or would occur as a result of the payment of such dividends;
- enter into certain long-term charters without the lenders' consent;
- incur additional indebtedness, including through the issuance of guarantees;
- change the flag, class or management of the vessel mortgaged under such facility or terminate or materially amend the management agreement relating to such vessel;
- create liens on their assets;
- make loans;
- make investments;
- make capital expenditures;
- undergo a change in ownership or control or permit a change in ownership and control of our Managers;
- sell the vessel mortgaged under such facility; and
- change our chief executive officer.

Our credit facilities also require certain of our subsidiaries to maintain financial ratios and satisfy financial covenants. Depending on the credit facility, certain of our subsidiaries are subject to financial ratios and covenants requiring that these subsidiaries:

- meet the Minimum Value Covenant of 105%, 112%, 120%, 125% or 135%, as the case may be, for credit facilities outstanding;
- maintain a minimum cash balance per vessel from $200,000 to $500,000 as the case may be; and
- ensure that we comply with certain financial covenants under the guarantees described below.

In addition, under guarantees we have entered into with respect to certain of our subsidiaries' existing credit facilities, we are subject to financial covenants. Depending on the facility, these financial covenants include the following:

- under the Consolidated Leverage Covenant, our total consolidated liabilities divided by our total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) must not exceed 85%;
- under the Net Worth Covenant, our total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) less our total consolidated liabilities must not be less than $150 million ;
- under the EBITDA Covenant, the ratio of our EBITDA over consolidated interest expense must not be less than 2.0:1, on a trailing 12 months' basis;
- under the Control Covenant, a minimum of 30% or 35%, as the case may be, of our shares shall remain directly or indirectly beneficially owned by the Hajioannou family for the duration of the relevant credit facilities and, in the case of one facility, Polys Hajioannou, is required to beneficially hold a minimum of 20% of the voting and ownership rights; and
- payment of dividends is subject to no event of default having occurred and be continuing or would occur as a result of the payment of such dividends.

The Minimum Value Covenant, Consolidated Leverage Covenant, EBITDA Covenant, Net Worth Covenant and Control Covenant do not apply to the Pinewood, Shikokuepta, Agros, Kyotofriendo One, Yasudyo, Shimaeight and Shimasix financing agreements. The EBITDA Covenant does not apply to the Monagrouli, Shimafive and Shimaseven loan facilities. The Minimum Value Covenant does not apply to the Maxtessera financing agreements.

As of December 31, 2025, the Company was in compliance with all debt covenants that were in effect with respect to its loan and credit facilities.

Bond

The Bond is not secured by any of our vessels or any other assets, is guaranteed by us and pays a coupon of 2.95% on a semi-annual basis. It matures in February 2027, has no principal payments during its tenor and may be redeemed at our option in part or in full after February 2024, subject to the payment of a premium ranging from 1.5% to 0.5% of the redeemed amount depending on the timing of the redemption.

Covenants Under the Bond

Under the Bond, we are subject to financial covenants, including the following:

- under the Consolidated Leverage Covenant, our total consolidated liabilities divided by our total consolidated assets (based

on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) must not exceed 85%;

- under the Net Worth Covenant, our total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) less our total consolidated liabilities must not be less than $150 million ;
- under the EBITDA Covenant, the ratio of our EBITDA over consolidated net interest expense must not be less than 2.0:1, on a trailing 12 months' basis;
- payment of dividends is subject to no event of default having occurred and be continuing or would occur as a result of the payment of such dividends;
- a minimum of 30% of its voting and ownership rights shall remain directly or indirectly beneficially owned by the Hajioannou family for the duration of the Bond.

As of December 31, 2025, the Company was in compliance with all covenants that were in effect with respect to the bond.

During 2025, we received proceeds of $215.0 million under our credit and financing facilities and we repaid $225.5 million of our indebtedness. As of December 31, 2025, we had 19 outstanding financing arrangements and the Bond with a combined outstanding balance of $548.6 million. These debt facilities had maturity dates between 2025 and 2034. During 2026, we are scheduled to repay $44.8 million of our long-term debt outstanding as of December 31, 2025.

For a description of our debt facilities as of December 31, 2025, please see Note 6 of the consolidated financial statements included elsewhere in this annual report.

C. Research and Development, Patents and Licenses

We have not incurred expenditures relating to research and development, patents or licenses for the last three years.

D. Trend Information

Our results of operations depend primarily on the charter hire rates that we are able to realize, and the demand for drybulk vessel services. During 2019, 2020, 2021, 2022, 2023 and 2024, the BDI, an index published by the Baltic Exchange of shipping charter rates for key dry bulk routes, remained volatile, reaching an annual low of 595 on February 11, 2019 and a high of 2,518 on September 4, 2019 for 2019, an annual low of 393 on May 14, 2020 and an annual high of 2,097 on October 6, 2020 for 2021, an annual low of 1,303 on February 10, 2021 and an annual high of 5,650 on October 7, 2021 for 2022, an annual low of 965 on August 31, 2022 and an annual high of 3,369 on May 23, 2022 for 2023, an annual low of 530 on February 16, 2023 and an annual high of 3,346 on December 4, 2023 for 2023, an annual low of 976 on December 19, 2024 and an annual high of 2,419 on March 18, 2024 for 2024, and an annual low of 715 on January 30, 2025, and an annual high of 2,845 on December 3, 2025 for 2025, and a low of 1,532 on January 15, 2026 and a high of 2,148 on January 30, 2026, from January 1, to February 20, 2026.

Global growth is projected to remain resilient at an estimated rate of 3.3% in 2026, and at 3.2% in 2027, according to recent forecasts from the IMF in January 2026 World Economic Outlook (''IMF Jan 2026 WEO''). Global economic prospects for 2026 and 2027 as per the IMF Jan 2026 WEO latest projections indicate a gradual normalization of inflation from an estimated 6.8% in 2023 (annual average), 5.8% in 2024 to 4.1% in 2025 and 3.8% in 2026, and further to 3.4% in 2027, as forecasted in the IMF Jan 2026 WEO. As of February 20, 2026, the BDI was 2,043, as a result of the continuing effects of the geopolitical conditions and the usual seasonality of the charter market during the first quarter of each year.

According to the IMF Jan 2026 WEO, China's economy, a major driver of dry bulk market, is expected to grow at 4.5% in 2026 and 4.0% in 2027, with continued regulatory frameworks focusing on property sector stabilization and domestic consumption growth, while Japan's projected growth remains modest at 0.7% in 2026 and 0.6% in 2027, supported by monetary policy and structural reforms which the recent bond weakening shock in January 2026, might accelerate. China's economic outlook improved amid an easing in US tariffs on Chinese goods and due to an increase in stimulus measures. Deflation has been a persistent challenge for China in recent years, prompting the government to implement measures aimed at stimulating domestic demand and addressing industrial overcapacity. After introducing stimulus policies to encourage household goods purchases, authorities are now extending consumption subsidies to the services sector. In parallel, efforts to curb overcapacity include the withdrawal of subsidies for solar panel and battery manufacturing, the removal of electric vehicles from the list of strategic industries, and tighter regulatory oversight of coal mining and the steel sector to support pricing. Inflation in China is expected to gradually pick up, reversing the country's recent deflationary trend. India stands out with robust growth projections of 6.4% for both 2026 and 2027, driven by infrastructure development and manufacturing sector expansion, though regulatory changes in environmental compliance could impact industrial output. The United States economy is forecast to grow at 2.4% in 2026 and 2.0% in 2027, with inflation expected to stabilize around 2.3%, while the European Union projects growth of 1.3% in 2026 and 1.4% in 2027, supported by recovering domestic demand. According to the Dry Bulk Shipping Market Overview & Outlook of BIMCO in January 2026 (''BIMCO Jan 2026 DBO''), the dry bulk supply-demand balance will remain stable in 2026 and weaken in 2027. Ship demand is forecast to grow 2-3% in 2026 and 1-2% in 2027, while ship supply is expected to grow 2.5% in 2026 and 3% in 2027, driven by positive developments including stronger investment in technology and AI, stimulus policies and an easing in tariffs between the US and China, despite potential headwinds from China's property sector adjustment. As forecasted in BIMCO Jan 2026 DBO, demand growth is being driven by stronger grain and minor bulk shipments and by longer ton mile distances which mostly benefit the Capesize vessels. Minor bulk cargoes and grains are expected to grow 6.5-7.5% between 2025 and 2027, driving cargo demand growth. The grain supply outlook for

the current marketing year is constructive, supported by strong recent harvests among key exporters and a favorable outlook for upcoming Southern Hemisphere crops. In particular, higher wheat production in the EU, Argentina, and Russia is underpinning the first projected annual increase in global wheat inventories in six years. However, headwinds are forecasted by a weak outlook for iron ore and coal volumes. Iron ore shipments are forecast to grow up to 1.0% in both 2026 and 2027. A drop in iron ore prices, due to increased production in exporters may support shipments. Global steel demand is projected to continue expanding, supported by stronger consumption across most emerging and developing economies outside China, alongside a recovery in European demand. In contrast, Chinese steel demand is expected to soften amid ongoing weakness in the property sector, while demand in Japan and South Korea—two other major iron ore importers in Asia—is anticipated to remain broadly stable. Coal shipments are forecasted to fall 1-2% in 2026 and 2-3% in 2027. While import demand is expected to grow in India and ASEAN, it is forecast to decline in China and in advanced economies. On the supply side,the expansion of dry bulk supply is primarily driven by accelerated fleet growth, reflecting elevated newbuilding deliveries, particularly in the Panamax and Supramax segments. As forecasted in BIMCO Jan 2026 DBO, the dry bulk fleet is forecast to grow 3% in 2026 and 3.5% in 2027, with Panamax and Supramax expected to be the fastest growing segments. Of the current orderbook, approximately 11% is capable of using alternative fuels upon delivery, while a further 25% has been designed to allow for future retrofitting. Although ship recycling activity is increasing, it is expected to remain subdued relative to historical norms. Effective supply growth is therefore projected to be up to 1% lower than nominal fleet growth in both 2026 and 2027, largely due to anticipated reductions in average sailing speeds. See also *"Item 3. Key Information—D. Risks Inherent in Our Industry and Our Business—The international drybulk shipping industry is cyclical and volatile, having reached historical highs in 2008 and historical lows in 2016. Charter rates decreased during 2023 remained volatile during 2024, have decreased during 2025 and remain volatile more recently in 2026. Cyclicality and volatility may lead to reductions in the charter rates we are able to obtain, in vessel values and in our earnings, results of operations and available cash flow."*

As of February 20, 2026, 14 of our 45 vessels are employed or scheduled to be employed in period time charters with outstanding duration of more than three months, three of which include daily charter rates linked to the BDI. We have pursued a fleet renewal strategy having entered into memoranda of agreement or contracts for the acquisition of 20 in total environmentally advanced dry-bulk GHG-EEDI Phase 3 NOx-Tier III compliant newbuilds, including two methanol dual fueled, with 12 already been delivered to us, four scheduled to be delivered in the remainder of 2026, two in 2027, one in 2028 and one in 2029. Additionally, we believe we have structured our capital expenditure requirements, debt commitments and liquidity resources in a way that will provide us with financial flexibility (see "Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources" for more information).

Our TCE rate for the periods ended December 31, 2023, 2024 and 2025 was $16,579, $17,602 and $15,511 respectively, as a result of our increasing exposure to prevailing spot market conditions. During 2025, ADM International SARL accounted for 16.46% and no other charterer accounted for more than 10% of our revenues.

During 2025, 13.0% of our revenue was derived from four Capesize class vessels with long period time charters, contracted in previous years with original durations of three to 20 years and with a weighted average TCE rate of $25,325. The remaining 87.0% of our revenue was derived from the employment of our remaining vessels, under spot and period time charters with original durations up to 5 years with a TCE rate of $14,597.

During 2024, 19.0% of our revenue was derived from six Capesize class vessels with long period time charters, contracted in previous years with original durations of three to 20 years and with a weighted average TCE rate of $27,031. The remaining 81.0% of our revenue was derived from the employment of our remaining vessels, under spot and period time charters with original durations up to 5 years with a TCE rate of $16,187.

As of February 20, 2026, we had a total of 45 vessels in our fleet, one of which was held for sale. As of February 20, 2026, we have contracted 38% of our expected ownership days for the remainder of 2026. Our contracted TCE rate for the remainder of 2026, calculated on the basis of all existing contracts, including contracted revenue linked to the BPI and BCI index calculated as of February 20, 2026, and customary assumptions in relation to voyage expenses, as of February 20, 2026, was $18,799.

Our employment profile as of February 20, 2026, included one period time charter contract, contracted in previous years with original duration of 20 years, with an expected remaining charter duration of 5.6 years and with an expected TCE rate for the remainder of 2026 of $25,102, two period time charter contracts contracted in 2024 with original durations of four years, with an average expected remaining charter duration of 2.2 years and with an expected TCE rate for the remainder of 2026 of $23,698 and 42 spot and period time charters with an expected average remaining charter duration of 0.3 months, and an expected TCE rate of $17,649. Vessels whose charters expire or are early redelivered or terminated within 2026 will be chartered at prevailing charter market conditions, which may substantially influence our revenues, the valuation of our vessels, our results of operations and our dividend distributions.

E. Critical Accounting Estimates

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations of the registrant.

We prepared our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. We base these estimates on the information currently available to us and on various other assumptions we believe are reasonable under the circumstances.

Actual results may differ from these estimates under different assumptions or conditions. Following is a discussion of the accounting policies that involve a high degree of judgment and the methods of their application. For a further description of our material accounting policies, please read Note 2 of the consolidated financial statements included elsewhere in this annual report.

Impairment of Vessels, net

The Company's fixed assets comprise its owned vessels.

The Company reviews for impairment its vessels held and used whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When the estimate of undiscounted cash flows, excluding interest charges, expected to be generated by the use of our vessel is less than its carrying amount, we are required to evaluate the vessel for an impairment loss. Measurement of the impairment loss is based on the fair value of the vessel.

The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuilds. Historically, both charter rates and vessel values tend to be cyclical. Declines in the fair market value of vessels, prevailing market charter rates, vessel sale and purchase considerations, regulatory changes in drybulk shipping industry, changes in business plans or changes in overall market conditions that may adversely affect cash flows are considered as potential impairment indicators. In the event the independent fair market value of a vessel is lower than its carrying value, we determine undiscounted projected net operating cash flow for such vessel and compare it to the vessel carrying value.

The undiscounted projected net operating cash flows for each vessel are determined by considering the charter revenues from existing time charters for the fixed vessel days and an estimated daily time charter equivalent for the unfixed days, using the twelve month budgeted rates for the unchartered period of the first twelve months, the Forward Freight Agreement ("FFA") rates for the unchartered period of the second twelve months and the most recent historical 10-year average daily rates of similar size vessels thereafter, until the end of the remaining estimated useful life of the asset, adding an estimated premium on future daily charter rates for vessels with installed Scrubbers based on an estimated price difference between the bunker fuel types, until the end of the remaining useful life of the asset, net of brokerage commissions; expected outflows for vessel operating expenses which include drydocking costs, voyage expenses and management fees. The undiscounted cash flows incorporate various factors, such as estimated future charter rates, estimated vessel operating costs, estimated vessel utilization rates, estimated remaining lives of the vessels (assumed to be 25 years from the initial delivery of each vessel from the shipyard) and estimated salvage value of the vessels based on period end ten-year historical average demolition prices per light-weight ton. In addition, the undiscounted cash flow estimates incorporate a probability weighted approach for developing estimates of future cash flows for specific vessels when alternative courses of action, including the likelihood of sale, are under consideration.

Historically, a full shipping cycle has variable duration. Since 2008, when we identified impairment indications for the first time, we have used the ten-year average of the one-year time charter rate for the computation of an estimated daily time charter rate for the unfixed days for each of our vessel types. We use the historical ten-year average, as we believe it captures on average the highs and lows of a full shipping cycle, and therefore, is considered a reasonable estimation of expected future time charter rates over the remaining useful life of our vessels.

These assumptions are based on historical trends as well as future expectations. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective.

Our impairment test as of December 31, 2025, on our vessels held and used, which also involved sensitivity tests on the future time charter rates, (which is the input that is most sensitive to variations), allowing for variances of up to 16.0% with the exception of one vessel allowing for variances of up to 7.1%, depending on the vessel type on time charter rates from our base scenario, indicated no impairment on any of our vessels. As of February 20, 2026, our contracted TCE rate for the remainder of 2026, calculated on the basis of all existing contracts and customary assumptions in relation to voyage expenses, was $18,799, as compared to the TCE for 2023, 2024 and 2025 of $16,579, $17,602 and $15,511, respectively. The ten-year average historic rate we have used is lower than the 3, 5 and higher than the 15-year historical averages.

Our analysis for the year ended December 31, 2024, on our vessels held and used, which also involved sensitivity tests on the future time charter rates, (which is the input that is most sensitive to variations), allowing for variances of up to 18.3%, depending on the vessel type on time charter rates from our base scenario, indicated no impairment on any of our vessels that were held and used.

Our comparison of the actual 2025 net receipts to the forecasted net receipts used in the impairment test performed for the year ended December 31, 2024 indicated a negative variance of 24.3%, between actual net receipts during 2025 and net receipts forecast by the Company for the same period primarily attributable to unanticipated geopolitical tensions that adversely affected dry bulk market rates during 2025, as well as unforeseen unscheduled repairs, regulatory compliance work, and additional inspection requirements incurred during the year. Our comparison of the actual 2024 net receipts to the forecast net receipts used in the impairment test performed for the year ended December 31, 2023 indicated a favorable variance of 5.2%, between actual net receipts during 2024 and net receipts forecast by the Company for the same period.

To assist investors in evaluating the possible impact on future results of operations, the following table shows the effect on the Company's impairment analysis of using the 3-year, 5-year and 15-year historical average daily rates as of December 31, 2025, as opposed to using the 10-year historical average daily rates.

	10-Year Historical Average Daily Rates	3-Year Historical Average Daily Rates	Impairment Charge (in USD million)	5-Year Historical Average Daily Rates	Impairment Charge (in USD million)	15-Year Historical Average Daily Rates	Impairment Charge (in USD million)
Panamax Class Vessels	$ 13,596	$ 13,759	$ —	$ 16,719	$ —	$ 12,669	$ —
Kamsarmax Class Vessels	$ 14,412	$ 14,585	$ —	$ 17,723	$ —	$ 13,429	$ —
Post Panamax Class Vessels	$ 15,228	$ 15,410	$ —	$ 18,726	$ —	$ 14,190	$ —
Capesize Class Vessels	$ 17,517	$ 20,482	$ —	$ 21,105	$ —	$ 16,892	$ —
Total			**$ —**		**$ —**		**$ —**

The Company assesses the assumptions used for performing its impairment analysis, and considers the appropriate duration of historical average charter rates to be used.

While the Company intends to continue to hold and operate its vessels as of December 31, 2025, to assist investors in evaluating the possible impact on future results of operations, the following table shows the number of vessels whose estimated basic market value, exceeded their carrying value and their aggregate carrying value in each case, as of December 31, 2024 and December 31, 2025, respectively. For purposes of this calculation, we have assumed that the vessels would be sold at a price that reflects our estimate of their current basic market values. Our estimate of basic market values is determined based on valuations received from third-party independent ship brokers, approved by our banks, who determine the fair value based on recent vessel sales and purchase activity which take into account relevant sales and negotiations in progress, newbuilding prices, demolition prices, rates and trends in relevant sectors, vessel specifications and yards. The carrying value of each of our vessel's does not necessarily represent its fair market value or the amount that could be obtained if the vessel was sold. The Company's estimates of basic market values assume that the vessels are all in good and seaworthy condition without need for repair and, if inspected, would be certified as being in class without recommendations of any kind. In addition, because vessel market values are highly volatile, these estimates may not be indicative of either the current or future prices that the Company could achieve if it were to sell any of the vessels. The Company would not record impairment for any of its vessels for which the fair market value is below its carrying value unless and until the Company either determines to sell the vessel for a loss or determines that the vessel's carrying value is not recoverable.

	As of December 31, 2024			As of December 31, 2025		
	Number of vessels		Aggregate Carrying Value ($ US Million)	Number of vessels		Aggregate Carrying Value ($ US Million)
Vessels whose fair market value was below their carrying value	7	(1)	$ 204.9	5	(2)	$ 129.6
Vessels whose fair market value, exceeded their carrying value	39		939.4	40		976
Total Vessels	**46**		**$ 1,144.3**	**45**		**$ 1,105.6**

(1) As of December 31, 2024, the aggregate carrying value of these 7 vessels was $36.9 million more than their fair market value, based on broker quotes.
(2) As of December 31, 2025, the aggregate carrying value of these 5 vessels was $19.3 million more than their fair market value, based on broker quotes.

The decrease in the number of vessels and thus the decrease of $17.6 million in the difference between the fair market value and the aggregate carrying value of the vessels whose fair market value was below their carrying value as of December 31, 2025, as compared to December 31, 2024, reflects the seasonality of the drybulk trade.

Recent accounting pronouncements

Refer to Note 2 of the consolidated financial statements included elsewhere in this annual report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth, as of February 20, 2026, information regarding our directors and executive officers.

Name	Age	Position
Polys Hajioannou	59	Chief Executive Officer, Chairman of the Board and Class I Director
Dr. Loukas Barmparis	63	President, Secretary and Class II Director
Konstantinos Adamopoulos	63	Chief Financial Officer and Class III Director
Ioannis Foteinos	67	Chief Operating Officer and Class I Director
Marina Hajioannou	26	Class II Director
Kristin H. Holth	69	Class III Director
Christos Megalou	66	Class II Director
Frank Sica	75	Class III Director
Ole Wikborg	70	Class I Director

Certain biographical information about each of these individuals is set forth below. The term of our Class I directors expires in 2027, the term of our Class II directors expires in 2028 and the term of our Class III directors expires in 2026.

Polys Hajioannou is our Chief Executive Officer and Chairman of the Board of Directors of Safe Bulkers Inc, since 2008 and a member of our ESG Committee. Mr. Hajioannou also serves with Safe Bulkers Management Ltd. in Cyprus, which provides technical, commercial and administrative management services to the Company, and prior to that, with its predecessor Alassia Steamship Co., Ltd., which he joined in 1987. Mr. Hajioannou is a founding member and President of the Cyprus Union of Shipowners (CUS). He is also a founding member and the President of the International Propeller Club of the United States, Port of Limassol. Previously, Mr. Hajioannou sat on the Members Committee (MEMCO) of the UK P&I Club from 2013 until the end of his term in 2025. He has been sitting on the Members Committee (MEMCO) of the Hellenic Mutual War Risks Association since 2016. He is also a board member of the UK Freight Demurrage and Defense Insurance (Europe) Limited (UKDE) since 2021. On the local level, Mr. Hajioannou is an elected member of the Advisory Committee on Competitiveness and Quality Enhancement of the Cyprus Flag. Mr. Hajioannou is an Honorary Fellow of the Institute of Chartered Shipbrokers (ICS) Greek Branch. Mr. Hajioannou holds a Bachelor of Science degree in Nautical Studies from Sunderland University.

Dr. Loukas Barmparis is our President and Secretary and has been a member of our board of directors since 2008 and a member of our ESG Committee. Dr. Barmparis also serves as the technical manager of Safe Bulkers Management Ltd., which he joined in December 2016. Between 2009 and 2016, he was the technical manager of Safety Management Overseas S.A. Until 2009, he was the project development manager of the affiliated Alassia Development S.A., responsible for renewable energy projects. Prior to joining our Manager and Alassia Development S.A., from 1999 to 2005 and from 1993 to 1995, Dr. Barmparis was employed at N. Daskalantonakis Group, Grecotel, one of the largest hotel chains in Greece, as technical manager and project development general manager. During the interim period between 1995 and 1999, Dr. Barmparis was employed at Exergia S.A. as an energy consultant. Dr. Barmparis is a founding member and the General Secretary of the board of governors of the International Propeller Club of the United States, Port of Limassol. Dr. Barmparis holds a master of business administration ("M.B.A.") from the Athens Laboratory of Business Administration, a doctorate from the Imperial College of Science Technology and Medicine, a master of applied science from the University of Toronto and a diploma in mechanical engineering from the Aristotle University of Thessaloniki.

Konstantinos Adamopoulos is our Chief Financial Officer and has been a member of our Board of Directors since 2008. Mr. Adamopoulos also serves as the finance manager of Safe Bulkers Management Ltd., which he joined in December 2016. Between 2008 and 2016, he was the finance manager of Safety Management Overseas S.A. Prior to joining us, Mr. Adamopoulos was employed at Credit Agricole CIB, a financial institution, as a senior relationship manager in shipping finance for 14 years. Prior to this, from 1990 to 1993, Mr. Adamopoulos was employed by the National Bank of Greece in London as an account officer for shipping finance and in Athens as deputy head of the export finance department. Prior to this, from 1987 to 1989, Mr. Adamopoulos served as a finance officer in the Greek Air Force. Mr. Adamopoulos holds a Bachelor of Science degree in business administration from the Athens School of Economics and Business Science and an M.B.A. in finance from the Bayes Business School, City, University of London.

Ioannis Foteinos is our Chief Operating Officer and has been a member of our Board of Directors since February 2009. Mr. Foteinos has over 30 years of experience in the shipping industry. After obtaining a bachelor's degree in nautical studies from Sunderland University, he joined the predecessor of Safety Management in 1987, where he served as Chartering Manager until 2017. In 2017 he joined Safe Bulkers Management Ltd. in Cyprus, where he served as Chartering Manager until December 2023. Presently he serves as Chartering Manager with Safety Management Overseas S.A. in Greece, which he joined in January 2024.

Marina Hajioannou has been a member of our Board of Directors since 2023 and is working in chartering and operations for Safe Bulkers Inc. Ms. Hajioannou is also an elected member of the Board of Governors of the International Propeller Club of the United States, Port of Limassol. Ms. Hajioannou holds a Bachelor Degree in Fine Arts from Chelsea College of Art and Design, University of London and a Certificate in Shipping from Institute of Chartered Shipbrokers, Greek Branch. Marina Hajioannou is the daughter of Polys Hajioannou.

Kristin H. Holth has been a member of our Board of Directors since 2023 and serves as a member of our Audit, our Governance, Nominating and Compensation committees and of our ESG Committee. Ms. Holth previously served as Executive Vice President and Global Head of Ocean Industries for DNB Bank ASA ("DNB"), Norway's largest financial services group and a global leading financial institution within the maritime sector. Ms. Holth has significant experience in capital markets and the maritime industry and has held numerous management positions within DNB over the years, including serving as Global Head of Shipping, Offshore & Logistics for six years, and General Manager & Head of DNB Americas for six years. Ms. Holth currently serves on several boards, including Noble Corporation (NYSE: NE), HitecVision AS, DOF Group ASA (OSXL), Kongsberg Maritime AS, and ECOnnect Energy

AS. Ms. Holth holds a Bachelor of Business Administration degree in international finance from BI Norwegian Business School.

Christos Megalou has been a member of our board of directors since 2016 and serves as a member of our audit, our corporate governance, nominating and compensation committees and member and chairman of our ESG Committee. Mr. Megalou has been the Chief Executive Officer of Piraeus Bank SA since 2017. Mr. Megalou has been a Distinguished Fellow of the Global Federation of Competitiveness Councils in Washington, D.C. since 2016. From 2015 to 2016, Mr. Megalou served as senior advisor to Fairfax Financial Holdings. From 2013 to 2015, Mr. Megalou served as the Chief Executive Officer and Chairman of the Executive Board of Eurobank Ergasias SA and was the Deputy Chairman of the Hellenic Bank Association in Greece. From 2010 to 2013, Mr. Megalou served as Chairman of the Hellenic Bankers Association in the U.K. From 1997 to 2013, he was Vice-Chairman of Southern Europe, Co-head of Investment Banking for Southern Europe and Managing Director in the Investment Banking Division of Credit Suisse in London. From 1991 to 1997, he was a Director at Barclays de Zoete Wedd. From 1991 to 1996, he was Deputy Chairman of the British Hellenic Chamber of Commerce. He started his career in 1984 as an auditor in Arthur Andersen in Athens. Mr. Megalou holds a Bachelor of Science degree in economics from the University of Athens and an M.B.A. in finance from Aston University in Birmingham, United Kingdom.

Frank Sica has been a member of our Board of Directors, our corporate governance, nominating and compensation committee, our ESG Committee, and a member and chairman of our audit committee, since 2008. Mr. Sica has served as a Managing Partner at Tailwind Capital, a private equity firm, since 2006. From 2004 to 2005, Mr. Sica was a Senior Advisor to Soros Private Funds Management. From 1998 to 2003, Mr. Sica worked at Soros Fund Management where he oversaw the direct real estate and private equity investment activities of Soros. From 1988 to 1998, Mr. Sica was a Managing Director at Morgan Stanley. Mr. Sica is a graduate of Wesleyan University, where he received a B.A. degree, and of the Amos Tuck School of Business at Dartmouth College, where he received his M.B.A. Mr. Sica was formerly a director of CSG Systems International, an account management and billing software company for communication industries, JetBlue Airways Corporation, a commercial airline, and Kohl's Corporation, an owner and operator of department stores.

Ole Wikborg has been a member of our Board of Directors, our ESG Committee and of our audit committee and member and chairman of our corporate governance, nominating and compensation committee since 2008. Mr. Wikborg has been involved in the marine and shipping industry in various capacities for over 36 years. From 2002 to 2016, Mr. Wikborg has served as a member of the management team, a director and a senior underwriter of the Norwegian Hull Club, based in Oslo, Norway. In 2016, he moved to London to take up the position as the head of the London branch of Norwegian Hull Club, established that year. He retired from his position in Norwegian Hull Club in October 2022. From 2002 to 2006, Mr. Wikborg also served as a member and chairman of the Ocean Hull Committee of the International Union of Marine Insurance ("IUMI"). Since 2006, he has served as Vice President and a member of the Executive Board of the IUMI, and he was elected as President of IUMI from 2010 to 2014. Since 1997, Mr. Wikborg has served as a board member of the Central Union of Marine Insurers, based in Oslo, and was that organization's Chairman from 2009 to 2013. From 1997 until 2002, Mr. Wikborg served as the senior vice president and manager of the marine and energy division of the Zurich Protector Insurance Company ASA. Prior to his career in marine insurance, Mr. Wikborg served in the Royal Norwegian Navy, attaining the rank of lieutenant commander.

B. Compensation of Directors and Senior Management

Our Managers, pursuant to the terms of the applicable Management Agreements, have historically provided to us our executive officers. For the year ended December 31, 2025, none of the executive officers and senior management were employed directly by us. For a discussion of the fees payable to our Managers, refer to *"Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Management Agreements."* Also, we do not have any service contracts with any of our non-executive directors that provide for benefits upon termination of their services.

Non-executive independent directors of the Company are paid an annual fee in the amount of $40,000 plus reimbursement for their out-of-pocket expenses.

In addition, the chairman of the audit committee, Frank Sica, receives the annual equivalent of $60,000 in the form of shares of our Common Stock. Ole Wikborg, Christos Megalou and Kristin Holth receive the annual equivalent of $30,000 in the form of shares of our Common Stock.

No amounts are set aside or accrued by us to provide pension, retirement or similar benefits.

C. Board Practices

Information regarding the period which each director served and the date of expiration of each director's current term is

included in *"Item 6A. Directors, Senior Management and Employees—A. Directors and Senior Management."* As of December 31, 2025, we had nine members on our board of directors. The board of directors may change the number of directors to not less than three, nor more than fifteen, by a vote of a majority of the entire board of directors. Each director shall be elected to serve until the third succeeding annual meeting of shareholders and until his or her successor shall have been duly elected and qualified, except in the event of death, resignation or removal. A vacancy on the board of directors created by death, resignation, removal (which may only be for cause), or failure of the shareholders to elect the entire class of directors to be elected at any election of directors or for any other reason, may be filled only by an affirmative vote of a majority of the remaining directors then in office, even if less than a quorum, at any special meeting called for that purpose or at any regular meeting of the board of directors. None

of our directors is a party to service contracts with us providing for benefits upon termination of employment.

During the fiscal year ended December 31, 2025, the full board of directors held four meetings. Each director attended all of the meetings of committees of which the director was a member in person or electronically. Our board of directors has determined that each of Messrs. Sica, Megalou, Wikborg and Ms. Holth are independent within the current meanings of independence employed by the corporate governance rules of the NYSE and the SEC. Shareholders who wish to send communications on any topic to the board of directors or to the independent directors as a group, or to the chairman of the audit committee, Mr. Frank Sica, or to the chairman of the corporate governance, nominating and compensation committee, Mr. Ole Wikborg, may do so by writing to our Secretary, Dr. Loukas Barmparis, Safe Bulkers, Inc., e-mail: directors@safebulkers.com.

Corporate Governance

The board of directors and our Company's management have engaged in an ongoing review of our corporate governance practices in order to oversee our compliance with the applicable corporate governance rules of the NYSE and the SEC.

We have adopted a number of key documents that are the foundation of the Company's corporate governance, including:

- a Code of Business Conduct and Ethics for all officers and employees, which incorporates a Code of Ethics for directors and a Code of Conduct for corporate officers;
- a Corporate Governance, Nominating and Compensation Committee Charter;
- an Audit Committee Charter; and
- an Environmental, Social and Governance Committee Charter.

These documents and other important information on our governance are posted on our website and may be viewed at http://www.safebulkers.com. We will also provide a paper copy of any of these documents upon the written request of a stockholder. shareholders may direct their requests to the attention of our Secretary, Dr. Loukas Barmparis, Safe Bulkers, Inc., e-mail: directors@safebulkers.com. Our website, and the information contained on, or hyperlinked from, our website are not part of this Annual Report, other than the documents that we file with the SEC that are expressly incorporated herein or therein by reference.

Committees of the Board of Directors

Audit Committee

Our audit committee consists of Ole Wikborg, Christos Megalou, Kristin H. Holth and Frank Sica, as chairman. Our board of directors has determined that Frank Sica qualifies as an audit committee "financial expert," as such term is defined in Regulation S-K promulgated by the SEC. The audit committee is responsible for:

- the appointment, compensation, retention and oversight of independent auditors and approving any non-audit services performed by such auditor;
- assisting the board of directors in monitoring the integrity of our financial statements, the independent auditors' qualifications and independence, the performance of the independent accountants and our internal audit function and our compliance with legal and regulatory requirements;
- discussing the annual audited financial and quarterly statements with management and the independent auditors;
- discussing earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- discussing policies with respect to risk assessment and risk management;
- meeting separately, and periodically, with management, internal auditors and the independent auditor;
- reviewing with the independent auditor any audit problems or difficulties and management's responses;
- setting clear hiring policies for employees or former employees of the independent auditors;
- annually reviewing the adequacy of the audit committee's written charter, the internal audit charter, the scope of the annual internal audit plan and the results of internal audits;
- reporting regularly to the full board of directors; and
- handling such other matters that are specifically delegated to the audit committee by the board of directors from time to time.

Corporate Governance, Nominating and Compensation Committee

Our corporate governance, nominating and compensation committee consists of Christos Megalou, Frank Sica, Kristin H. Holth and Ole Wikborg, as chairman. The corporate governance, nominating and compensation committee is responsible for:

- nominating candidates, consistent with criteria approved by the full board of directors, for the approval of the full board of directors to fill board vacancies as and when they arise, as well as putting in place plans for succession, in particular, of the chairman of the board of directors and executive officers;
- selecting, or recommending that the full board of directors select, the director nominees for the next annual meeting of shareholders;
- determining or administering our long-term incentive plans, including any equity based plans and grants under such plans;
- developing and recommending to the full board of directors corporate governance guidelines applicable to us and keeping such guidelines under review;
- overseeing the evaluation of the board of directors and management;
- reviewing regularly the board of directors structure, size and composition, taking into account the importance of a diverse composite mix of ethnicities, ages, gender, race, geographic locations, education and professional skills, backgrounds and experience, among other characteristics;
- maintaining a commitment to supporting, valuing and leveraging diversity in the composition of the Board among other qualities that the board of directors believes serve the best interest of the Company and its shareholders; and

- handling such other matters that are specifically delegated to the corporate governance, nominating and compensation committee by the board of directors from time to time.

ESG Committee

Our environmental, social and governance committee consists of six directors, Frank Sica, Ole Wikborg, Christos Megalou, Kristin H. Holth, Dr. Loukas Barmparis and Polys Hajioannou. Christos Megalou, an independent director, is the chairman of the ESG Committee. The president of the Company, Dr. Loukas Barmparis, leads the management team on ESG matters and reports to the ESG Committee. The Committee reviews the Company's ESG performance and ensures governance oversight by the board of directors focused on ESG strategy and implementation, consistent with the Company's priorities outlined in our sustainability report. Moreover, the environmental, social and governance committee is responsible for:

- reviewing and supporting the ESG guidelines, strategic targets, policies and objectives which have been developed and recommended by the management team and approved by the board of directors;
- supporting the development of the Company's overall ESG strategic direction, providing the executive management and the board of directors with ESG insights on significant trends across the ESG agenda;
- reviewing and recommending to the board of directors the approval of an annual ESG report; and
- reviewing the Company's ESG performance and ensuring governance oversight by the board of directors of the ESG strategy and implementation, based on the adopted reporting framework and relevant key performance indicators.

D. Employees

Our executive officers are provided by our Managers. As of December 31, 2025, our Managers employed approximately 933 people serving on board the vessels in our fleet, and approximately 174 people on shore.

E. Share Ownership

The Common Stock and Preferred Shares beneficially owned by our directors and executive officers and/or companies affiliated with these individuals is included in "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders" below.

Equity Compensation Plans

We have agreed to provide the chairman of the audit committee, Mr. Frank Sica, as part of his remuneration, the annual equivalent of $60,000 in the form of shares of our Common Stock, and our non-executive independent directors, Mr. Ole Wikborg, Mr. Christos Megalou and Ms. Kristin H. Holth, as part of their remuneration, the annual equivalent of $30,000 each, in the form of shares of our Common Stock.

F. Disclosure of Action to Recover Erroneously Awarded Compensation

Not Applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth certain information regarding the beneficial ownership of our outstanding Common Stock and Preferred Shares as of February 20, 2026 held by:

- each person or entity that we know beneficially owns 5.0% or more of our Common Stock;
- our officers and directors; and
- all our directors and officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power or investment power with respect to securities is treated as a beneficial owner of those securities.

Beneficial ownership does not necessarily imply that the named person has the economic or other benefits of ownership. For purposes of this table, shares subject to options, warrants or rights or shares exercisable within 60 days of February 20, 2026 are considered as beneficially owned by the person holding those options, warrants or rights. Each stockholder is entitled to one vote for each share held. The applicable percentage of ownership for each stockholder is based on 102,244,782 shares of Common Stock outstanding as of February 20, 2026. Information for certain holders is based on their latest filings with the SEC or information delivered to us. Except as noted below, the address of all shareholders, officers and directors identified in the table and the accompanying footnotes below is in care of our principal executive offices.

Identity of Person or Group	Number of Shares of Common Stock Owned	Percentage of Common Stock	Number of Shares of Series C Preferred Shares	Percentage of Series C Preferred Shares	Number of Shares of Series D Preferred Shares	Percentage of Series D Preferred Shares
5% Beneficial Owners:						
Vorini Holdings Inc.(1)	19,426,015	19.00%	—	—%	—	—%
Bellapais Maritime Inc.(1)	5,000,000	4.89%	—	—%	—	—%

Kyperounta Maritime Inc.(1)	5,000,000	4.89%	—	—%	—	—%
Lefkoniko Maritime Inc.(1)	5,000,000	4.89%	—	—%	—	—%
Akamas Maritime Inc.(1)	8,555,412	8.37%	—	—%	—	—%
Chalkoessa Maritime Inc.(1)	5,400,000	5.28%	—	—%	—	—%
Officers and Directors:						
Polys Hajioannou (1)	48,381,427	47.32%	—	—%	*	*
Dr. Loukas Barmparis	—	—%	*	*	*	*
Konstantinos Adamopoulos	*	*	*	*	*	*
Ioannis Foteinos	—	—%	—	—%	—	—%
Marina Hajioannou	—	—%	—	—%	—	—%
Kristin H. Holth	*	*	—	—%	—	—%
Frank Sica	*	*	*	*	*	*
Ole Wikborg	*	*	—	—%	—	—%
Christos Megalou	*	*	—	—%	—	—%
All executive officers and directors as a group (9 persons)	**48,918,672**	**47.84%**	**7,638**	**0.95%**	**26,500**	**0.83%**

* Less than 1%

(1) Controlled by Polys Hajioannou.

In June 2008, we completed a registered public offering of our shares of Common Stock in which the selling stockholder was Vorini Holdings Inc., and our Common Stock began trading on the NYSE. Our major shareholders have the same voting rights as our other shareholders. As of February 20, 2026, we had 14 shareholders of record; three of these shareholders of record were located in the U.S. and held an aggregate 60,999,699 shares of Common Stock, representing approximately 59.66% of our outstanding shares of Common Stock. However, one of the U.S. shareholders of record is Cede & Co., a nominee of The Depository Trust Company, which holds 60,608,740 shares of our Common Stock. Accordingly, we believe that the shares held by Cede & Co. include shares of Common Stock beneficially owned by both holders in the U.S. and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control. We are not aware of any significant changes in the percentage ownership held by any major shareholders since our initial public offering. No foreign government owns more than 50% of our outstanding common shares.

Polys Hajioannou owns or controls approximately 47.32% of our outstanding Common Stock. He is able to significantly affect the outcome of matters on which our shareholders are entitled to vote, including the election of our entire board of directors and other significant corporate actions. Shares of our Common Stock held or controlled by Polys Hajioannou do not have different or unique voting rights.

B. Related Party Transactions

Management Affiliations

Our chief executive officer, Polys Hajioannou controls our Managers and one company which leases office space to us. Our Managers, along with the predecessor to Safety Management, have provided services to vessels since 1965 and continue to provide technical, administrative, commercial and certain other services which support our business, as well as comprehensive ship management services such as technical supervision and commercial management, including chartering our vessels, pursuant to our Management Agreements described below.

Management Agreements

Under our Management Agreements, our Managers are responsible for providing us with executive, technical, administrative commercial and certain other services, which include the following:

Technical Services

These services include managing day-to-day vessel operations, performing general vessel maintenance, ensuring regulatory compliance and compliance with the law of the flag state of each vessel and of the places where the vessel operates, ensuring classification society compliance, supervising the maintenance and general efficiency of vessels, arranging the hire of qualified officers and crew, training, transportation and lodging, insurance (including handling and processing all claims) of, and appropriate investigation of any charterer concerns with respect to, the crew, conducting union negotiations concerning the crew, performing normally scheduled drydocking and general and routine repairs, arranging insurance for vessels (including marine hull and machinery, protection and indemnity and risks insurance), purchasing stores, supplies, spares, lubricating oil and maintenance capital expenditures for vessels, appointing supervisors and technical consultants, providing technical support, shoreside support and shipyard supervision, and attending to all other technical matters necessary to run our business.

Commercial Services

These services include chartering the vessels that we own, assisting in our chartering, locating, purchasing, financing and negotiating the purchase and sale of our vessels, supervising the design and construction of newbuilds, and such other commercial services as we may reasonably request from time to time.

Administrative Services

These services include providing or arranging for all services necessary to the engagement, employment and compensation of certain of our employees, officers, consultants and directors, administering payroll services, assistance with the preparation of our tax returns and financial statements, assistance with corporate and regulatory compliance matters not related to our vessels, procuring legal and accounting services, assistance in complying with U.S. and other relevant securities laws, human resources (including provision of our executive officers and directors of our subsidiaries), cash management and bookkeeping services, development and monitoring of internal audit controls, disclosure controls and information technology, assistance with all regulatory and reporting functions and obligations, furnishing any reports or financial information that might be requested by us and other non-vessel related administrative services, assistance with office space, providing legal and financial compliance services, overseeing banking services (including the opening, closing, operation and management of all of our accounts, including making deposits and withdrawals reasonably necessary for the management of our business and day-to-day operations), arranging general insurance and director and officer liability insurance (at our expense), providing all administrative services required for any subsequent debt and equity financings and attending to all other administrative matters necessary to ensure the professional management of our business.

Reporting Structure

Our Managers report to us and to our board of directors through our executive officers.

Compensation of Our Managers

On May 29, 2008, Safe Bulkers signed a management agreement with Safety Management and on May 29, 2015, Safe Bulkers signed a management agreement with Safe Bulkers Management (collectively the "Old Management Agreements").

On May 29, 2018, following the expiration of the old management agreements, Safe Bulkers signed new management agreements with the Original Managers, which had an initial term of three years expiring on May 29, 2021 and could be extended for two additional terms of three years each. The fees provided by the Original Management Agreements were fixed until May 29, 2021 and upon mutual agreement with the Managers, could be adjusted for a subsequent term of three years each time on May 29, 2021 and May 29, 2024. On May 29, 2021, following the expiration of the initial three-year term, the Original Management Agreements were extended for an additional term of three years until May 29, 2024. On April 1, 2022, Safe Bulkers signed a new management agreement with the New Manager, with an initial term that expired on May 29, 2024. The Management Agreements were automatically extended on May 29, 2024 for three years, subject to our ability to terminate each Management Agreement upon written notice at least 24 months prior to the end of the current term. Each Management Agreement will expire on May 29, 2027 and we expect to enter into new agreements with the Managers upon their expiration.

Under our Management Agreements, in return for providing executive officers and technical, commercial and administrative services, our Managers receive a ship management fee of €950 per day per managed vessel for vessels in our fleet and €250 per managed vessel per day for bareboat charters and one of our Managers receives an annual ship management fee of €5.0 million. For the three year period from May 29, 2021 to May 28, 2024, the daily ship management fee was €875 and the annual ship management fee was €3.5 million. Further, our Managers receive a commission of 1.0% based on the contract price of any vessel bought and a commission of 1.0% based on the contract price of any vessel sold by it on our behalf, including any contracted newbuild. We also pay our Managers a supervision fee of $550,000 per newbuild, of which 50.0% is payable upon the signing of the relevant supervision agreement, and 50.0% is payable upon successful completion of the sea trials of each newbuild, for the on-premises supervision of all newbuilds we have agreed to acquire pursuant to shipbuilding contracts, memoranda of agreement, or otherwise.

The management fees do not cover capital expenditure, financial costs and operating expenses for our vessels and our general and administrative expenses such as directors, and officers' liability insurance, legal and accounting fees and other similar third party expenses. More specifically, we reimburse expenses incurred on our behalf by our Managers or their personnel directly related to the operation and management of our vessels, such as:

- interest, principal and other financial costs;
- voyage expenses;
- vessel operating expenses including crewing costs, surveyor's attendance fees, bunkers, lubricant oils, spares, survey fees, classification society fees, maintenance and repair costs, tonnage taxes and vetting expenses;
- commissions, remuneration or disbursements due to lawyers, brokers, agents, surveyors, consultants, financial advisors, investment bankers, insurance advisors;
- deductibles, insurance premiums and/or P&I calls; and
- postage, communication, traveling, victualing and other out of pocket expenses.

Each year, our Managers prepare and submit to us a detailed draft budget for the next calendar year, which includes a statement of estimated revenue, estimated general and administrative expenses and a proposed budget for capital expenditures, repairs or alterations. Once approved by us, this draft budget becomes the approved budget.

Term and Termination Rights

Subject to the termination rights described below, the current term of the Management Agreements will expire on May 29, 2027 and is renewable for an additional three-year period. We expect to enter into new agreements with the Managers upon their expiration. The terms of any such new agreements have not yet been determined.

Our Managers' Termination Rights

Each Manager may terminate the applicable Management Agreement prior to the end of its term if:

- an aggregate amount in excess of $100,000 payable by us is not paid when due or if due on demand, within 20 business days following demand by the Manager;
- we default in the performance of any other material obligation under the Management Agreement and the matter is unresolved within 20 business days after we receive written notice of such default from the Manager;
- the management fee determined by arbitration in respect of any three-year period following the initial term is unsatisfactory to the Manager, in which case the Manager may terminate the Management Agreement effective at the end of such term;
- any acquisition of our shares or a merger, consolidation or similar transaction results in any "person" or "group" acquiring 40.0% or more of the total voting power of our or the resulting entity's outstanding voting securities, and such percentage represents a higher percentage of such voting power than that held directly or indirectly by Polys Hajioannou;
- the approval by our shareholders of a proposed merger, consolidation, recapitalization or similar transaction, as a result of which any person acquiring our shares of Common Stock becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 40.0% or more of the total voting power of the outstanding voting securities of the resulting entity following such transaction, and such percentage represents a higher percentage of such voting power than that held directly or indirectly by Polys Hajioannou; or
- there is a change in directors after which at least one of the members of our board of directors is not a continuing director.

"Continuing directors" means, as of any date of determination, any member of our board of directors who was:

- a member of our board of directors on May 29, 2018; or
- nominated for election or elected to our board of directors with the approval of a majority of the directors then in office who were either directors on May 29, 2018 or whose nomination or election was previously so approved.

Our Termination Rights

In addition to certain standard termination rights, we may terminate each Management Agreement prior to the end of its term if:

- the Manager commits a willful and material breach in the performance of any material obligation under our Management Agreement and the matter is not resolved within 40 business days after the Manager receives from us written notice of such default;
- an aggregate amount in excess of $100,000 payable by the Manager to us or third parties under our Management Agreement is not paid or accounted for within 10 business days following written notice by us; or
- any time after May 29, 2027, upon our delivery of 12 months' written notice to the Manager (a "Third Term Termination Notice").

A "willful and material breach" means, a material breach of the applicable Management Agreement, as determined by a final, non-appealable judgment of a court or independent tribunal of competent jurisdiction, that is a consequence of a deliberate act undertaken by the breaching party, with knowledge that the taking of such act would cause a breach of the applicable Management Agreement, and which act has subjected the Company and its subsidiaries, taken as a whole, to uninsured liability, individually or in the aggregate, in an amount in excess of $100,000,000.

Termination Fees

In the event that either Management Agreement is terminated prior to the fully-extended expiration date other than pursuant to (a) the Company's termination of the applicable Management Agreement due to the Manager's ceasing to conduct business, insolvency or force majeure, (b) a termination resulting from the Manager's willful and material breach of the applicable Management Agreement or (c) a termination pursuant to a validly-delivered termination notice by the Company to the Manager (other than a Third Term Termination Notice), then, within three business days of such termination, the Company shall pay to Safe Bulkers Management an amount in cash equal to the Management Fees paid or payable to each Manager, in the aggregate, during the 36 months preceding the applicable termination.

Non-Competition

Each Manager has agreed that, during the term of our Management Agreement and for one year after its termination, such Manager will not provide any management services to, or with respect to, any drybulk vessels, other than in the following circumstances:

(a) pursuant to its involvement with us; or

(b) with respect to drybulk vessels that are owned or operated by companies affiliated with our chief executive officer or his family members, subject in each case to compliance with, or waivers of, the restrictive covenant agreements entered into between us and companies affiliated with our chief executive officer.

Each Manager has also agreed that if one of our drybulk vessels and a drybulk vessel owned or operated by a company affiliated with our chief executive officer are both available and meet the criteria for a charter being fixed by such Manager, our drybulk vessel will receive such charter.

Sale of Our Manager

Each Manager has agreed that, during the term of the Management Agreement and for one year after its termination, each Manager will not transfer, assign, sell or dispose of all or substantially all of its business that is necessary for the performance of its services under the Management Agreement without the prior written consent of our board of directors. Furthermore, during such period, in the event of any proposed change in control of the Manager, we have a 30-day right of first offer to purchase such Manager. Each Management Agreement defines a "proposed change in control of the Manager" to mean (a) the approval by the board of directors of the Manager or the shareholders of the Manager of a proposed sale of all or substantially all of the assets or property of the Manager necessary for the performance of its services under the Management Agreement; or (b) the approval

of any transaction that would result in: (i) Polys Hajioannou or Vorini Holdings Inc., or any entity controlled by, or under common control with, any of the above, beneficially owning, directly or indirectly, less than 60.0% of the outstanding voting securities or voting power of the Manager or Machairiotissa Holdings Inc. (the sole shareholder of the Manager), respectively, or (ii) Polys Hajioannou or Vorini Holdings Inc., or any entity controlled by, or under common control with, any of the above, together with all directors, officers and employees of the Manager beneficially owning, directly or indirectly, less than 80.0% of the outstanding voting securities or voting power of the Manager or Machairiotissa Holdings Inc., respectively.

Each Management Agreement also provides us the right to obtain certain information about the ownership of the Manager.

The foregoing description of the Management Agreements does not purport to be complete and is qualified in its entirety by reference to the Management Agreements, copies of which are attached as Exhibit 4.1 and Exhibit 4.2 and incorporated herein by reference.

Restrictive Covenant Agreements

Under the amended restrictive covenant agreements entered into with us, Polys Hajioannou, Vorini Holdings Inc., Machairiotissa Holdings Inc., or any entity controlled by, or under common control with, any of the above (together, the "Hajioannou Entities"), have agreed to restrictions on their ownership or operation of any drybulk vessels or the acquisition, investment in or control of any business involved in the ownership or operation of drybulk vessels, subject to the exceptions described below.

In the case of Polys Hajioannou, the restricted period continues until the later of (a) one year following the termination of his service as our director and (b) one year following the termination of his employment with us. In the case of the Hajioannou Entities, the restricted period continues until one year following the termination of both Management Agreements.

Notwithstanding these restrictions, Polys Hajioannou and the Hajioannou Entities are permitted to engage in the restricted activities during the restricted periods in the following circumstances:

(a) pursuant to their involvement with us;
(b) pursuant to their involvement with a Manager, subject to compliance with, or waivers of, the applicable Management Agreement;
(c) with respect to certain permitted acquisitions (as defined below), provided that (i) any commercial management of drybulk vessels controlled by the restricted individuals and entities in connection with such permitted acquisition is performed by either of the Managers and (ii) the restricted individuals and entities comply with the requirements for permitted acquisitions described below;
(d) with respect to the direct or indirect ownership, operation or financing by our chief executive officer of a maximum of eight drybulk vessels on the water at any one time and an unlimited number of contracts with shipyards for newbuild drybulk vessels as part of his estate or family planning, provided that (i) such drybulk vessels or newbuilding contracts have been first offered to us and refused by the majority of our independent directors and (ii) such vessels have been acquired on pricing terms and conditions that are not more favorable than those offered to us;
(e) pursuant to their passive ownership of up to 9.99% of the outstanding voting securities of any publicly traded company that is engaged in the business of owning or operating drybulk vessels; and
(f) in the case of Mr. Hajioannou, with respect to any investment company which has been developed by a permitted acquisition; provided, that Mr. Hajioannou (i) does not own in excess of 35% of such other company ("Minority Invested Business"), (ii) does not increase his ownership except as a result of an additional permitted acquisition which is approved by a majority of our independent directors, (iii) presents all business opportunities related to drybulk vessels to Safe Bulkers in the first instance and (iv) delivers to Safe Bulkers an annual report setting forth Mr. Hajioannou's aggregate percentage ownership in the Minority Invested Business and additional information on the vessels owned by such Minority Invested Business. For purposes of the restrictive covenant agreements, Polys Hajioannou shall not be deemed to control any such Minority Invested Business as a result of his service on the board of directors or other governing body of such Minority Invested Business so long as he is not a party to any arrangement relating to investment or management decisions. The commercial management of any drybulk vessel owned, operated or financed by an investment company of which Polys Hajioannou does not own in excess of 35% shall not be performed by either of our Managers or any other person or entity in which Mr. Hajioannou has an ownership interest.

As noted above, Polys Hajioannou and the Hajioannou Entities are permitted to engage in certain restricted activities with respect to two types of permitted acquisitions. One such permitted acquisition is an acquisition of a drybulk vessel or an acquisition or investment in a drybulk vessel business on terms and conditions as to price that are not more favorable, and on such other terms and conditions that are not materially more favorable, than those first offered to us and refused by a majority of our independent directors. A second type of permitted acquisition is an acquisition of a group of vessels or a business that includes non-drybulk vessels and non-drybulk vessel businesses, provided that less than 50.0% of the fair market value of the acquisition is attributable to drybulk vessels or drybulk vessel businesses. Under this second type of permitted acquisition, we must be promptly given the opportunity to buy the drybulk vessels or drybulk vessel businesses included in the acquisition for their fair market value plus certain break-up costs. Both of these types of permitted acquisitions require that the commercial management of any drybulk vessels acquired as permitted acquisitions be performed by either of our Managers. The commercial management of any drybulk vessel or contract for a newbuild drybulk vessel owned, operated or financed by Polys Hajioannou and entities affiliated with him for his estate or family planning purposes is not required to be managed by either of our Managers and the management of any vessels in a Minority Owned Business shall not be performed by either of our Managers or any other person or entity in which Mr. Hajioannou has an ownership interest.

Polys Hajioannou and the Hajioannou Entities have also agreed that if one of our drybulk vessels and a drybulk vessel owned or operated by any of the Hajioannou Entities are both available and meet the criteria for a charter being fixed by either of our Managers, our drybulk vessels will receive such charter.

The restrictive covenant agreements further provide that for each drybulk vessel or contract for a newbuild drybulk vessel owned, operated or financed by Polys Hajioannou or a Hajioannou Entity other than through us, Polys Hajioannou or the applicable Hajioannou entity is required to deliver to us a written report with respect to such vessel or newbuild within the first quarter of each fiscal year. The report for any drybulk vessel is required to include certain information, such as charter information with respect to charters arranged or in place during the period between the first day of the previous fiscal year and the date of the report, including the type of charter employment (e.g., time or voyage charters), the charter rate, commissions paid to brokers or other third parties, the charter period and the total revenues earned with respect to charters conducted during such period, running costs with respect to such drybulk vessel in the previous fiscal year, expected date of next drydocking and the estimated cost of such drydocking, and date of the next special survey. The report for any contracted newbuild drybulk vessel is required to include charter information, if any, with respect to charters arranged as of the date of the report, including the type of charter employment, the charter rate, commissions paid to brokers or other third parties and the charter period.

The foregoing description of the restrictive covenant agreements, as amended, does not purport to be complete and is qualified in its entirety by reference to the restrictive covenant agreements, copies of which are attached as Exhibit 4.3, Exhibit 4.4, Exhibit 4.11 and Exhibit 4.12, and incorporated herein by reference.

Registration Rights Agreement

In connection with the closing of our initial public offering, we entered into a registration rights agreement with Vorini Holdings Inc., one of our principal shareholders, pursuant to which we have granted it and certain of its transferees the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act shares of our Common Stock held by those persons. Under the registration rights agreement, Vorini Holdings Inc. and certain of its transferees have the right to request us to register the sale of shares held by them on their behalf and may require us to make available shelf registration statements permitting sales of shares into the market from time to time over an extended period. In addition, those persons have the ability to exercise certain piggyback registration rights in connection with registered offerings initiated by us. Vorini Holdings Inc. currently owns 19,426,015 shares entitled to these registration rights.

Principal executive office lease

The Company leases office space from a company controlled by Polys Hajioannou, at Apt. D11, Les Acanthes, 6, Avenue des Citronniers, MC98000 Monaco, where our principal executive office is established. The office space lease contract was for a period from February, 2014 until February, 2023 with an annual lease payment initially agreed in 2014 in the amount of €63,000, adjusted annually based on the cost of construction as published in the National Institute of Statistics & Economic Studies of Monaco, plus expenses. In January, 2023, the office space lease contract was renewed with an annual lease payment in the amount of €86,400, equivalent to $101 as of December 31, 2025, adjusted annually based on the cost of construction as published in the National Institute of Statistics & Economic Studies of Monaco, plus expenses, and is recorded in "General and administrative expenses" in the Consolidated Statements of Income.

Credit Facilities

During 2022, the Company entered into an agreement with a financial institution for an amount up to $80.0 million secured by seven vessels owned by respective subsidiaries of the Company. During 2023, Eptaprohi, Soffive, Marinouki, Marathassa, Kerasies, Pemer and Lofou agreed with that financial institution the extension of the tenor by six months, from June 2028 to December 2028, and changes in the margin of this credit facility. During 2023, the vessel owned by Kerasies was released from the security package without any amendment to the terms of the facility, and during 2024, the vessel owned by Marathassa was released from the security package without any amendment to the terms of the facility. In September 2025, the vessel owned by Pemer was released from the security package and the availability of the revolving credit facility was reduced by $3,663. One of the independent members of the board of directors of the Company currently serves as the Chief Executive Officer of this financial institution. All above transactions were evaluated and approved by the board of directors of the Company excluding that independent member of the board of directors of the Company.

Bond issuance

In February 2022, a subsidiary of the Company successfully completed a public offer in Greece of €100.0 million of an unsecured bond that was admitted for trading in the Athens Exchange under the ticker symbol SBB1. See "Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS-—B. Liquidity and Capital Resources—Bond" for more information. One of the independent members of the board of directors of the Company currently serves as the Chief Executive Officer of the financial institution that was the adviser and one of the lead underwriters in the public offer of the Bond. The transaction was evaluated and approved by the board of directors of the Company excluding that independent member of the board of directors of the Company.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See "Item 18. Financial Statements" below for more information.

Legal Proceedings

We are not involved in any legal proceedings which may have, or have had, a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any other proceedings that are pending or threatened which may have a significant effect on our business, financial position, results of operations or liquidity.

The nature of our business exposes us to the risk of lawsuits for damages or penalties relating to, among other things, personal injury, property casualty and environmental contamination. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. However, such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

During 2023, we declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1.6 million, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6.4 million. During 2024, we declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1.6 million, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6.4 million. During 2025, we declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1.6 million, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6.4 million. In January 2026, we declared and paid a quarterly dividend of $0.50 per share, of Series C Preferred Shares, totaling $0.4 million, and of Series D Preferred Shares, totaling $1.6 million.

In March 2022, we re-established paying dividends to our common shareholders. The last time we had previously paid dividend on our shares of common stock was in August 2015. In 2022, we declared and paid four quarterly consecutive dividends of $0.05 per common share, totaling $24.1 million, and in 2023, we declared and paid four quarterly consecutive dividends of $0.05 per common share, totaling $22.7 million, and in 2024 we declared and paid four quarterly consecutive dividends of $0.05 per common share, totaling $21.5 million and in 2025 we declared and paid four quarterly consecutive dividends of $0.05 per common share, totaling $20.6 million. In February 2026, we declared a dividend on the Company's common stock of $0.05 per share, totaling $5.1 million, payable on or about March 18, 2026 to shareholders of record at the close of trading of the Company's common stock on the NYSE on March 2, 2026. .

Our future liquidity needs will impact our dividend policy. The declaration and payment of future dividends, if any, will always be subject to the discretion of the board of directors of the Company. There is no guarantee that the Company's board of directors will determine to issue cash dividends in the future. The timing and amount of any dividends declared will depend on, among other things: (i) the Company's earnings, fleet employment profile, financial condition and cash requirements and available sources of liquidity; (ii) decisions in relation to the Company's growth, fleet renewal and leverage strategies; (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends; (iv) restrictive covenants in the Company's existing and future debt instruments; and (v) global economic and financial conditions. Our ability to pay dividends may be limited by the amount of cash we can generate from operations following the payment of fees and expenses and the establishment of any reserves, as well as additional factors unrelated to our profitability. In addition, cash dividends on our Common Stock are subject to the priority of dividends on our Preferred Shares. We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Common Stock and Preferred Shares" for a discussion of the risks related to our ability to pay dividends.

B. Significant Changes

No significant change has occurred since the date of the annual financial statements included in this annual report on Form 20-F, other than as described in Note 19 - Subsequent Events to our consolidated financial statements included herein.

ITEM 9. THE OFFER AND LISTING

Trading on the NYSE

Since our initial public offering in the U.S. on May 29, 2008, our Common Stock has been listed on the NYSE under the symbol "SB" Since May 7, 2014, our Series C Preferred Shares have been listed on the NYSE under the symbol "SB. PR. C." Since June 30, 2014, our Series D Preferred Shares have been listed on the NYSE under the symbol "SB. PR. D."

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Under our articles of incorporation, our authorized capital stock consists of 200,000,000 shares of Common Stock, par value $0.001 per share, of which, as of December 31, 2025 and February 20, 2026, 102,259,402 and 102,244,782 shares were issued and outstanding, respectively, and 20,000,000 shares of blank check preferred stock, par value $0.01 per share, of which, as of December 31, 2025 and February 20, 2026, 804,950 shares of Series C Preferred Shares and 3,195,050 shares

of Series D Preferred Shares were issued and outstanding. Of this blank check preferred stock, 1,000,000 shares have been designated Series A Participating Preferred Stock in connection with our adoption of a shareholders rights plan as described below under "—Shareholders Rights Plan." All of our shares of stock are in registered form.

Please see Note 7 of the consolidated financial statements included elsewhere in this annual report for a discussion of the history of our share capital.

B. Articles of Incorporation and Bylaws

Our purpose, as stated in our articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the BCA. Our articles of incorporation and bylaws do not impose any limitations on the ownership rights of our shareholders.

The rights of our shareholders are set forth in our articles of incorporation and bylaws, as well as the BCA. Amendments to our articles of incorporation require the affirmative vote of the holders of a majority of all outstanding shares entitled to vote, except that amendments to certain provisions of our articles of incorporation dealing with the rights of shareholders, the board of directors, our bylaws and amendments to the articles of incorporation require the affirmative vote of at least 75.0% of all outstanding shares entitled to vote. Amendments to our bylaws require the affirmative vote of at least 75.0% of all outstanding shares entitled to vote

Under our bylaws, annual shareholder meetings will be held at a time and place selected by our board of directors. The meetings may be held inside or outside of the Republic of the Marshall Islands. Special meetings may be called by the chairman of the board of directors, the chief executive officer or by the chief executive officer or secretary at the request of a majority of the board of directors. Our board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting. Our bylaws permit shareholder action by unanimous written consent.

We are registered with the Registrar of Corporations of the Marshall Islands under registration number 27394.

Directors

Under our articles of incorporation and bylaws, our directors are elected by a plurality of the votes cast at each annual meeting of the shareholders by the holders of shares entitled to vote in the election. There is no provision for cumulative voting. Our articles of incorporation and bylaws provide for a staggered board of directors whereby directors shall be divided into three classes: Class I, Class II and Class III. The term of our Class I directors expires in 2027, the term of our Class II directors expires in 2028 and the term of our Class III directors expires in 2026. At each annual meeting, individuals elected as directors are elected to hold office until the third succeeding annual meeting.

Pursuant to the provisions of our bylaws, the board of directors may change the number of directors to not less than three, nor more than fifteen, by a vote of a majority of the entire board of directors. Each director shall be elected to serve until the third succeeding annual meeting of shareholders and until his or her successor shall have been duly elected and qualified, except in the event of death, resignation or removal. A vacancy on the board of directors created by death, resignation, removal (which may only be for cause), or failure of the shareholders to elect the entire class of directors to be elected at any election of directors or for any other reason may be filled only by an affirmative vote of a majority of the remaining directors then in office, even if less than a quorum, at any special meeting called for that purpose or at any regular meeting of the board of directors. The board of directors has the authority to fix the amounts which shall be payable to the non-employee members of our board of directors for attendance at any meeting or for services rendered to us.

Common Stock

Each outstanding share of Common Stock entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of Common Stock are entitled to receive ratably all dividends, if any, declared thereon by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Common Stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of Common Stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. All outstanding shares of Common Stock are fully paid and non-assessable. The rights, preferences and privileges of holders of Common Stock are subject to the rights of the holders of any shares of preferred stock which we may issue in the future. Our Common Stock is not subject to any sinking fund provisions and no holder of any shares will be required to make additional contributions of capital with respect to our shares in the future. There are no provisions in our articles of incorporation or bylaws discriminating against a shareholder because of his or her ownership of a particular number of shares.

We are not aware of any limitations on the rights to own our Common Stock, including rights of non-resident or foreign shareholders to hold or exercise voting rights on our Common Stock, imposed by foreign law or by our articles of incorporation or bylaws.

Preferred Stock

Our articles of incorporation authorize our board of directors, without any further vote or action by our shareholders, to issue up to 20,000,000 shares of blank check preferred stock, of which 1,000,000 shares have been designated Series A Participating Preferred Stock, in connection with our adoption of a shareholder rights plan as described below under "—Shareholders Rights Plan," and as of December 31, 2025 and February 20, 2026, 804,950 have been designated as Series C Preferred Shares and 3,195,050 have been designated as Series D Preferred Shares, and to determine, with respect to any series of preferred stock established by our board of directors, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the preferences and relative, participating, option or other special rights, if any, and any qualifications, limitations or restrictions of such series; and
- the voting rights, if any, of the holders of the series.

Shareholders Rights Plan

General

Our board of directors declared a dividend of one right for each outstanding share of Safe Bulkers' common stock. The dividend was paid on August 20, 2020 to the shareholders of record on August 17, 2020. As a result, each share of our Common Stock includes a right that entitles the holder to purchase from us a unit consisting of one-thousandth of a share of our Series A Participating Preferred Stock at a purchase price of $5.20 per unit, subject to specified adjustments. The rights are issued pursuant to a shareholders rights agreement between us and American Stock Transfer & Trust Company, LLC as rights agent. Until a right is exercised, the holder of a right will have no rights to vote or receive dividends or any other shareholders rights.

The rights may have anti-takeover effects. The rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our board of directors. As a result, the overall effect of the rights may be to render more difficult or discourage a merger, tender offer or other business combination involving the Company that is not supported by our board of directors. Because our board of directors can approve a redemption of the rights or a permitted offer, the rights should not interfere with a merger or other business combination approved by our board of directors. The adoption of the rights agreement was approved by our board of directors on August 6, 2020.

We have summarized the material terms and conditions of the rights agreement and the rights below. For a complete description of the rights, we encourage you to read the shareholder rights agreement, which we have filed as an exhibit to this annual report.

Detachment of the Rights

The rights are attached to all certificates representing our outstanding Common Stock and will attach to all common stock certificates we issue prior to the rights distribution date that we describe below. The rights are not exercisable until after the rights distribution date and will expire at the close of business on August 5, 2030, unless we redeem or exchange them earlier as described below. The rights will separate from the Common Stock and a rights distribution date will occur, subject to specified exceptions, on the earlier of the following two dates:

(i) ten days following the first public announcement that a person or group of affiliated or associated persons or an "acquiring person" has acquired or obtained the right to acquire beneficial ownership of 10% or more of our outstanding Common Stock; or

(ii) ten business days following the start of a tender or exchange offer that would result, if closed, in a person becoming an "acquiring person."

Derivative positions are included for purposes of determining beneficial ownership.

Shares owned by Polys Hajioannou, the Company's Chairman and Chief Executive Officer, or Nicolaos Hadjioannou and entities controlled by and/or affiliated or associated with Mr. Hajioannou or Mr. Hadjioannou or members or their respective families are not subject to the restrictions of the Rights Plan and shareholders who beneficially owned 10% or more of Safe Bulkers' outstanding common stock prior to the first public announcement by the Company of the adoption of the Rights Plan will not trigger any penalties under the rights plan so long as they do not acquire beneficial ownership of any additional shares of common stock at a time when they still beneficially own 10% or more of such common stock.

Until the rights distribution date:

- our common stock certificates will evidence the rights, and the rights will be transferable only with those certificates; and
- any new shares of common stock will be issued with rights, and new certificates will contain a notation incorporating the shareholders rights agreement by reference.

As soon as practicable after the rights distribution date, the rights agent will mail certificates representing the rights to holders of record of common stock at the close of business on that date. As of the rights distribution date, only separate rights certificates will represent the rights.

We will not issue rights with any shares of common stock we issue after the rights distribution date, except as our board of directors may otherwise determine.

Flip-In Event

A "flip-in event" will occur under the shareholders rights agreement when a person becomes an acquiring person. If a flip-in event occurs and we do not redeem the rights as described under the heading "—Redemption of Rights" below, each right, other than any right that has become void, as described below, will become exercisable at the time it is no longer redeemable for the number of shares of common stock, or, in some cases, cash, property or other of our securities, having a current market price equal to two times the exercise price of such right.

If a flip-in event occurs, all rights that then are, or in some circumstances that were, beneficially owned by or transferred to an acquiring person or specified related parties will become void in the circumstances which the shareholder rights agreement specifies.

Flip-Over Event

A "flip-over event" will occur under the shareholder rights agreement when, at any time after a person has become an acquiring person:

- we are acquired in a merger or other business combination transaction; or
- 50% or more of our assets, cash flows or earning power is sold or transferred.

If a flip-over event occurs, each holder of a right, other than any right that has become void as we describe under the heading "—Flip-in event" above, will have the right to receive the number of shares of common stock of the acquiring company having a current market price equal to two times the exercise price of such right.

Antidilution

The number of outstanding rights associated with our common stock is subject to adjustment for any stock split, stock dividend or subdivision, combination or reclassification of our common stock occurring prior to the rights distribution date. With some exceptions, the shareholders rights agreement does not require us to adjust the exercise price of the rights until cumulative adjustments amount to at least 1% of the exercise price. It also does not require us to issue fractional shares of our preferred stock that are not integral multiples of one one-hundredth of a share, and, instead, we may make a cash adjustment based on the market price of the common stock on the last trading date prior to the date of exercise. The rights agreement reserves us the right to require, prior to the occurrence of any flip-in event or flip-over event, that, on any exercise of rights, that a number of rights must be exercised so that we will issue only whole shares of stock.

Redemption of Rights

At any time until ten days after the date on which the occurrence of a flip-in event is first publicly announced, we may redeem the rights in whole, but not in part, at a redemption price of $0.01 per right. The redemption price is subject to adjustment for any stock split, stock dividend or similar transaction occurring before the date of redemption. At our option, we may pay that redemption price in cash, shares of common stock or any other consideration our board of directors may select. The rights are not exercisable after a flip-in event until they are no longer redeemable. If our board of directors timely orders the redemption of the rights, the rights will terminate on the effectiveness of that action.

Exchange of Rights

We may, at our option, exchange the rights (other than rights owned by an acquiring person or an affiliate or an associate of an acquiring person, which have become void), in whole or in part. The exchange must be at an exchange ratio of one share of common stock per right, subject to specified adjustments at any time after the occurrence of a flip-in event and prior to:

- any person other than our existing shareholder becoming the beneficial owner of common stock with voting power equal to 50% or more of the total voting power of all shares of common stock entitled to vote in the election of directors; or
- the occurrence of a flip-over event.

Amendment of Terms of Rights

While the rights are outstanding, we may amend the provisions of the shareholders rights agreement only as follows:

- to cure any ambiguity, omission, defect or inconsistency;
- to make changes that do not adversely affect the interests of holders of rights, excluding the interests of any acquiring person; or
- to shorten or lengthen any time period under the shareholders rights agreement, except that we cannot change the time period when rights may be redeemed or lengthen any time period, unless such lengthening protects, enhances or clarifies the benefits of holders of rights other than an acquiring person

At any time when no rights are outstanding, we may amend any of the provisions of the shareholders rights agreement, other than decreasing the redemption price.

Dissenters' rights of appraisal and payment

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or sale of all, or substantially all, of our assets not made in the usual course of our business, and receive payment of the fair value of their shares as designated in the BCA. In the event of any amendment of our articles of incorporation, a stockholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting stockholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting stockholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Republic of the Marshall Islands or in any appropriate court in any jurisdiction in which our shares are primarily traded on a local or national securities exchange. The value of the shares of the dissenting stockholder is fixed by the court after reference, if the court so elects, to the recommendations of a court-appointed appraiser.

Shareholders' Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of common stock of our shares both at the time the derivative action is commenced and at the time of the transaction to which the action relates. The action must set forth with particularity the stockholder's efforts to have the board of directors initiate such action or the reason for not making any such effort.

Limitations on Liability and Indemnification of Officers and Directors

The BCA authorizes corporations to limit or eliminate the personal liability of directors and officers to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our articles of incorporation include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by law. We are also expressly authorized to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification provisions in our articles of incorporation and bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. In addition, shareholders' investments may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Anti-Takeover Effect of Certain Provisions of our Articles of Incorporation and Bylaws

Several provisions of our articles of incorporation and bylaws, which are summarized in the following paragraphs, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions could also delay, defer or prevent (a) the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise that a stockholder might consider in its best interest, including attempts that may result in a premium over the market price for the shares held by the shareholders, and (b) the removal of incumbent officers and directors.

Blank Check Preferred Stock

Under the terms of our articles of incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 20,000,000 shares of blank check preferred stock, of which 1,000,000 shares have been designated Series A Participating Preferred Stock, in connection with our adoption of a shareholder rights plan as described above under "-Shareholder Rights Plan" and as of December 31, 2025 and February 20, 2026, 804,950 have been designated as Series C Preferred Shares and 3,195,050 have been designated as Series D Preferred Shares. As of the Redemption Date, no shares of Series B Preferred Shares remained outstanding. Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of our company or the removal of our management.

Classified Board of Directors

Our articles of incorporation provide for a board of directors serving staggered, three-year terms. Approximately one-third of our board of directors will be elected each year. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of our company. It could also delay shareholders who do not agree with the policies of the board of directors from removing a majority of the board of directors for two years.

Election and Removal of Directors

Our articles of incorporation prohibit cumulative voting in the election of directors. Our bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our articles of incorporation and bylaws also provide that our directors may be removed only for cause. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Calling of Special Meeting of Shareholders

Our articles of incorporation and bylaws provide that special meetings of our shareholders may only be called by our Chairman of the board of directors, chief executive officer or secretary of the Company, at the request of a majority of our board of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary.

Generally, to be timely, a stockholder's notice must be received at our offices not less than 90 days nor more than 120 days prior to the first anniversary date of the previous year's annual meeting. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or to make nominations for directors at an annual meeting of shareholders.

C. Material Contracts

Not applicable.

D. Exchange Controls and Other Limitations Affecting Security Holders

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident and non-Marshall Islands citizen holders of our Common Stock.

E. Tax Considerations

Marshall Islands Tax Considerations

We are a non-resident domestic Marshall Islands corporation. Because we do not, and we do not expect that we will, conduct business or operations in the Republic of the Marshall Islands, under current Marshall Islands law we are not subject to tax on income or capital gains and our shareholders (so long as they are not citizens or residents of the Republic of the Marshall Islands) will not be subject to Marshall Islands taxation or withholding on dividends and other distributions (including upon a return of capital) we make to our shareholders. In addition, so long as our shareholders are not citizens or residents of the Republic of the Marshall Islands, our shareholders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, holding or disposition of our Common Stock or Preferred Shares, and our shareholders will not be required by the Republic of the Marshall Islands to file a tax return relating to our Common Stock or Preferred Shares.

Each stockholder is urged to consult its tax counselor or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including the Republic of the Marshall Islands, of its investment in us.

Further, it is the responsibility of each stockholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of it.

Liberian Tax Considerations

Some of our vessel-owning subsidiaries are incorporated under the laws of the Republic of Liberia. The Republic of Liberia enacted a new income tax act effective as of January 1, 2001 (the “New Act”) which did not distinguish between the taxation of “non-resident” Liberian corporations, such as our subsidiaries, which conduct no business in Liberia and were wholly exempt from taxation under the income tax law previously in effect since 1977, and “resident” Liberian corporations which conduct business in Liberia and are, and were under the prior law, subject to taxation. The New Act was amended by the Consolidated Tax Amendments Act of 2011 which was published and became effective on November 1, 2011 (the “Amended Act”). The Amended Act specifically exempts from taxation non-resident Liberian corporations such as our Liberian subsidiaries that engage in international shipping (and not exclusively in Liberia) and that do not engage in other business or activities in Liberia other than as specifically enumerated in the Amended Act. In addition, the Amended Act made such exemption from taxation retroactive to the effective date of the New Act.

United States Federal Income Tax Considerations

The following discussion of United States federal income tax matters is based on the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the United States Department of the Treasury as of the date hereof, all of which are subject to change, possibly with retroactive effect. This discussion does not address any United States state or local taxes, any United States federal tax other than federal income tax or the tax on net investment income imposed by Section 1411 of the Code. This discussion does not purport to address the tax consequences of owning our stock to all categories of investors, some of which (such as financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, expatriates or former long-term residents of the United States, persons holding our stock as part of a hedging, integrated, conversion or constructive sale transaction, a wash sale or a straddle, persons liable for alternative minimum tax, pass-through entities and arrangements and investors therein, persons who own, actually or under applicable constructive ownership rules, 10% or more of the vote or value of our stock, traders or dealers in securities, controlled foreign corporations, passive foreign investment companies or currencies and U.S. Holders (as defined below) whose functional currency is not the United States dollar) may be subject to special rules. This discussion only addresses holders that hold the stock as a capital asset for U.S. federal income tax purposes. This discussion is based upon our beliefs and expectations concerning our past, current and anticipated activities, income and assets and those of our subsidiaries, the direct, indirect and constructive ownership of our stock and the trading and quotation of our stock. Should any such beliefs or expectations prove to be incorrect, the conclusions described herein could be adversely affected. You are encouraged to consult your own tax advisors concerning the overall tax consequences of the ownership of our stock arising in your own particular situation under United States federal, state, local or foreign law

If a partnership holds our stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partnership holding our stock and partners in such partnerships are encouraged to consult their tax advisors.

United States Federal Income Taxation of the Company

Taxation of Operating Income in General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a shipping pool, partnership, strategic alliance, joint operating agreement, code sharing arrangements or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as "shipping income", to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, exclusive of certain U.S. territories and possessions, constitutes income from sources within the United States, which we refer to as "U.S. source gross shipping income".

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are prohibited by law from engaging in transportation that produces income considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

We are subject to a 4% tax imposed without allowance for deductions for such taxable year, as described in "Taxation in the Absence of Exemption", unless we qualify for exemption from tax under Section 883 of the Code, the requirements of which are described in detail below. For our 2024 taxable year, we believe we were exempt from U.S federal tax on our U.S. source gross shipping income.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code and the regulations thereunder, we will be exempt from United States federal income taxation on our U.S.-source shipping income if:

a) we are organized in a foreign country (our "country of organization") that grants an "equivalent exemption" to corporations organized in the United States; and
b) either:
i) more than 50% of the value of our stock is owned, directly or indirectly, by "qualified shareholders", that are persons (i) who are "residents" of our country of organization or of another foreign country that grants an "equivalent exemption" to corporations organized in the United States, and (ii) we satisfy certain substantiation requirements, which we refer to as the "50% Ownership Test"; or
ii) our stock is "primarily" and "regularly" traded on one or more established securities markets in our country of organization, in another country that grants an "equivalent exemption" to United States corporations, or in the United States, which we refer to as the "Publicly-Traded Test".

The jurisdictions where we and our shipowning subsidiaries are incorporated grant "equivalent exemptions" to United States corporations. Therefore, we will be exempt from United States federal income taxation with respect to our U.S. source shipping income if we satisfy either the 50% Ownership Test or the Publicly-Traded Test.

50% Ownership Test

Under the regulations, a foreign corporation will satisfy the 50% Ownership Test for a taxable year if (i) for at least half of the number of days in the taxable year, more than 50% of the value of its outstanding stock is owned, directly or constructively through the application of certain attribution rules prescribed by the regulations, by one or more shareholders who are residents of foreign countries that grant "equivalent exemption" to corporations organized in the United States and (ii) the foreign corporation satisfies certain substantiation and reporting requirements with respect to such shareholders. For purposes of the 50% Ownership Test holding warrants does not result in constructive ownership of the shares issuable upon exercise of such warrants

We satisfied the 50% Ownership Test for our 2025 taxable year, and expect to be able to satisfy that test in the foreseeable future.

Publicly-Traded Test

The regulations provide that the stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of stock used to satisfy the Publicly Traded Test that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country.

Under the regulations, the stock of a foreign corporation will be considered "regularly traded" if one or more classes of its stock representing, in the aggregate, 50% or more of its outstanding shares, by total combined voting power of all classes of stock entitled to vote and by total combined value of all classes of stock, are listed on one or more established securities markets (such as the NYSE), which we refer to as the "listing threshold".

The regulations further require that with respect to each class of stock relied upon to meet the listing threshold: (i) such class of the stock is traded on such markets, other than in de minimis quantities, on at least sixty (60) days during the taxable year or one-sixth (1/6) of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such markets is at least 10% of the average number of shares of such class of stock outstanding during such taxable year or as appropriately adjusted in the case of a short taxable year. Even if a foreign corporation does not satisfy both tests, the regulations provide that the trading frequency and trading volume tests described in the proceeding sentence will be deemed satisfied by a class of stock if such class of stock is traded on an established securities market in the United States and such class of stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class of stock are owned, in the aggregate, actually or constructively under specified attribution rules, for more than half the number of days during the taxable year by persons who each own directly or indirectly 5% or more of the vote and value of such class of stock, whom we refer to as "5% Shareholders". We refer to this restriction in the regulations as the "Closely-Held Rule".

For purposes of being able to determine our 5% Shareholders, the regulations permit a foreign corporation to rely on Schedule 13G and Schedule 13D filings with the Commission. The regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

Additionally, holding warrants does not result in constructive ownership of the shares issuable upon exercise of such warrants for purposes of the Closely Held Rule..

The Closely-Held Rule will not disqualify a foreign corporation, however, if it can establish and substantiate that qualified shareholders own, actually or constructively under specified attribution rules, sufficient shares in the closely-held block of stock to preclude the shares in the closely-held block that are owned by non-qualified 5% Shareholders from representing 50% or more of the total value of such class of stock for more than half the number of days during the tax year. An analysis of our shareholding in 2024 confirmed that, for more than half the number of days in the 2024 taxable year, qualified 5% Shareholders and shareholders that are not 5% Shareholders collectively held more than 50% of our outstanding shares.

Due to the factual nature of the issues involved, there can be no assurance that we or any of our subsidiaries will qualify for the benefits of Section 883 of the Code for our subsequent taxable years.

Taxation in Absence of Exemption

To the extent the benefits of Section 883 are unavailable, our U.S. source gross shipping income, to the extent not considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, otherwise referred to as the "4% Tax". Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under the 4% Tax.

To the extent the benefits of the Section 883 exemption are unavailable and our U.S. source gross shipping income is considered to be "effectively connected" with the conduct of a U.S. trade or business, as described below, any such "effectively connected" U.S. source gross shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax currently imposed at a rate of 21%. In addition, we may be subject to the 30% "branch profits" tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our U.S. source gross shipping income would be considered "effectively connected" with the conduct of a U.S. trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and
- substantially all of our U.S. source gross 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 United States, or, in the case of income from the leasing of a vessel, is attributable to a fixed place of business in the United States.

We do not intend to (i) have, or permit circumstances that would result in having, any vessel operating to the United States on a regularly scheduled basis, or (ii) earn, or permit circumstances that would result in earning income from the leasing of a vessel attributable to a fixed place of business in the United States. Based on the foregoing and on the expected mode of our shipping operations and other activities, we do not expect that any of our U.S. source gross shipping income will be "effectively connected" with the conduct of a U.S. trade or business.

Taxation of Gain on Sale of Assets

Regardless of whether we qualify for the exemption under Section 883 of the Code, we will not be subject to United States income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States (as determined under United States federal income tax principles). In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if rights, title and interest in the vessel (and risk of loss with respect to the vessel) passes to the buyer outside of the United States. We expect that any sale of a vessel will be so structured that it will be considered to occur outside of the United States.

U.S. Holders

You are a “U.S. Holder” if you are a beneficial owner of our stock and you are a, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation) organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust if (A) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons (as defined under the Code) have the authority to control all substantial decisions of that trust or (B) it has a valid election in effect under Treasury Regulations to be treated as a United States person (as defined under the Code). The rest of this section entitled “U.S. Holders” assumes that you are a U.S. Holder

Distributions on Our Stock

Subject to the discussion of PFICs (as defined below), any distributions with respect to our stock that you receive from us, other than distributions in liquidation and distributions in redemption of our stock that are treated as exchanges, will generally constitute dividends, which may be taxable as ordinary income or “qualified dividend income” as described below, to the extent of our current or accumulated earnings and profits (as determined under United States rederal income tax principles). Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of your tax basis in our stock (on a dollar-for-dollar basis) and thereafter as capital gain. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution paid will generally be reported as a “dividend” for United States federal income tax purposes.

Because we are not a United States corporation, if you are taxable as a corporation for U.S. federal income tax purposes, you will

not be entitled to claim a dividends-received deduction with respect to any distributions you receive from us.

Dividends paid with respect to our stock will generally be treated as "passive category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes. There are significant complex limitations on a U.S. Holder's ability to claim a credit against its U.S. federal income tax liability or a deduction. You should consult your own tax advisors concerning their availability in their particular circumstances.

If you are an individual, trust or estate, dividends you receive from us should be treated as "qualified dividend income" taxed at preferential rates, provided that:

(a) the Common Stock or Preferred Shares on which the dividends are paid are readily tradable on an established securities market in the United States (such as the NYSE);
(b) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (see the discussion below under "—PFIC Rules");
(c) you own our stock for more than (x) in the cases where the dividends on the Preferred Shares are attributable to a period or periods aggregating in excess of 366 days, 90 days in the 181-day period beginning 90 days before the date on which the Preferred Shares become ex-dividend or (y) in all other cases, 60 days in the 121-day period beginning 60 days before the date on which the stock becomes ex-dividend;
(d) you are not under an obligation to make related payments with respect to positions in substantially similar or related property; and
(e) certain other conditions are met.

Special rules may apply to any "extraordinary dividend." Generally, an extraordinary dividend is: (i) a dividend in an amount that is equal to or in excess of (x) 10%, in the case of Common Stock, or (y) 5%, in the case of the Preferred Shares, of your adjusted tax basis in (or the fair market value of, in certain circumstances) a share of our stock or (ii) dividends received generally within a one-year period that, in the aggregate, equal or exceed 20% of your adjusted tax basis in (or fair market value of in certain circumstances) a share of our stock. If we pay an "extraordinary dividend" on our stock that is treated as "qualified dividend income" and if you are an individual, estate or trust, then any loss you derive from a subsequent sale or exchange of such stock will be treated as long-term capital loss to the extent of such dividend.

There is no assurance that dividends you receive from us will be eligible for preferential rates. Dividends you receive from us that are not eligible for any preferential rate will be taxed at the ordinary income rates. You should consult your own tax advisors regarding the availability of such preferential rate for any dividends paid with respect to our stock.

Sale, Exchange or Other Disposition of Stock

Provided that we are not a PFIC for any taxable year and except as provided in the discussion under "—Redemption of Stock," you generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our stock, in an amount equal to the difference between the amount realized by you from such sale, exchange or other disposition and your tax basis in such stock. Such gain or loss generally will be treated as long-term capital gain or loss if your holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States source income or loss, as applicable, for United States foreign tax credit purposes. Your ability to deduct capital losses against ordinary income is subject to limitations

Redemption of Stock

In the case of a redemption of stock (including a disposition of stock to us or persons related to us), unless the redemption satisfies one of the tests set forth in Section 302(b) of the Code for treating the redemption as a sale or exchange, the redemption will be treated under Section 302 of the Code as a distribution. If the redemption is treated as a sale or exchange of the U.S. Holder's stock, the U.S. Holder will be treated as discussed above in "—Sale, Exchange or Other Disposition of Stock." The redemption will be treated as a sale or exchange if it (i) is "substantially disproportionate," (ii) constitutes a complete termination of the U.S. Holder's stock interest in us or (iii) is not "essentially equivalent to a dividend," each within the meaning of Section 302(b) of the Code. In determining whether any of the alternative tests of Section 302(b) of the Code is met, shares of our capital stock actually owned, as well as shares considered to be owned by the U.S. Holder by reason of certain constructive ownership rules, must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code is satisfied with respect to a particular holder of the stock will depend on that holder's particular facts and circumstances as of the time the determination is made, U.S. Holders should consult their own tax advisors to determine their tax treatment of a redemption of stock in light of their own particular investment circumstances

PFIC Rules

Special United States federal income tax rules apply to you if you hold stock in a non-United States corporation that is classified as a "passive foreign investment company" (or "PFIC") for United States federal income tax purposes. We generally, we will be treated as a PFIC in any taxable year in which, after applying certain look-through rules, either:

(a) at least 75% of our gross income for such taxable year consists of "passive income" (e.g., dividends, interest, capital gains and rents derived other than from the active conduct of a rental business); or
(b)at least 50% of the average value of our assets during such taxable year consists of "passive assets" (i.e., assets that produce, or are held for the production of, passive income).

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25% of the value of the subsidiary's stock. Income we earn, or are deemed to earn, in connection with the performance of services will not constitute passive income. By contrast, rental income will generally constitute passive income (unless we are treated under certain special rules as deriving

our rental income from the active conduct of a trade or business).

Because we have chartered all of our vessels to unrelated charterers on the basis of period time and spot time charter contracts (and not on the basis of bareboat charters) and because we expect to continue to do so, we believe that it is more likely than not that we were not a PFIC for the most recently ended taxable year and expect that it is more likely than not that we will not be a PFIC for our current taxable year or in the foreseeable future. We believe it is more likely than not that our gross income derived from our time charter activities constitutes active service income (as opposed to passive rental income) and, as a result, that our vessels constitute active assets (as opposed to passive assets) for purposes of determining whether we were or will be a PFIC. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and our PFIC status for each taxable year will depend on facts, including the composition of our income and assets and the value of our assets (which may be determined in part by reference to the market value of our Common Stock and Preferred Shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. We believe there is legal authority supporting this position, consisting of case law and United States Internal Revenue Service ("IRS") pronouncements concerning the characterization of income derived from time charters as service income for other tax purposes. However, there is no legal authority specifically relating to the statutory provisions governing PFICs or relating to circumstances substantially similar to ours. Moreover, in Tidewater Inc. v. United States, 565 F.3d 299 (5th Cir. 2009), the United States Court of Appeals for the Fifth Circuit held, contrary to the position of the IRS in that case, and for purposes of a different set of rules under the Code unrelated to the PFIC rules, that income received under a time charter of vessels should be treated as rental income rather than services income. If the reasoning of the Fifth Circuit case were extended to the PFIC context, the gross income we derive or are deemed to derive from our time chartering activities would be treated as rental income, and we would probably be a PFIC. The IRS has stated that it disagrees with the holding in Tidewater and has specified that income from period time charters should be treated as services income. However, the IRS' statement with respect to the Tidewater decision was an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers.

We have not sought, and we do not expect to seek, an IRS ruling on this matter. As a result, the IRS or a court could disagree with our position that we are not currently a PFIC. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future, or that we can avoid PFIC status in the future.

As discussed below, if we were to be treated as a PFIC for any taxable year, you generally would be subject to one of three different United States income tax regimes, depending on whether or not you make certain elections. Additionally, you would be required to file annual information returns with the IRS.

Taxation of U.S. Holders That Make a Timely QEF Election

If we were treated as a PFIC, and if you make a timely election to treat us as a "Qualified Electing Fund" for United States tax purposes (a "QEF Election") for our first taxable year as a PFIC in which you held (or is deemed to have held) our stock, you would be required to report each year your allocable share of our ordinary earnings and our net capital gain for our taxable year that ends with or within your taxable year, regardless of whether we make any distributions to you. Such income inclusions would not be eligible for the preferential tax rates applicable to "qualified dividend income." Your adjusted tax basis in our stock would be increased to reflect such taxed but undistributed earnings and profits. Distributions of earnings and profits that had previously been taxed would result in a corresponding reduction in your adjusted tax basis in our stock and would not be taxed again upon distributions. You would generally recognize capital gain or loss on the sale, exchange or other disposition of our stock. Even if you make a QEF Election for one of our taxable years, if we were a PFIC for a prior taxable year during which you held our stock and for which you did not make a timely QEF Election, you would also be subject to the more adverse rules described below under "—Taxation of U.S. Holders That Make No Election" unless you make a purging election under the PFIC rules

You would make a QEF Election with respect to any year that our company is treated as a PFIC by completing and filing IRS Form 8621 with your United States income tax return in accordance with the relevant instructions. If we were to become aware that we were to be treated as a PFIC for any taxable year, we would notify all U.S. Holders of such treatment and would provide all necessary information to any U.S. Holder who requests such information in order to make the QEF election described above, but there is no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided or that we will timely provide such required information.

Taxation of U.S. Holders That Make a Timely "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we expect, our stock is treated as "marketable stock," you would be allowed to make a "mark-to-market" election with respect to our stock, provided that you complete and file IRS Form 8621 in accordance with the relevant instructions. If that election is made, you generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our stock at the end of the taxable year over your adjusted tax basis in our stock. You also would be permitted an ordinary loss in respect of the excess, if any, of your adjusted tax basis in our stock over its fair market value at the end of the taxable year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). Your tax basis in our stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by you.

Taxation of U.S. Holders That Make No Election

Finally, if we were treated as a PFIC for any taxable year and if you did not make either a QEF Election or a "mark-to-market"

election for that year, you would be subject to special rules with respect to (a) any excess distribution (that is, the portion of any distributions received by you on our stock in a taxable year in excess of 125% of the average annual distributions received by you in the three preceding taxable years, or, if shorter, your holding period for our stock) and (b) any gain realized on the sale, exchange or other disposition of our stock. Under these special rules:

(1) the excess distribution or gain would be allocated ratably over your aggregate holding period for our Common Stock;
(2) the amount allocated to your taxable year in which you received the excess distribution or recognized the gain, or to the portion of your holding period before the first day of our first taxable year in which we are a PFIC, would be taxed as ordinary income; and
(3) the amount allocated to each of your other taxable years (or portion thereof) and included in your holding period would be subject to tax at the highest rate of tax in effect for that year, and applicable to you, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year, in each case without regard to your other items of income and loss for that year.

If an individual dies while owning our stock, the individual's successor generally would not receive a step-up in tax basis with respect to such stock for United States tax purposes, in each case without regard to your other items of income and loss for that year.

Non-U.S. Holders

You are a "Non-U.S. Holder" if you are a beneficial owner of our stock (other than a partnership or other entity or arrangement classified as a partnership for United States tax purposes) and you are not a U.S. Holder. The rest of this section entitled "Non-U.S. Holder" assumes that you are a Non-U.S. Holder.

Distributions on Our Stock

You generally will not be subject to United States income or withholding taxes on dividends you receive from us with respect to our stock, unless that income is effectively connected with your conduct of a trade or business in the United States. If you are entitled to the benefits of an applicable income tax treaty with respect to those dividends, that income generally is taxable in the United States only if it is attributable to a permanent establishment maintained by you in the United States.

Sale, Exchange or Other Disposition of Our Stock

You generally will not be subject to United States income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our stock, unless:

(a) the gain is effectively connected with your conduct of a trade or business in the United States. If you are entitled to the benefits of an applicable income tax treaty with respect to that gain, that gain generally is taxable in the United States only if it is attributable to a permanent establishment maintained by you in the United States; or
(b) you are an individual who is present in the United States for 183 days or more during the taxable year of the sale, exchange or other disposition and certain other conditions are met.

If you are engaged in a United States trade or business for United States tax purposes, you will be subject to United States tax with respect to your income from our stock (including dividends and the gain from the sale, exchange or other disposition of the stock) that is effectively connected with your conduct of that trade or business in the same manner as if you were a U.S. Holder. In addition, if you are a corporate Non-U.S. holder, your earnings and profits that are attributable to the effectively connected income (subject to certain adjustments) may be subject to an additional United States branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

United States Backup Withholding and Information Reporting

In general, if you are a non-corporate U.S. Holder, dividend payments (or other taxable distributions) made within the United States will be subject to information reporting requirements and backup withholding tax if you:

(1) fail to provide an accurate taxpayer identification number;
(2) are notified by the IRS that you are subject to backup withholding; or
(3) in certain circumstances, fail to comply with applicable certification requirements.

U.S. Holders who are individuals generally will be required to report certain information with respect to an interest in our stock by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in our stock. These requirements are subject to exceptions, including an exception for shares held in accounts maintained by certain financial institutions and an exception applicable if the aggregate value of all "specified foreign financial assets" (as defined in the Code) held by the U.S. Holder (and, as applicable, by his or her spouse) does not exceed a specified minimum amount.

If you are a non-United States holder, you may be required to establish your exemption from information reporting and backup withholding by certifying your status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable. If you sell our stock to or through a United States office or broker, the payment of the sales proceeds is subject to both United States backup withholding and information reporting unless you certify that you are a non-United States person, under penalties of perjury, or you otherwise establish an exemption. If you sell our stock through a non-United States office of a non-United States broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements (but not backup withholding) will apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell our stock through a non-United States office of a broker that is a United States person or has certain other connections with the United States.

Backup withholding tax is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by accurately completing and timely filing a refund claim with the IRS and

furnishing any required information. You should consult your own tax advisor regarding the application of the backup withholding and information reporting rules.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. You may inspect reports and other information regarding registrants, such as us, that file electronically with the SEC without charge at a web site maintained by the SEC at http://www.sec.gov.

I. Subsidiary Information

Not applicable.

PART II

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A. Quantitative Information About Market Risk

Interest Rate Risk

We are subject to market risks relating to changes in interest rates because we have floating rate debt outstanding, which is based on U.S. dollar SOFR plus, in the case of each credit facility, a specified margin and, for facilities previously based on LIBOR, a credit adjustment spread. Our objective is to manage the impact of interest rate changes on our earnings and cash flow in relation to our borrowings and to this effect, when we deem appropriate, we use derivative financial instruments..

During the year ended December 31, 2023 we entered into certain interest rate derivative contracts which were all terminated during the same year for which we received an aggregate payment of $0.33 million. We did not have any outstanding interest rate derivatives and we did not enter into any interest rate derivative contracts during the year ended December 31, 2024. During the year ended December 31, 2025 we entered into certain interest rate derivative contracts. The total notional principal amount of these swaps as of December 31, 2025 was $50.0 million. The swaps have specified rates and durations. Refer to the table in Note 11 of the consolidated financial statements included elsewhere in this annual report which summarizes the interest rate swaps in place as of December 31, 2025. Under these transactions, the counterparty bank effects quarterly floating-rate payments to us for the relevant amount based on based on the three-month SOFR and we make quarterly payments to the bank on the relevant amount at the respective fixed rates. We may enter into additional interest rate swap agreements in order to manage future interest costs and the risk associated with changing interest rates. We entered into these interest rate swap agreements to mitigate our exposure to interest rate fluctuations and at a time when we believed long-term interest rates were reasonably low. None of our interest rate swap meets hedge accounting criteria under accounting guidance relating to Derivatives and Hedging. Although we are exposed to credit-related losses in the event of non-performance in connection with such swap agreements, because the counterparties are major financial institutions, we consider the risk of loss due to their nonperformance to be minimal. Through these swap transactions, we effectively hedged the interest rate exposure of 12.26% of our loans outstanding as of December 31, 2025, which bear interest at SOFR.

The following table sets forth the sensitivity of our existing loans as of December 31, 2025, as to a 100 basis point increase in SOFR, taking into account our interest rate swap agreements that are currently in place, during the next five years, and reflects the additional interest expense.

Year	Amount
2026	$ 3.1 million
2027	2.7 million
2028	2.3 million
2029	1.5 million
2030	1.5 million

Freight Derivatives and Bunker Swaps

We are subject to markets risks relating to changes in charter rates because we have entered into a certain number of FFA's on the Panamax index, all of which matured in 2024. Generally freight derivatives may be used to hedge a vessel owner's exposure to the charter market for a specified vessel size and period of time. Upon settlement, if the contracted charter rate is less than the average of the rates reported on an identified index for the specified vessel size and time period, the seller of the FFA is required to pay the buyer the settlement sum, being an amount equal to the difference between the contracted rate and the settlement rate, multiplied by the number of days of the specified period. Conversely, if the contracted rate is greater than the settlement rate, the buyer is required to pay the seller the settlement sum. If we take positions in FFAs or other derivative instruments we could suffer losses in the settling or termination of these agreements. This could adversely affect our results of operations and cash flow.

Our FFA derivatives do not qualify as cash flow hedges for accounting purposes and therefore gains or losses are recognized in earnings. During the year ended December 31, 2024, we entered into a certain number of FFA on the Capesize index, all maturing in 2024. For the year ended December 31, 2024, we incurred net loss on FFAs of $0.5 million and as of December 31, 2024, we did not have any FFA derivatives outstanding. During the year ended December 31, 2025, we did not enter into any FFA derivatives and as of December 31, 2025, we did not have any FFA derivatives outstanding.

We are also subject to markets risks relating to changes in the prices of bunkers prices because we have entered into a certain number of bunker swap contracts to manage our exposure to fluctuations of bunker price differentials associated with the consumption of bunkers by our vessels. Bunker swaps are agreements between two parties to exchange cash flows at a fixed price on bunkers, where volume, time period and price are agreed in advance. If we take positions in bunker swaps or other derivative instruments we could suffer losses in the settling or termination of these agreements. This could adversely affect our results of operations and cash flow.

We used these bunker swaps as an economic hedge to reduce the risk on bunker price differentials. Our bunker swaps do not qualify as cash flow hedges for accounting purposes and therefore gains or losses are recognized in earnings. Bunker swaps are treated as assets/liabilities until they are settled. For the year ended December 31, 2024 we incurred a net gain of $0.2 million. During the year ended December 31, 2024, we did not enter into any bunker swaps, and as of December 31, 2024 we did not have any bunker swaps outstanding as all then existing bunker swaps matured in 2024. During the year ended December 31, 2025, we did not enter into any new bunker swaps and as of December 31, 2025, we did not have any bunker swaps outstanding.

Foreign Currency Exchange Risk

We generate all of our revenues in U.S. dollars, but for the year ended December 31, 2025 we incurred approximately 21.8% of our vessel operating expenses in currencies other than the U.S. dollar and the vast majority of our management fees to our Managers in currencies other than the U.S. dollar. The interest on our €100.0 million bond is also payable in EUR. As of December 31, 2025, approximately 29.7% of our outstanding accounts payable were denominated in currencies other than the U.S. dollar and were subject to exchange rate risk, as their value fluctuates with changes in exchange rates.

A hypothetical 10.0% immediate and uniform adverse move in all currency exchange rates from the rates in effect as of December 31, 2025, would have increased our vessel operating expenses by approximately $2.1 million, our management fees to our Managers by approximately $2.4 million, our bond interest by approximately $0.3 million and the fair value of our outstanding accounts payable by approximately $0.3 million.

As of December 31, 2025, the majority of our outstanding contractual obligations to our Managers were denominated in Euros, equivalent to $35.5 million. The USD equivalent of the €100.0 million bond as of December 31, 2025 was $117.4 million. In order to mitigate the risk from exchange rate fluctuations, we have entered into several currency forward agreements in the relation to the redemption of the bond principal for a total of €55.0 million at an average rate of 1.0717 EUR/USD. A hypothetical 10% immediate adverse move in the Euro exchange rate from the rate in effect as of December 31, 2025, would have increased our outstanding contractual obligations to our Managers by approximately $3.5 million and to the bond holders by approximately $5.7 million, taking into account the outstanding forward currency agreements. We may not enter into additional foreign exchange forward agreements in the future in relation to the expenditures denominated in Euros.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. Material Modifications to the Rights of Security Holders

We adopted a shareholder rights plan on August 6, 2020, that authorizes the issuance to our existing shareholders of preferred share rights and additional shares of Common Stock if any third party seeks to acquire control of a substantial block of our Common Stock. See "Item 10. Additional Information—B. Articles of Incorporation and Bylaws—Shareholder Rights Plan" included in this annual report for a description of the shareholders rights plan.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of December 31, 2025. Disclosure controls and procedures are defined under SEC rules as controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include without limitation controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based on our evaluation, the chief executive officer and the chief financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2025.

B. Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act and for the assessment of the effectiveness of internal control over financial reporting. Our internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) 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.

In making its assessment of our internal control over financial reporting as of December 31, 2025, management, including the chief executive officer and chief financial officer, used the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission of 2013 ("COSO").

Management concluded that, as of December 31, 2025, our internal control over financial reporting was effective. Deloitte Certified Public Accountants S.A. ("Deloitte"), our independent registered public accounting firm, has audited the financial statements included herein and our internal control over financial reporting and has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2025 which is reproduced in its entirety in Item 15(c) below.

C. Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of December 31, 2025 has been audited by

Deloitte Certified Public Accountants S.A., an independent registered public accounting firm, as stated in their report which appears below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of

Safe Bulkers, Inc.

Majuro, Republic of the Marshall Islands

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Safe Bulkers, Inc. and subsidiaries (the "Company") as of December 31, 2025, 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, 2025, 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, 2025, of the Company and our report dated March 4, 2026, 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's Annual 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 Certified Public Accountants S.A.

Athens, Greece

March 4, 2026

D. Changes in Internal Control over Financial Reporting

During the period covered by this annual report, we have made no changes to our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our Audit Committee consists of four independent directors, Ole Wikborg, Christos Megalou, Kristin H. Holth and Frank Sica, who is the chairman of the committee. Our board of directors has determined that Frank Sica, whose biographical details are included in "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management," qualifies as an audit committee "financial expert," as such term is defined in Regulation S-K promulgated by the SEC.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics for all officers and employees of our company, which incorporates a Code of Ethics for directors and a Code of Conduct for corporate officers, a copy of which is posted on our website, and may be viewed at http://www.safebulkers.com/corp_ethics.htm. We will also provide a paper copy of this document free of charge upon written request by our shareholders. shareholders may direct their requests to the attention of Dr. Loukas Barmparis, Secretary, Safe Bulkers, Inc., e-mail: directors@safebulkers.com, telephone: +30 2111 888 400, +357 25 887 200. No waivers of the Code of Business Conduct and Ethics have been granted to any person during the fiscal year ended December 31, 2025.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Aggregate fees billed to the Company for the fiscal years ended December 31, 2025 and 2024 by the Company's principal accounting firm, Deloitte Certified Public Accountants S.A., (PCAOB number 1163) and its affiliates, an independent registered public accounting firm and member of Deloitte Touche Tohmatsu, Limited, by the category of service, were as follows:

	2024	2025
	(in thousands)	
Audit fees	$ 427	$ 437
Audit related fees	$ 11	$ 28
All other fees	$ 46	$ 91
Total fees	**$ 484**	**$ 556**

Audit fees represent compensation for professional services rendered for the integrated audit of the consolidated financial statements of the Company and for the review of the quarterly financial information as well as in connection with the review of the Annual Report, review of registration statements and related consents and comfort letters and any other audit services required for SEC or other regulatory filing. Audit fees also include compensation for professional services rendered for the audit and review of the financial statements of a subsidiary of Safe Bulkers, provided by an affiliate of Company's principal accountant. Audit related fees represent compensation for professional services rendered relating to the public offering and listing on the Athens Stock Exchange of unsecured bond by a subsidiary of Safe Bulkers. There were no fees relating to Tax fees. All other fees represent fees for professional services rendered in connection with the review of the sustainability report of the Company, cybersecurity services and subscription services.

Pre-approval Policies and Procedures

The audit committee charter sets forth our policy regarding retention of the independent auditors, giving the audit committee responsibility for the appointment, compensation, retention and oversight of the work of the independent auditors. The audit committee charter provides that the committee is responsible for reviewing and approving in advance the retention of the independent auditors for the performance of all audit and lawfully permitted non-audit services. The chairman of the audit committee or in the absence of the chairman, any member of the audit committee designated by the chairman, has authority to approve in advance any lawfully permitted non-audit services and fees. The audit committee is authorized to establish other policies and procedures for the pre-approval of such services and fees. Where non-audit services and fees are approved under delegated authority, the action must be reported to the full audit committee at its next regularly scheduled meeting.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Preferred Stock

In March 2022, the Company issued a notice of redemption of 1,492,554 of the outstanding Series C Preferred Shares. The redemption was completed on April 29, 2022, at a redemption price of $25.00 per Series C Preferred Share plus all accumulated and unpaid dividends to, but excluding, the redemption date. Following the redemption, there were 804,950 Series C Preferred Shares outstanding, as of December 31, 2024 and as of December 31, 2025.

Common Stock

In June 2022, the Company implemented a new program for the repurchase of an amount up to 5,000,000 shares of its Common Stock. In March 2023, the Company announced an increase of the June 2022 share repurchase program, authorizing the Company to purchase up to a total of 10,000,000 shares of the Company's Common Stock. All shares of Common Stock repurchased under the June 2022 and March 2023 share repurchase programs have been canceled. In May 2023, the Company announced a new program for the repurchase of up to 5,000,000 shares of its Common Stock. In July 2023, the Company terminated the program, having repurchased and canceled an amount of 139,891 shares of Common Stock. In November 2023, we authorized a repurchase program for up to 5,000,000 shares of Common Stock. In April 2024, the Company terminated the program, having repurchased and canceled an amount of 4,860,953 shares of Common Stock. In November 2024, we authorized an additional repurchase program for the repurchase of up to 5,000,000 shares of its Common Stock. In December 2024, the Company terminated the program, having repurchased and canceled an amount of 1,488,690 shares of Common Stock. In February 2025, we authorized a repurchase program for up to 3,000,000 shares of Common Stock. The program was completed in April 2025, and an amount of 3,000,000 shares of common stock was repurchased and canceled pursuant to it. In December 2025, we authorized a repurchase program for up to 10,000,000 shares of Common Stock. The program supersedes any prior repurchase program of the Company. As of March 4, 2026, the Company had repurchased and cancelled an amount of 91,443 shares of Common Stock under the repurchase program.

Purchases under the previously announced repurchase programs were made in the open market and in compliance with applicable laws and regulations. Details on the shares purchased under such program as of March 4, 2026, are set forth in the table below:

Period	Total Number of Shares of Common Stock Purchased (a)	Average Price Paid per Share of Common Stock	Total Number of Common Shares Purchased as Part of Publicly Announced Plan or Programs
January 2025	—	—	—
February 2025	30,059	3.77	30,059
March 2025	1,256,533	3.75	1,286,592
April 2025	1,713,408	3.42	3,000,000
May 2025	—	—	3,000,000
June 2025	—	—	3,000,000
July 2025	—	—	3,000,000
August 2025	—	—	3,000,000
September 2025	—	—	3,000,000
October 2025	—	—	3,000,000
November 2025	—	—	3,000,000
December 2025	68,993	4,82	3,068,993
Total	**3,068,993**	**3,59**	**3,068,993**
January 2026	22,450	4,82	22,450
February 2026	—	—	22,450
March 2026	—	—	22,450
Total	**22,450**	**4,82**	**22,450**
Total	**3,091,443**	**3,60**	**3,091,443**

(a) All purchases were made on the open market in accordance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not Applicable.

ITEM 16G. CORPORATE GOVERNANCE

Statement of Significant Differences Between our Corporate Governance Practices and the NYSE Corporate Governance Standards for U.S. Non-Controlled Issuers

Overview

Pursuant to certain exceptions for foreign private issuers, we are not required to comply with certain of the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, pursuant to Section 303.A.11 of the NYSE Listed Company Manual and the requirements of Form 20-F, we are required to state any significant differences between our corporate governance practices and the practices required by the NYSE. We believe that our established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to our shareholders. For example, our audit committee consists solely of independent directors. The significant differences between our corporate governance practices and the NYSE standards applicable to listed U.S. companies are set forth below.

Independent Directors

The NYSE requires that listed companies have a majority of independent directors. As permitted under Marshall Islands law and our bylaws, our board of directors consists of a majority of non-independent directors.

Executive Sessions

The NYSE requires that non-management directors meet regularly in executive sessions without management. The NYSE also requires that all independent directors meet in an executive session at least once a year. As permitted under Marshall Islands law and our bylaws, our non-management directors do not regularly hold executive sessions without management and we do not expect them to do so..

Corporate Governance, Nominating and Compensation Committee

The NYSE requires that a listed U.S. company have a nominating/corporate governance committee and a compensation committee, each composed of independent directors. As permitted under Marshall Islands law and our bylaws, we have a combined corporate governance, nominating and compensation committee, which at present is comprised solely of independent directors.

Shareholder Approval Requirements

The NYSE requires that a listed U.S. company obtain prior shareholder approval for certain issuances of authorized stock or the approval of, and material revisions to, equity compensation plans. However, as permitted under Marshall Islands law, we do not need to obtain prior shareholder approval in connection with such issuances or equity compensation plans.

ITEM 16H. MINE SAFETY DISCLOSURE

Not Applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an Insider Trading Policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the policy is filed as Exhibit 11.1 to this Annual Report.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy.

Our organization integrates cybersecurity risk management into our overall risk management strategy. Our enterprise risk management includes an integrated quarterly risk assessment procedure to identify and address material risks to the Company's information technology infrastructure. This includes conducting periodic risk assessments to identify potential

cybersecurity threats, using input from external cybersecurity resources as appropriate, and evaluation of cybersecurity risks associated with third-party service providers. Our cybersecurity program includes risk-based policies, standards and procedures designed to manage material cybersecurity risks and evolving threats. We use a layered security approach and periodically evaluate control effectiveness through activities such as penetration testing and simulations. We leverage third-party security monitoring and response services to support our cybersecurity operations. We provide periodic cybersecurity awareness training for employees. We also maintain cybersecurity insurance; however, such insurance may be subject to coverage limits, exclusions, and deductibles and may not cover all losses or liabilities arising from a cybersecurity incident.

Governance

Our Board of Directors, through its Audit Committee, oversees cybersecurity risk management and receives periodic updates from management. In 2024, we appointed a certified Information Security Manager responsible for overseeing our information security and cybersecurity programs and providing periodic updates to the Audit Committee. Management is responsible for implementing cybersecurity controls, monitoring for and responding to incidents, and escalating cybersecurity matters to the Audit Committee as appropriate.

As of the date of this report, based on management's assessment, we are not aware of any cybersecurity incidents that have materially affected, or are reasonably likely to materially affect, the Company, including our business strategy, results of operations, or financial condition.

Although we have put in place the cybersecurity processes described above, cybersecurity threats, attacks and incidents and misuse or manipulation of any of our information technology infrastructure and systems could have a material adverse effect on our business strategy, results of operations or financial condition (see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Company— *We rely on information technology, and if we are unable to protect against service interruptions, data corruption, cyber based attacks or network security breaches, our operations could be disrupted and our business could be negatively affected.").*

ITEM 17. FINANCIAL STATEMENTS

Not Applicable.

ITEM 18. FINANCIAL STATEMENTS

Reference is made to pages F-1 through F-29 incorporated herein by reference.

ITEM 19. EXHIBITS

Exhibit	Description
1.1	First Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3.1 on the Company's Registration Statement on Form F-1 (Reg. No. 333-150995))
1.2	Articles of Amendment of First Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 99.1 on the Company's Form 6-K, filed on October 8, 2009)
1.3	First Amended and Restated Bylaws (Incorporated by reference to Exhibit 3.2 on the Company's Registration Statement on Form F-1 (Reg. No. 333-150995))
2.1	Form of Registration Rights Agreement between Safe Bulkers, Inc. and Vorini Holdings Inc. (Incorporated by reference to Exhibit 4.2 on the Company's Registration Statement on Form F-1 (Reg. No. 333-150995))
2.2	Shareholders Rights Agreement, dated August 5, 2020, between Safe Bulkers, Inc. and American Stock Transfer & Trust Company (Incorporated by reference to Exhibit 4.1 on the Company's Form 6-K, filed on August 6, 2021)
2.3	Specimen Share Certificate (Incorporated by reference to Exhibit 4.1 on the Company's Registration Statement on Form F-1 (Reg. No. 333-150995))
2.4	Statement of Designation of the 8.00% Series C Cumulative Redeemable Perpetual Preferred Shares (Par Value $0.01 Per Share) (Incorporated by reference to Exhibit 3.4 on the Company's Form 8-A12B filed on May 7, 2014)

Exhibit	Description
2.5	Statement of Designation of the 8.00% Series D Cumulative Redeemable Perpetual Preferred Shares (Par Value $0.01 Per Share) (Incorporated by reference to Exhibit 3.4 on the Company's Form 8-A12B filed on June 30, 2014)
2.6	Statement of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock (Incorporated by reference to Exhibit 3.1 on the Company's Form 6-K, filed on August 6, 2021)
2.7	Description of Securities
4.1	Management Agreement, dated May 29, 2018, between Safety Management Overseas S.A. and Safe Bulkers, Inc.
4.2	Management Agreement, dated May 29, 2018, between Safe Bulkers Management Limited and Safe Bulkers, Inc.
4.3	Second Amended and Restated Restrictive Covenant Agreement, dated August 2, 2017, among Safe Bulkers, Inc., Polys Hajioannou, Vorini Holdings Inc. and Machairiotissa Holdings Inc. (Incorporated by reference to Exhibit 4.3 on the Company's Form 20-F, filed on March 2, 2018)
4.4	Second Amended and Restated Restrictive Covenant Agreement, dated August 2, 2017, between Safe Bulkers, Inc. and Polys Hajioannou (Incorporated by reference to Exhibit 4.4 on the Company's Form 20-F, filed on March 2, 2018)
4.5	Amended and Restated Loan Agreement, dated October 3, 2018, by and among Safe Bulkers, Inc., DNB Bank ASA, as Mandated Lead Arranger, DNB Bank ASA, as Agent, DNB Bank ASA, as Swap Provider, and DNB Bank ASA, as Security Agent
4.6	Amended and Restated Loan Agreement, dated March 28, 2019, by and among Safe Bulkers, Inc., DNB Bank ASA, as Mandated Lead Arranger, DNB Bank ASA, as Agent, DNB Bank ASA, as Swap Provider, and DNB Bank ASA, as Security Agent
4.7	At-The-Market Equity Offering Sales Agreement between Safe Bulkers, Inc. and DNB Markets, Inc. (Incorporated by reference to Exhibit 1.1 on the Company's Form 6-K, filed on August 7, 2020)
4.8	Amendment No. 1 to the At-the-Market Equity Offering Sales Agreement, dated as of May 26, 2021, by and between Safe Bulkers, Inc. and DNB Markets, Inc. (Incorporated by reference to Exhibit 1.1 on the Company's Form 6-K, filed on May 27, 2021)
4.9	Amended and Restated Loan Agreement, dated September 27, 2021, by and among Safe Bulkers, Inc., DNB Bank ASA, as Mandated Lead Arranger,DNB Bank ASA, as Agent, DNB Bank ASA, as Swap Provider, and DNB Bank ASA, as Security Agent
4.10	Indenture dated February 11, 2022, with respect to Safe Bulkers Participations Plc €100mm bond due 2027 with semi-annual coupon of 2.95% p.a., with Safe Bulkers, Inc. as guarantor
4.11	Restated Restrictive Covenant Agreement dated October 4, 2022among Safe Bulkers, Inc., Polys Hajioannou, Vorini Holdings Inc. and Machairiotissa Holdings Inc.
4.12	Restrictive Covenant Agreement dated October 4, 2022, between Safe Bulkers, Inc. and Polys Hajioannou.
4.13	Amended and Restated Loan Agreement, dated September 27, 2021, by and among Safe Bulkers, Inc., DNB Bank ASA, as Mandated Lead Arranger,DNB Bank ASA, as Agent, DNB Bank ASA, as Swap Provider, and DNB Bank ASA, as Security Agent
4.14	Management Agreement between Safe Bulkers Management Monaco Inc. and Safe Bulkers, Inc. dated April 1 2022
4.15	Amended Management Agreement between Safe Bulkers Management Limited and Safe Bulkers, Inc. dated April 1 2022

Exhibit	Description
4.16	Amended Management Agreement between Safety Management Overseas S.A. and Safe Bulkers, Inc. dated April 1 2022
4.17	Amended Management Agreement between Safe Bulkers Management Monaco Inc. and Safe Bulkers, Inc. dated May 29, 2024
4.18	Amended Management Agreement between Safe Bulkers Management Limited and Safe Bulkers, Inc. dated May 29, 2024
4.19	Amended Management Agreement between Safety Management Overseas S.A. and Safe Bulkers, Inc. dated May 29, 2024
8.1	List of Subsidiaries
11.1	Insider Trading policy
12.1	Certification of principal executive officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended
12.2	Certification of principal financial officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended
13.1	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of principal financial officer pursuant to 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of Independent Registered Public Accounting Firm
97.1	Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2025, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets as of December 31, 2024 and 2025; (ii) Consolidated Statements of Income for the years ended December 31, 2023, 2024 and 2025; (iii) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2023, 2024 and 2025; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2024 and 2025; and (v) Notes to Consolidated Financial Statements

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

By: /s/ KONSTANTINOS ADAMOPOULOS
March 4, 2026
Name: Konstantinos Adamopoulos
Title: Chief Financial Officer and Director

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Safe Bulkers, Inc.
Majuro, Republic of the Marshall Islands.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Safe Bulkers Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2025, the related consolidated statements of income, shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025, 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, 2024 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, 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, 2025, 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 March 4, 2026, 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.

Vessels, net – Future Charter Rates on vessels with impairment indications – Refer to Note 2 of the consolidated financial statements.

Critical Audit Matter Description

The Company's evaluation of its vessels for impairment involves an initial assessment of each vessel to determine whether events or changes in circumstances exist that may indicate that the carrying amount of the vessel is greater than its fair value and may no longer be recoverable. As at December 31, 2025, 5 out of 45 vessels had impairment indications.

If indicators of impairment exist for a vessel, the Company determines the recoverable amount by estimating the undiscounted future cash flows associated with the vessel. If the carrying value of the vessel exceeds its undiscounted future net cash flows, the carrying value is reduced to its fair value. The undiscounted future cash flows incorporate various factors and significant assumptions, including estimated future charter rates. Future charter rates reflect the rates currently in effect for the duration of the vessels' current charters, and an estimated daily time charter equivalent for the unchartered period using the twelve -month budgeted rate for the vessel class for the first year. the Forward Freight Agreement charter rate for the vessel class for the second year; and thereafter, the most recent ten-year historical time charter average for the vessel class adding an estimated premium for vessels with installed scrubbers.

We identified future charter rates, used in the undiscounted future cash flows analysis of vessels with impairment indications, 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 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 on vessels with impairment indications 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 by:
  1. Evaluating the Company's methodology for estimating the future charter rates by comparing the future charter rates utilized in the future undiscounted net operating cash flows to a) the Company's historical rates, including the actual scrubber premium earned on the Company's past charter contracts, b) historical rate information by vessel class published by third parties c) the Company's budget and d) other external market sources, including analysts' reports, market reports on spreads on marine fuel (for determination of premium for scrubber fitted vessels) and reports on prospective market outlook.
  2. Considering the consistency of the assumptions used in the future charter rates, including scrubber premium, with evidence obtained in other areas of the audit. This included internal communications by management to the board of directors and external communications by management to analysts.
  3. Evaluating management's ability to accurately forecast by comparing actual results to management's historical forecasts.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
March 4, 2026

We have served as the Company's auditor since 2007.

SAFE BULKERS, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2025
(In thousands of U.S. Dollars, except for share and per share data)

	Notes	December 31, 2024	December 31, 2025
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		$ 81,083	$ 141,579
Time deposits		44,339	11,569
Accounts receivable		13,346	8,854
Due from Managers	3	829	2,320
Inventories		14,883	19,005
Derivative assets	11	—	6,485
Accrued revenue	15	903	615
Restricted cash		3,000	—
Prepaid expenses and other current assets		7,008	5,363
Short term investment		—	4,811
Total current assets		165,391	200,601
FIXED ASSETS:			
Vessels, net	4	1,144,318	1,105,584
Advances for vessels	5	85,204	87,299
Total fixed assets		1,229,522	1,192,883
OTHER NON CURRENT ASSETS:			
Restricted cash		7,475	9,675
Derivative assets	11	672	—
Other non current assets		36	23
Total assets		1,403,096	1,403,182
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net	6	58,191	42,371
Unearned revenue	15	6,538	5,224
Trade accounts payable		9,903	13,370
Accrued liabilities	12	11,807	7,858
Derivative liabilities	11	—	208
Due to Managers	3	33	27
Total current liabilities		86,472	69,058
Long-term debt, net	6	478,450	497,772
Unearned revenue	15	2,624	2,313
Derivative liabilities	11	1,419	27
Other liabilities		2,513	3,305
Total liabilities		571,478	572,475
COMMITMENTS AND CONTINGENCIES	8		
SHAREHOLDERS' EQUITY:			
Common stock, $0.001 par value; 200,000,000 authorized, 105,288,996 and 102,259,402 issued and outstanding at December 31, 2024 and 2025, respectively	7	105	102
Preferred stock, $0.01 par value; $20,000,000 authorized, 804,950 and 804,950 Series C Preferred Shares, 3,195,050 and 3,195,050 Series D Preferred Shares, issued and outstanding at December 31, 2024 and 2025, respectively	7	40	40
Additional paid in capital		324,137	313,276
Retained earnings		507,336	517,289
Total shareholders' equity		831,618	830,707
Total liabilities and shareholders' equity		1,403,096	1,403,182

The accompanying notes are an integral part of these consolidated financial statements.

SAFE BULKERS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(In thousands of U.S. Dollars, except for share and per share data)

		Years Ended December 31,		
	Notes	2023	2024	2025
REVENUES:				
Revenues	9	$ 295,393	$ 320,679	$ 288,131
Commissions		(10,992)	(13,046)	(12,394)
Net revenues		$ 284,401	$ 307,633	$ 275,737
EXPENSES:				
Voyage expenses		(21,666)	(16,728)	(19,451)
Vessel operating expenses	10	(89,201)	(92,601)	(97,347)
Depreciation and amortization	4	(54,129)	(58,135)	(59,878)
General and administrative expenses				
- Management fee to related parties	3,14	(19,199)	(21,357)	(24,051)
- Company administration expenses	14	(4,564)	(5,678)	(5,802)
Other operating expense		(1,869)	(1,262)	(3,837)
Gain on sale of assets	16	10,375	16,555	4,596
Operating income		$ 104,148	$ 128,427	$ 69,967
OTHER (EXPENSE)/INCOME:				
Interest expense	6	(24,707)	(31,375)	(30,343)
Other finance cost		(756)	(618)	(712)
Interest income		2,497	3,396	5,120
Gain/(loss) on derivatives	11	523	(3,670)	7,325
Foreign currency (loss)/gain		(1,873)	4,172	(10,044)
Amortization and write-off of deferred finance charges		(2,481)	(2,956)	(2,750)
Net income		$ 77,351	$ 97,376	$ 38,563
Less preferred dividend attributable to preferred shareholders		8,000	8,000	8,000
Net income available to common shareholders		$ 69,351	$ 89,376	$ 30,563
Earnings per share in U.S. Dollars, basic and diluted	18	$ 0.61	$ 0.83	$ 0.30
Weighted average number of shares, basic and diluted		113,619,092	107,576,009	103,038,189

The accompanying notes are an integral part of these consolidated financial statements.

SAFE BULKERS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(In thousands of U.S. Dollars)

	Common Stock	Preferred Stock	Additional Paid in Capital	Retained Earnings	Total
Balance as of January 1, 2023	**$ 119**	**$ 40**	**$ 378,968**	**$ 392,789**	**$ 771,916**
Net income	—	—	—	77,351	77,351
Repurchase and cancellation of common stock	(7)	—	(26,215)	—	(26,222)
Share based compensation	—	—	144	—	144
Common share dividends declared and paid ($0.20 per share of common stock)	—	—	—	(22,678)	(22,678)
Preferred share dividends declared and paid ($2.00 per share of preferred C shares and $2.00 per share of preferred D shares)	—	—	—	(8,000)	(8,000)
Balance at December 31, 2023	**$ 112**	**$ 40**	**$ 352,897**	**$ 439,462**	**$ 792,511**
Net income	—	—	—	97,376	97,376
Repurchase and cancellation of common stock	(7)	—	(28,910)	—	(28,917)
Share based compensation	—	—	150	—	150
Common share dividends declared and paid ($0.20 per share of common stock)	—	—	—	(21,502)	(21,502)
Preferred share dividends declared and paid ($2.00 per share of preferred C shares and $2.00 per share of preferred D shares)	—	—	—	(8,000)	(8,000)
Balance at December 31, 2024	**$ 105**	**$ 40**	**$ 324,137**	**$ 507,336**	**$ 831,618**
Net income	—	—	—	38,563	38,563
Repurchase and cancellation of common stock	(3)	—	(11,011)	—	(11,014)
Share based compensation	—	—	150	—	150
Common share dividends declared and paid ($0.20 per share of common stock)	—	—	—	(20,610)	(20,610)
Preferred share dividends declared and paid ($2.00 per share of preferred C shares and $2.00 per share of preferred D shares)	—	—	—	(8,000)	(8,000)
Balance at December 31, 2025	**$ 102**	**$ 40**	**$ 313,276**	**$ 517,289**	**$ 830,707**

The accompanying notes are an integral part of these consolidated financial statements.

SAFE BULKERS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025
(In thousands of U.S. Dollars)

	December 31,		
	2023	2024	2025
Cash Flows from Operating Activities:			
Net income	$ 77,351	$ 97,376	$ 38,563
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	54,129	58,135	59,878
Gain on sale of assets	(10,375)	(16,555)	(4,596)
Unrealized loss on inventory valuation	1,869	1,262	3,837
Amortization and write-off of deferred finance charges	2,481	2,956	2,750
Unrealized (gain)/loss on derivatives	(204)	2,898	(6,997)
Unrealized foreign exchange loss/(gain)	882	(5,784)	13,111
Share based compensation	144	150	150
Change in:			
Accounts receivable	(2,311)	(4,560)	4,492
Due from Managers	8	(815)	(1,491)
Inventories	(683)	928	(7,959)
Accrued revenue	323	(339)	288
Prepaid expenses and other current assets	(849)	(395)	1,645
Due to Managers	(58)	33	(6)
Trade accounts payable	385	(1,116)	3,520
Accrued liabilities	160	4,666	(4,073)
Non current assets & Other liabilities	1,704	(3,443)	805
Unearned revenue	(2,749)	(4,939)	(1,625)
Net Cash Provided by Operating Activities	$ 122,207	$ 130,458	$ 102,292
Cash Flows from Investing Activities:			
Vessel advances	(209,103)	(144,775)	(41,992)
Proceeds from sale of assets	30,773	77,996	23,389
Acquisition of short term investment	—	—	(4,811)
Increase in bank time deposits	(52,870)	(81,988)	(118,698)
Maturity of bank time deposits	79,474	77,035	151,812
Net Cash (Used in) / Provided by Investing Activities	$ (151,726)	$ (71,732)	$ 9,700
Cash Flows from Financing Activities:			
Proceeds from long-term debt	255,200	248,300	214,950
Principal payments of long-term debt	(165,226)	(212,140)	(225,486)
Dividends paid	(30,678)	(29,502)	(28,610)
Payment of deferred financing costs	(2,846)	(2,844)	(2,211)
Other financing liability payments	(1,087)	(755)	—
Repurchase of common stock	(26,222)	(28,917)	(11,014)
Net Cash Provided by/(Used in) Financing Activities	$ 29,141	$ (25,858)	$ (52,371)

	December 31,		
	2023	2024	2025
Net (decrease)/increase in cash, cash equivalents and restricted cash	(378)	32,868	59,621
Effect of exchange rate changes on cash, cash equivalents and restricted cash	353	(371)	75
Cash, cash equivalents and restricted cash at beginning of year	$ 59,086	$ 59,061	$ 91,558
Cash, cash equivalents and restricted cash at end of year	$ 59,061	$ 91,558	$ 151,254
Supplemental cash flow information:			
Cash paid for interest (excluding capitalized interest):	22,340	29,452	35,195
Non Cash Investing and Financing Activities:			
Unpaid financing fees	103	150	181
Unpaid capital expenditures	842	136	176
Reconciliation of Cash, Cash Equivalents and Restricted Cash:			
Cash and cash equivalents	48,191	81,083	141,579
Restricted cash – Current assets	2,020	3,000	—
Restricted cash – Non current assets	8,850	7,475	9,675
Cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 59,061	$ 91,558	$ 151,254

The accompanying notes are an integral part of these consolidated financial statements.

SAFE BULKERS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of United States Dollars—except for share and per share data, unless otherwise stated)

1. Basis of Presentation and General Information

Safe Bulkers, Inc. ("Safe Bulkers") was formed on December 11, 2007, under the laws of the Republic of the Marshall Islands. Safe Bulkers' common stock trades on the New York Stock Exchange ("NYSE") under the symbol "SB".

Polys Hajioannou, by virtue of shares owned indirectly through various private entities, owns or controls 47.31% of our outstanding common stock and is the largest shareholder of Safe Bulkers and as a result has significant influence on the outcome of matters on which shareholders are entitled to vote, including the election of the entire board of directors and other significant corporate actions.

Since Safe Bulkers' initial public offering in 2008, Safe Bulkers has successfully completed five additional public common stock offerings, three preferred stock offerings and an unsecured bond issuance, and it partially completed an "at-the-market" common stock equity offering program (the "ATM Program").

As of December 31, 2025, Safe Bulkers held 60 wholly owned companies (which are referred to herein as "Subsidiaries") which together owned and operated a fleet of 45 drybulk vessels and were scheduled to acquire six additional newbuild vessels (the "Newbuilds"). Safe Bulkers and its Subsidiaries are collectively referred to in the notes to the consolidated financial statements as the "Company".

The Company's principal business is the ownership and operation of drybulk vessels. The Company's vessels operate worldwide, carrying drybulk cargo for the world's largest consumers of marine drybulk transportation services. Safety Management Overseas S.A., a company incorporated under the laws of the Republic of Panama ("Safety Management"), Safe Bulkers Management Limited, a company incorporated under the laws of the Republic of Cyprus ("Safe Bulkers Management") and together with Safety Management, the "Original Managers", and Safe Bulkers Management Monaco Inc., a company incorporated under the laws of the Republic of the Marshall Islands ("Safe Bulkers Management Monaco" or "New Manager") and together with the Original Managers, the "Managers" and either of them, the "Manager", related parties all controlled by Polys Hajioannou, provide technical, commercial and administrative management services to the Company.

The accompanying consolidated financial statements include the operations, assets and liabilities of the Company, and of its Subsidiaries listed below.

Subsidiary	Vessel Name	Type	Built[4]
Glovertwo Shipping Corporation ("Glovertwo")[2]	Zoe	Panamax	July 2013
Stalem Shipping Corporation ("Stalem")[2][8]	Koulitsa 2	Panamax	February 2013
Shikokutessera Shipping Inc. ("Shikokutessera")[2]	Kypros Land	Panamax	January 2014
Shikokupente Shipping Inc. ("Shikokupente")[2]	Kypros Sea	Panamax	March 2014
Gloverfour Shipping Corporation ("Gloverfour")[2]	Kypros Bravery	Panamax	January 2015
Shikokuokto Shipping Corporation ("Shikokuokto")[2]	Kypros Sky	Panamax	March 2015
Gloverfive Shipping Corporation ("Gloverfive")[2]	Kypros Loyalty	Panamax	June 2015
Marilem Shipping Corporation ("Marilem")[2][6][8]	Kypros Spirit	Panamax	July 2016
Vassone Shipping Corporation ("Vassone")[2]	Pedhoulas Commander	Kamsarmax	May 2008
Youngtwo Shipping Corporation ("Youngtwo")[2]	Pedhoulas Rose	Kamsarmax	January 2017
Pinewood Shipping Corporation ("Pinewood")[2]	Pedhoulas Cedrus	Kamsarmax	June 2018
Agros Shipping Corporation ("Agros")[2]	Vassos	Kamsarmax	May 2022
Yasudyo Shipping Corporation ("Yasudyo")[2]	Pedhoulas Trader	Kamsarmax	September 2023
Shimafive Shipping Corporation ("Shimafive")[2]	Morphou	Kamsarmax	October 2023
Shimaeight Shipping Corporation ("Shimaeight")[2]	Rizokarpaso	Kamsarmax	November 2023
Shimasix Shipping Corporation ("Shimasix")[2]	Ammoxostos	Kamsarmax	January 2024
Shimaseven Shipping Corporation ("Shimaseven")[2]	Kerynia	Kamsarmax	January 2024
Georgos Shipping Corporation ("Georgos")[2]	Pedhoulas Farmer	Kamsarmax	July 2024
Agonistis Shipping Corporation ("Agonistis")[2]	Pedhoulas Fighter	Kamsarmax	October 2024
Shimanine Shipping Corporation ("Shimanine")[2]	Efrossini	Kamsarmax	April 2025
Marinouki Shipping Corporation ("Marinouki")[1]	Marina	Post-Panamax	January 2006
Vasstwo Shipping Corporation ("Vasstwo")[1]	Xenia	Post-Panamax	August 2006
Soffive Shipping Corporation ("Soffive")[1]	Sophia	Post-Panamax	June 2007
Eniaprohi Shipping Corporation ("Eniaprohi")[1]	Eleni	Post-Panamax	November 2008
Eniadefhi Shipping Corporation ("Eniadefhi")[1]	Martine	Post-Panamax	February 2009
Maxdodeka Shipping Corporation ("Maxdodeka")[1]	Andreas K	Post-Panamax	September 2009

Subsidiary	Vessel Name	Type	Built[4]
Pentakomo Shipping Corporation (“Pentakomo”)[2]	Agios Spyridonas	Post-Panamax	January 2010
Maxdeka Shipping Corporation (“Maxdeka”)[2]	Venus Heritage	Post-Panamax	December 2010
Shikoku Friendship Shipping Company (“Shikoku”)[2]	Venus History	Post-Panamax	September 2011
Maxenteka Shipping Corporation (“Maxenteka”)[2]	Venus Horizon	Post-Panamax	February 2012
Vaslem Shipping Corporation (“Vaslem”)[2][8]	Venus Harmony	Post-Panamax	November 2013
Shikokuepta Shipping Inc. (“Shikokuepta”)[2]	Troodos Sun	Post-Panamax	January 2016
Kastrolem Shipping Corporation (“Kastrolem”)[2][8]	Troodos Air	Post-Panamax	March 2016
Monagrouli Shipping Corporation (“Monagrouli”)[2]	Troodos Oak	Post-Panamax	April 2020
Lofou Shipping Corporation (“Lofou”)[2]	Climate Respect	Post-Panamax	July 2022
Gloverthree Shipping Corporation (“Gloverthree”)[2]	Climate Ethics	Post-Panamax	January 2023
Gloverseven Shipping Corporation (“Gloverseven”)[2]	Climate Justice	Post-Panamax	June 2023
Shikokuennia Shipping Corporation (“Shikokuennia”)[2]	Mount Troodos	Capesize	November 2009
Maxpente Shipping Corporation (“Maxpente”)[1]	Kanaris	Capesize	March 2010
Eptaprohi Shipping Corporation (“Eptaprohi”)[1]	Pelopidas	Capesize	November 2011
Metamou Shipping Corporation (“Metamou”)[2]	Stelios Y	Capesize	March 2012
Armonikos Shipping Corporation (“Armonikos”)[2]	Michalis H	Capesize	March 2012
Kyotofriendo One Shipping Corporation (“Kyotofriendo One”)[2]	Aghia Sofia	Capesize	March 2012
Staloudi Shipping Corporation (“Staloudi”)[1]	Maria	Capesize	January 2014
Maxtessera Shipping Corporation (“Maxtessera”)[2]	Lake Despina	Capesize	January 2014
Shimaten Shipping Corporation (“Shimaten”)[2][4]	TBN - H 11166	Kamsarmax	Q2 2026
Shimaeleven Shipping Corporation (“Shimaeleven”)[2][4]	TBN - H 11167	Kamsarmax	Q3 2026
Yasutria Shipping Corporation (“Yasutria”)[2][4]	TBN - H S6303	Kamsarmax	Q4 2026
Kypriakes Aktes Inc. (“Kypriakes Aktes”)[2][4][13]	TBN - H SS386	Kamsarmax	Q4 2026
Kypriakes Grammes Inc. (“Kypriakes Grammes”)[2][4][13]	TBN - H SS387	Kamsarmax	Q1 2027
Shimatwelve Shipping Corporation (“Shimatwelve”)[2][4]	TBN - H 11202	Kamsarmax	Q1 2027
Newpemer Shipping Corporation (“Newpemer”)[2][4][19]	TBN - H 1419	Kamsarmax	Q3 2028
Newpelea Shipping Corporation (“Newpelea”)[2][4][20]	TBN - H 1420	Kamsarmax	Q1 2029
Safe Bulkers Participations Plc. ("Safe Bulkers Participations")[3]	—	—	—
Avstes Shipping Corporation (“Avstes”)[1][17]	—	—	—
Gloversix Shipping Corporation (“Gloversix”)[2][6]	—	—	—
Kerasies Shipping Corporation (“Kerasies”)[1][11][17]	—	—	—
Kyotofriendo Two Shipping Corporation (“Kyotofriendo Two”)[2][7]	—	—	—
Marathassa Shipping Corporation (“Marathassa”)[1][5][17]	—	—	—
Marindou Shipping Corporation (“Marindou”)[1][17]	—	—	—
Maxdekatria Shipping Corporation (“Maxdekatria”)[1][14][17]	—	—	—
Maxeikosi Shipping Corporation (“Maxeikosi”)[1][17]	—	—	—
Maxeikosiena Shipping Corporation (“Maxeikosiena”)[1][17]	—	—	—
Maxeikositria Shipping Corporation (“Maxeikositria”)[1][17]	—	—	—
Maxeikositessera Shipping Corporation (“Maxeikositessera”)[2][10]	—	—	—
Maxeikosipente Shipping Corporation (“Maxeikosipente”)[1][17]	—	—	—
Maxeikosiexi Shipping Corporation (“Maxeikosiexi”)[1][17]	—	—	—
Maxeikosiepta Shipping Corporation (“Maxeikosiepta”)[1][17]	—	—	—
Pemer Shipping Ltd. (“Pemer”)[1][15]	—	—	—
Pelea Shipping Ltd. (“Pelea”)[1][16]	—	—	—
Petra Shipping Ltd. (“Petra”)[1][9][17]	—	—	—
Shikokuexi Shipping Inc. (“Shikokuexi”)[2]	—	—	—
Youngone Shipping Corporation (“Youngone”)[2][12][18]	—	—	—
Napalem Shipping Corporation (“Napalem”)[2][7][8][18]	—	—	—

(1) *Incorporated under the laws of the Republic of Liberia.*
(2) *Incorporated under the laws of the Republic of the Marshall Islands.*
(3) *Safe Bulkers Participations is a wholly owned subsidiary of Safe Bulkers, incorporated under the laws of the Republic of Cyprus and is the holding company of four wholly owned subsidiaries, Vaslem, Stalem, Kastrolem and Marilem. Safe Bulkers Participations has issued and listed an unsecured bond of euro 100 million on the Athens Stock Exchange. See Note 6.*
(4) *Estimated completion date for newbuild vessels as of December 31, 2025.*
(5) *The Company owned the Panamax class vessel Maritsa, built 2005, which was sold in February 2024 and delivered to her new owners in May 2024.*
(6) *In February 2024, Gloversix entered into an agreement with Marilem for the sale of the Panamax class vessel Kypros Spirit, built 2016, which was delivered in March 2024.*
(7) *In February 2024, Kyotofriendo Two entered into an agreement with Napalem for the purchase of the Panamax class vessel Paraskevi 2, built 2011, which was delivered in February 2024. Subsequently, Paraskevi 2 was sold to a third party in March 2024 and delivered to her new owners in July 2024.*
(8) *Wholly owned subsidiary of Safe Bulkers Participations.*
(9) *The Company owned the Kamsarmax class vessel Pedhoulas Trader, built 2006, which was sold in September 2022 and delivered to her new owners in January 2023.*
(10) *The Company owned the Panamax class vessel Efrossini, built 2012, which was sold in March 2023 and delivered to her new owners in July 2023.*
(11) *The Company owned the Panamax class vessel Katerina, built 2004, which was sold in November 2023 and delivered to her new owners in December 2023.*
(12) *The Company owned the Kamsarmax class vessel Pedhoulas Cherry, built 2015, which was sold in November 2023 and delivered to her new owners in February 2024.*
(13) *The Company entered into an agreement for the acquisition of a methanol dual fueled Kamsarmax class dry bulk newbuild vessel.*
(14) *The Company owned the Post-Panamax class vessel Panayiota K, built 2010, which was sold in March 2024 and delivered to her new owners in April 2024.*
(15) *The Company owned the Post-Panamax class vessel Pedhoulas Merchant, built 2010, which was sold in August 2025 and delivered to her new owners in September 2025.*
(16) *The Company owned the Post-Panamax class vessel Pedhoulas Leader, built 2010, which was sold in July 2025 and delivered to her new owners in September 2025.*
(17) *The Company was dissolved in August 2025.*
(18) *The Company was dissolved in September 2025.*
(19) *In January 2026, the Company entered into a contract for the construction and acquisition of a newbuild Kamsarmax class vessel scheduled for delivery in 2028. See subsequent events Note 19.*
(20) *In January 2026, the Company entered into a contract for the construction and acquisition of a newbuild Kamsarmax class vessel scheduled for delivery in 2029. See subsequent events Note 19.*

For the years ended December 31, 2023, 2024 and 2025 the following charterers individually accounted for more than 10% of the Company's revenues as follows:

	December 31,		
	2023	2024	2025
ADM International SARL	— %	— %	16.46 %
Cargill International S.A.	16.69 %	12.32 %	— %
Nippon Yusen Kabushiki Kaisha	— %	12.19 %	— %
Olam International Limited	10.18 %	— %	— %

2. 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") and include all accounts of the Company. All intercompany balances and transactions have been eliminated upon consolidation.

Use of Estimates: The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates may include recoverability of long-lived assets, the valuation of amounts due from charterers, residual value of vessels and the useful life of vessels. Actual results may differ from these estimates.

Other Comprehensive Income: The Company follows the accounting guidance relating to Statement of Comprehensive Income, which requires separate presentation of certain transactions that are recorded directly as components of shareholders' equity. The Company has no other comprehensive income and accordingly comprehensive income equals net income for the periods presented.

Foreign Currency Translation: The reporting and functional currency of the Company is the U.S. dollar ("USD"). Transactions incurred in other currencies are translated into USD using the exchange rates in effect at the time of the transaction. On the balance sheet date, monetary assets and liabilities that are denominated in other currencies are translated into USD to reflect the end-of-period exchange rates. Resulting gains or losses from foreign currency transactions are recorded within foreign currency gain/(loss) in the accompanying consolidated statements of income in the period in which they arise.

Cash and Cash Equivalents: Cash and cash equivalents consist of current, call, time deposits and certificates of deposit with original maturities of three months or less and which are not restricted for use or withdrawal.

Time Deposits: Time deposits are held with banks with original maturities longer than three months. In the event remaining maturities are shorter than 12 months, such deposits are classified as current assets; if original maturities are longer than 12 months, such deposits are classified as non-current assets.

Restricted Cash: Restricted cash represents minimum cash deposits or cash collateral deposits required to be maintained with certain banks under the Company's borrowing arrangements or in relation to bank guarantees issued on behalf of the Company. In the event that the obligation relating to such deposits is expected to be terminated within the next 12 months, these deposits are classified as current assets; otherwise they are classified as non-current assets.

Short Term Investment: Short Term investments comprise financial instruments with original maturities of more than three months but less than one year, or investments that are intended to be realized within twelve months from the reporting date. During the year ended December 31, 2025 the Company invested in a one year $5,000 Treasury Bill at the purchase price of $4,811, which was recorded in the consolidated balance sheet at cost as the Company intended to hold the investment until its maturity on April 16, 2026. The difference between the purchase price and the maturity value is amortized over the term of the instrument and recognized as interest income in the accompanying consolidated statements of income.

Accounts Receivable: Accounts receivable reflect trade receivables from time or voyage charters and other receivables from operational activities, net of an allowance for doubtful accounts. On each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. No allowance for doubtful accounts was recorded for any of the periods presented.

Inventories: Inventories consist of bunkers and lubricants owned by the Company remaining on board the vessels at the end of each reporting period, which are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Inventories consist of $8,578 and $12,391 of bunkers and of $6,305 and $6,614 of lubricants as of December 31, 2024 and 2025, respectively.

Vessels, Net: Vessels are stated at their cost, which consists of the contracted purchase price and any direct material expenses incurred upon acquisition (including improvements, on-site supervision expenses and financing costs incurred during the construction period for vessels under construction, commissions paid, delivery expenses and other expenditures to prepare the vessel for her initial voyage), less accumulated depreciation and impairment, if any. Certain subsequent expenditures for conversions, major improvements and regulatory requirements are also capitalized if it is determined that they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels.

Vessels' Depreciation: Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated residual value. The Company estimates the useful life of its vessels to be 25 years from the date of initial delivery from the shipyard. Second-hand vessels are depreciated from the date they become available for use through their remaining estimated useful life. Effective January 1, 2022, we changed the estimate of vessels' residual value, from a scrap rate of $182 per light weight ton to $375 per light weight ton.

Accounting for Special Survey and Drydocking Costs: Special survey and drydocking costs are expensed in the period incurred and are included in vessel operating expenses in the accompanying consolidated statements of income.

Repairs and Maintenance: Repair and maintenance expenses, including overhauling and underwater inspection expenses, are expensed when incurred and are included in vessel operating expenses in the accompanying consolidated statements of income.

Impairment of Vessels: The Company follows the 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, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related vessels. Various factors including anticipated future charter rates, estimated scrap values, future drydocking costs and estimated voyage and vessel operating costs are included in this analysis. If the carrying value of the related vessel exceeds the undiscounted cash flows, the carrying value is reduced to its estimated fair value and the difference is recorded as an impairment loss in the consolidated statements of income.

Right-of-Use Asset - Finance Leases: The Company assesses whether a contract is, or contains, a lease, at inception of the contract. A right-of-use asset and a corresponding lease liability is recognized with respect to all lease arrangements in which the Company is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the lease payments are recognized as an operating expense on a straight-line basis over the term of the lease. The Company does not have any significant operating leases.

A lease is classified as a finance lease when the lease meets any of the following criteria at lease commencement a) the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, b) the lease grants the lessee an option to purchase the underlying asset that the lessee is reasonably certain to exercise, c) the lease term is for the major part of the remaining economic life of the underlying asset, d) the present value of the sum of the lease payments and any residual value guaranteed by the lessee that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset or e) the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. When none of these criteria is met, the lease is classified as an operating lease.

Finance leases are accounted for as the acquisition of a finance right-of-use asset and the incurrence of an obligation by the lessee. At the commencement date of the finance lease, a lessee initially measures the lease liability at the present value, using the discount rate determined on the commencement of the lease payments to be made over the lease term. Subsequently, the lease liability is increased by the interest on the lease liability and decreased by the lease payments during the period. The interest on the lease liability is determined in each period during the lease term as the amount that produces a constant periodic discount rate on the remaining balance of the liability, taking into consideration the reassessment requirements.

A lessee initially measures the finance right-of-use asset at cost which consists of: the amount of the initial measurement of the lease liability; any lease payments made to the lessor at or before the commencement date, less any lease incentives received;

and any initial direct costs incurred by the lessee. Subsequently, the finance right-of-use asset is measured at cost less any accumulated amortization and any accumulated impairment losses, taking into consideration the reassessment requirements. The finance right-of-use asset is amortized on a straight-line basis from the commencement date to the end of the useful life of the finance right-of-use asset where the lease transfers ownership of the underlying asset to the lessee or the lessee is reasonably certain to exercise an option to purchase the underlying asset.

Deferred Financing Costs: Financing fees incurred for obtaining new loans and credit facilities are deferred and amortized over the term of the respective loan or credit facility using the effective interest rate method. The unamortized deferred financing costs are presented as a direct deduction from the carrying amount of the related loan and credit facility in the consolidated balance sheet. Deferred financing costs relating to undrawn facilities are presented under non-current assets in the consolidated balance sheet. Any unamortized balance of costs relating to term loans repaid or refinanced is expensed in the period in which the repayment or refinancing is made, subject to the guidance regarding Debt Extinguishment. Any unamortized balance of costs related to credit facilities repaid and terminated is expensed in the same period. Any unamortized balance of costs relating to the credit facilities refinanced is deferred and amortized over the term of the respective refinanced credit facility in the period in which the refinancing occurs, subject to the provisions of the accounting guidance relating to changes in Line-of-Credit or Revolving-Debt Arrangements.

Derivative Instruments: The Company may enter into foreign exchange forward contracts, interest rate derivatives, bunker fuel price derivatives and forward freight contracts to create economic hedges for its exposure to foreign currency movement, interest rates of its loan obligations, bunker fuel consumed by its vessels and freight rates relating to the fluctuation of the vessel charter markets and on certain other obligations. When such derivatives do not qualify for hedge accounting the Company records these financial instruments in the consolidated balance sheet at their fair value as either a derivative asset or a liability, and recognizes the fair value changes thereto in the consolidated statements of income. When the derivatives do qualify for hedge accounting, depending upon the nature of the hedge, changes in fair value of the derivatives are either offset against the fair value of assets, liabilities or firm commitments through income, or recognized in other comprehensive income/(loss) (effective portion) until the hedged item is recognized in the consolidated statements of income. For the years ended December 31, 2023, December 31, 2024 and December 31, 2025, no derivatives were accounted for as accounting hedges.

Financial Instruments:

(a) Interest rate risk: The Company's interest rates and long-term loan repayment terms are described in Note 6. The Company manages its interest rate risk by entering into interest rate derivative instruments which are described in Note 11.

(b) Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of trade accounts receivable, cash and cash equivalents, time deposits and derivative instruments. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its trade accounts receivable as charter hire is usually collected in advance. The Company places its cash and cash equivalents, time deposits and other investments with high credit quality financial institutions. The Company performs periodic evaluations of the relative credit standing of financial institutions it transacts with. The Company may be exposed to credit risk in the event of non-performance by its counterparties to derivative instruments; however, the Company limits its exposure by transacting with counterparties with high credit ratings.

(c) Fair value measurement: In accordance with the requirements of accounting guidance relating to Fair Value Measurement, the Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:
Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Accounting for Revenues and Related Expenses: The Company generates its revenues from charterers for the charter hire of its vessels. Vessels are chartered under time charter or infrequently under voyage contracts.

A time charter is a contract for the use of a vessel for a specific period of time and a specified daily fixed charter hire rate, or a rate linked to either the Baltic Exchange Panamax Index ("BPI") or to the Baltic Exchange Capesize Index ("BCI"). The charter hire is generally payable in advance. The Company's time charter agreements are classified as operating leases pursuant to ASC 842 - Leases ("ASC 842"), 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 the economic benefits from such use. Time charter revenue is recognized when a charter agreement exists, the vessel is made available to the charterer and collection of the related revenue is reasonably assured. Time charter revenues are recognized as earned on a straight-line basis over the term of the charter as service is provided. Revenues from time charter may also include, gain on fuel price differential including benefit from scrubber operation ("variable consideration"),ballast bonus, which is an amount paid by the charterer for repositioning the vessel at the charterer's disposal (delivery point), which is recognized as revenue over the term of the charter, and other miscellaneous revenues from vessel operations.

Time charter hire is typically payable 15 or 30 days in advance as determined in the charter party agreement. On implementation of ASC 842 on January 1, 2019, the Company elected to apply a package of practical expedients under ASC 842, which allowed the Company not to reassess (i) whether any existing contracts, on the date of adoption, contained a lease, (ii) lease classification of existing leases classified as operating leases in accordance with ASC 840 and (iii) initial direct costs for any existing leases. ASC 842 also provides a practical expedient to lessors by class of underlying asset, to not separate non-lease components from the associated lease component when the following criteria are met: (i) the timing and pattern of transfer for the lease component is the same as those for the non-lease component associated with that lease component and (ii) the lease component, if accounted for separately, would be classified as an operating lease. The Company, making use of this practical expedient for lessors, has elected not to separate the lease

and non-lease components included in the time charter revenue but rather to recognize operating lease revenue as a combined single lease component for all time charter contracts as the related lease component, the hire of a vessel, and non-lease component, the fees for operating and maintaining the vessel, have the same timing and pattern of transfer (both the lease and non-lease components are earned by passage of time) and the predominant component is the lease.

Expenses relating to the Company's time charters are vessel operating expenses and certain voyage expenses, which are paid by the Company and recognized as incurred. Vessel operating expenses that are paid by the Company include costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys and other minor miscellaneous expenses. Voyage expenses which are also recognized as incurred by the Company include charter hire paid for charter-in vessels, cost of bunkers consumed and paid back by charterers, loss on sale of bunkers on delivery, costs for draft surveys, hold cleaning, postage, extra war risk insurance and other minor miscellaneous expenses related to the voyage. Voyage expenses relating to bunkers consumption during the ballast or off hire period period are considered contract fulfillment costs and are capitalized and amortized over the term of the charter when they meet the following criteria according to ASC 340-40-25-5: (i) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify, (ii) the costs generate or enhance resources of the entity that will be used in satisfying, or in continuing to satisfy, performance obligations in the future and (iii) the costs are expected to be recovered. Under a time charter, the charterer is responsible for paying the cost of bunkers and other voyage expenses (e.g., port expenses, agents' fees, canal dues, extra war risks insurance and any other expenses related to the cargo). Certain voyage expenses paid by the Company such as extra war risk insurance may be recovered from the charterer; such amounts recovered are recorded as Other Income within Revenues.

Vessels are also chartered under voyage charters, where a contract is made for the use of a vessel under which the Company is paid freight on the basis of moving cargo from a loading port to a discharge port. The Company accounts for a voyage charter when all the following criteria are met: (i) the parties to the contract have approved the contract in the form of a written charter agreement or fixture recap and are committed to perform their respective obligations, (ii) the Company can identify each party's rights regarding the services to be transferred, (iii) the Company can identify the payment terms for the services to be transferred, (iv) the charter agreement has commercial substance (that is, the risk, timing, or amount of the future cash flows is expected to change as a result of the contract) and (v) it is probable that the Company will collect substantially all of the consideration to which it will be entitled in exchange for the services that will be transferred to the charterer. The voyage contracts are considered service contracts which fall under the provisions of ASC 606 because the Company as the ship-owner retains the control over the operations of the vessel such as directing the routes taken or the vessel speed. In a voyage charter contract, the performance obligations begin to be satisfied once the vessel begins loading the cargo. The Company determined that its voyage charters consist of a single performance obligation which is met evenly as the voyage progresses and hence, the voyage revenues are recognized on a straight-line basis over the duration of the voyage from commencement of the loading to completion of discharge. Probable losses on voyages are provided for in full at the time such losses can be estimated. Related expenses are operating expenses, bunkers and voyage expenses and are all paid for by the Company. Costs incurred prior to loading which are directly related to the voyage, primarily bunkers, may be deferred, as they represent setup costs, if they meet certain conditions, and are amortized on a straight-line basis as the related performance obligations are satisfied over the duration of the voyage from load port to discharge port. Such deferred costs are presented in prepaid expenses and other current assets on the Consolidated Balance Sheets. Costs incurred during the voyage are expensed as incurred.

Voyage hire is typically paid partially upon initiation of the voyage and partially upon completion of the performance obligation. During the years ended December 31, 2023, December 31, 2024 and December 31, 2025, there have been no instances where a vessel was employed under a voyage charter.

Unearned revenue includes: (i) cash received prior to the balance sheet date relating to services to be rendered after the balance sheet date and (ii) deferred revenue resulting from straight-line revenue recognition in respect of charter agreements that provide for varying charter rates. Accrued revenue results from straight-line revenue recognition in respect of charter agreements that provide for varying charter rates.

Commissions (address and brokerage), regardless of charter type, are always paid by the Company, are deferred and amortized over the related charter period and are presented as a separate line item in revenues to arrive at net revenues in the accompanying consolidated statements of income.

Taxes: Entities within the group that are incorporated under the laws of either the Republic of Liberia or the Republic of the Marshall Islands or the Republic of Cyprus are not subject to Liberian or Marshall Islands or Cyprus income taxes. However, each vessel-owning Subsidiary is subject to registration and tonnage taxes under the laws of the Republic of Cyprus or the Republic of the Marshall Islands depending on where each Company's vessel is registered. As of January 1, 2013, each vessel managed in Greece is subject to tonnage tax, under the laws of the Republic of Greece. These registration and tonnage taxes are recorded within Vessel operating expenses in the accompanying consolidated statements of income and none are considered income taxes.

For our 2023, 2024 and 2025 taxable years, we believe we were exempt from U.S. federal tax on our U.S. source gross shipping income.

Dividends: Dividends are recorded in the period in which they are declared by the Company's board of directors.

Earnings/(Loss) Per Share: The computation of basic earnings/(loss) per share is based on the weighted average number of common stock outstanding during the year and includes the shares issuable to the audit committee chairman and the independent directors at the end of each year for services rendered. The computation of basic earnings/(loss) per share is calculated after deducting the preferred stock dividends paid and accrued (including any deemed dividend) from net income/(loss) divided by the weighted average number of shares.

Segment Reporting: The Chief Operating Decision Makers ("CODM"), the board of directors of the Company, receive financial infor-

mation and evaluate the Company's operations by charter revenues and not by the length, type of vessel or type of ship employment for its customers or by geographical region as the charterer is free to trade the vessel worldwide and as a result, the disclosure of geographic information is impracticable. The CODM do not use discrete financial information to evaluate the operating results for each such type of charter or vessel but are instead regularly provided with only the consolidated expenses as noted on the face of the consolidated statements of income. Although revenue can be identified for these types of charters or vessels, management cannot and does not identify expenses, profitability or other financial information for these various types of charters or vessels. As a result, management, including the CODM, reviews operating results solely by revenue and operating income of the fleet, and thus the Company has determined that it operates as one reportable segment.

Recent Accounting Pronouncements:

Codification Improvements: In December 2025, the Financial Accounting Standards Board issued Accounting Standard Update ("ASU") No. 2025-12, "Codification Improvements". which provides technical corrections, clarifications, and minor updates across various Topics in GAAP to improve clarity and application without significant changes to current practices. The amendments affect all reporting entities within the scope of the guidance and cover areas such as earnings per share, leases, investments, and income taxes. They are effective for annual periods beginning after December 15, 2026 and interim periods within those years, with early adoption permitted and optional prospective or retrospective application on an issue-by-issue basis. The Company evaluated the impact of this ASU on its financial statements and determined that there is no effect on its consolidated results of operations, consolidated balance sheets or consolidated statements of cash flows.

Disclosure Improvements: In November 2024, the Financial Accounting Standards Board issued Accounting Standard Update ("ASU") No. 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)". The amendments in this Update require disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity:

1. Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e).
2. Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements.
3. Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
4. Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in ASU 2024-03 should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements. The Company evaluated the impact of this ASU on its financial statements and determined that there is no effect on its consolidated results of operations.

3. Transactions with Related Parties

A. The Managers

The Company enters from time to time into management agreements with the Managers for the provision of executive officers and management services to vessel-owning Subsidiaries. Pursuant to the management agreements, the vessel-owning Subsidiaries enter into separate ship management agreements with either one of the Managers under which chartering, operations, technical and accounting services are provided to the vessels. Pursuant to the management agreements, the Subsidiaries that have entered into agreements to acquire newbuild vessels are required to enter into supervision agreements with either one of the Managers. The Managers under these agreements receive fees (the "Fees"), comprising of ship management fees (the "Ship Management Fees"), supervision fees (the "Supervision Fees") and sale and purchase commissions (the "Commissions"). The Managers are related parties that are controlled by Polys Hajioannou.

On May 29, 2018, following the expiration of the old management agreements, Safe Bulkers signed new management agreements with the Original Managers (the "Original Management Agreements"). The Original Management Agreements had an initial term of three years expiring on May 29, 2021 and could be extended for two additional terms of three years each. The fees provided by the Original Management Agreements were fixed until May 29, 2021 and could be adjusted for a subsequent term of three years each time on May 29, 2021 and May 29, 2024 upon mutual agreement with the Original Managers. On May 29, 2021, the Company and the Original Managers agreed to extend the term of the Original Management Agreements until May 29, 2024. On April 1, 2022, Safe Bulkers signed a new management agreement with the New Manager, and together with the Original Management Agreements, the "Management Agreements". On May 29, 2024, the term of the Management Agreements were extended for an additional three-year period, until May 29, 2027.

In accordance with the Management Agreements, the Managers receive:

- Ship Management Fees comprised of a daily ship management fee of €950 per vessel, payable monthly in arrears to the respective Manager and an annual ship management fee of €5,000,000 payable quarterly in arrears to one of the Managers. For the three-year period from May 29, 2021 to May 28, 2024 the daily ship management fee was €875 per vessel and the annual ship management fee was €3,500,000.

- Supervision Fees of $550 with respect to each newbuild for the services rendered by one of the Managers under the supervision agreement of which 50% is payable upon the signing of the relevant supervision agreement, and 50% is payable upon successful completion of the sea trials of each newbuild.
- Commissions equal to 1.00% calculated on the price set forth in the memorandum of agreement or other sale and purchase newbuild contract, or any other vessel bought or sold by the Company, payable upon final delivery of such vessel to the relevant purchaser. No commissions are charged on sale and lease back transactions.

The Ship Management Fees are recorded in Management Fee to Related Parties within General and Administrative Expenses (refer to Note 14). The Commissions on purchase of newbuilds or second-hand vessels and the Supervision Fees are recorded initially in Advances for vessels (refer to Note 5). The Commissions on sale are recorded in Gain or Loss on sale of assets, as the case may be.

Amounts due from/to the Managers under the management agreements were $829 receivable, representing the USD equivalent value of the European Union ("EU") allowances ("EUAs"), deriving from the EU Emissions Trading System ("EU ETS"), held by our Managers on behalf of the Company, and $33 payable as of December 31, 2024 and $2,320 receivable, representing the USD equivalent value of the EUAs and the USD equivalent value of the penalties deriving from penalty mechanism (the "Fuel EU") for the reduction of carbon content in fuels, held by our Managers on behalf of the Company, and $27 payable as of December 31, 2025.

The Fees charged by our Managers comprised the following:

	Year Ended December 31,		
	2023	2024	2025
Ship Management Fees	$ 19,199	$ 21,357	$ 24,051
Supervision Fees	3,575	1,100	825
Commissions	2,157	2,150	610

B. Credit Facility

During 2022, Eptaprohi, Soffive, Marinouki, Marathassa, Kerasies, Pemer and Lofou entered into a credit facility (refer to Note 6) with a financial institution for an amount up to $80,000 secured by the vessels owned by the respective subsidiaries. During 2023, Eptaprohi, Soffive, Marinouki, Marathassa, Kerasies, Pemer and Lofou agreed with that financial institution the extension of the tenor by six months, from June 2028 to December 2028, and changes in the margin of the credit facility. During 2023, the vessel owned by Kerasies was released from the security package, and during 2024, the vessel owned by Marathassa was released from the security package, in both cases without any amendment to the terms of the facility. In September 2025, the vessel owned by Pemer was released from the security package and the availability of the revolving credit facility was reduced by $3,663. One of the independent members of the board of directors of the Company currently serves as the Chief Executive Officer of this financial institution. All above transactions were evaluated and approved by the board of directors of the Company excluding that independent member of the board of directors of the Company.

C. Principal Executive Office Lease

The Company leases office space from a company controlled by Polys Hajioannou, at Apt. D11, Les Acanthes, 6, Avenue des Citronniers, MC98000 Monaco, where our principal executive office is established. The office space lease contract was for a period from February, 2014 until February, 2023 with an annual lease payment initially agreed in 2014 in the amount of €63,000, adjusted annually based on the cost of construction as published in the National Institute of Statistics & Economic Studies of Monaco, plus expenses. In January, 2023, the office space lease contract was renewed with an annual lease payment in the amount of €86,400, equivalent to $101 as of December 31, 2025, adjusted annually based on the cost of construction as published in the National Institute of Statistics & Economic Studies of Monaco, plus expenses, and is recorded in "General and administrative expenses" in the Consolidated Statements of Income.

4. Vessels, net

Vessels, net are comprised of the following:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance, January 1, 2024	**$ 1,551,605**	**$ (460,087)**	**$ 1,091,518**
Transfer from Advances for vessels	148,368	—	148,368
Vessels sale	(61,734)	24,301	(37,433)
Depreciation	—	(58,135)	(58,135)
Balance, December 31, 2024	**$ 1,638,239**	**$ (493,921)**	**$ 1,144,318**
Transfer from Advances for vessels	39,937	—	39,937
Vessels sale	(53,768)	34,975	(18,793)
Depreciation	—	(59,878)	(59,878)
Balance, December 31, 2025	**$ 1,624,408**	**$ (518,824)**	**$ 1,105,584**

Transfer from Advances for vessels represents advances paid for vessels under construction and vessels acquisitions which were delivered to the Company, completed vessel improvements in respect of ballast water treatment systems ("BWTS"), sulfur oxide exhaust gas cleaning systems ("Scrubbers"), and vessel environmental upgrades and comprised:

- During the year ended December 31, 2024: Delivery to the Company of the vessels Ammoxostos, Kerynia, Pedhoulas Fighter and Pedhoulas Farmer and BWTS and Scrubbers retrofitting and vessel improvements on several vessels; and
- During the year ended December 31, 2025: Delivery to the Company of the vessel Efrossini and vessel improvements on several vessels.

Vessel sales during the year ended December 31, 2024, represent the carrying value of the vessels Maritsa, Panayiota K and Paraskevi 2 which were sold during the year ended December 31, 2024, taking advantage of market opportunities. Vessel sales during the year ended December 31, 2025 represents the carrying value of the vessels Pedhoulas Merchant and Pedhoulas Leader which were sold during the year ended December 31, 2025, taking advantage of market opportunities.

Consistent with prior practices, we reviewed all our vessels for impairment and none were found to be impaired at December 31, 2024 and December 31, 2025.

As of December 31, 2025, 37 vessels owned by the Company with a carrying value of $870,338 had first priority mortgages registered as security for certain of the Company's loans and credit facilities, while title of ownership is held by the relevant lender for another eight vessels with a carrying value of $235,246 to secure the relevant sale and lease back financing transactions. See further Note 6.

5.Advances for Vessels

Advances for vessels are comprised of the following:

Balance, January 1, 2024	**$**	**89,703**
Advances paid, including capitalized expenses and interest		143,869
Transferred to vessel cost (refer to Note 4)		(148,368)
Balance, December 31, 2024	**$**	**85,204**
Advances paid, including capitalized expenses and interest		42,032
Transferred to vessel cost (refer to Note 4)		(39,937)
Balance, December 31, 2025	**$**	**87,299**

Advances paid for vessels represent advances paid for vessel acquisitions, vessels under construction and vessel improvements and comprise payments of installments that were due to the respective shipyard or third-party sellers, capitalized interest, certain capitalized expenses and expenditures for major improvements and regulatory compliance. During the years ended December 31, 2024 and December 31, 2025, such payments were made for the following vessels:

- During the year ended December 31, 2024: advances for Ammoxostos, Kerynia, Pedhoulas Fighter, Pedhoulas Farmer, Efrossini and Hull 11167, Hull 11202, Hull 6303, Hull 386 and Hull 387 and BWTS and Scrubbers retrofitting and improvements for several vessels; and
- During the year ended December 31, 2025: advances for Efrossini and Hull 6303, Hull 11666, Hull 11667, Hull 386 and Hull 387 and improvements for several vessels.

6. Long Term Debt

Long term debt is comprised of the following borrowings:

			December 31,	
Borrower	**Commencement**	**Maturity**	**2024**	**2025**
Staloudi - Marilem - Kastrolem	April 2024	September 2025	$ 40,800	$ —
Monagrouli	April 2020	April 2027	16,720	16,720
Pelea - Vasstwo - Eniaprohi - Vassone	December 2018	December 2028	17,750	17,750
Staloudi - Marilem - Kastrolem - Maxdeka - Shikoku - Shikokutessera - Glovertwo	September 2025	August 2030	—	77,613
Shimafive	October 2023	October 2030	22,500	21,000
Shimaseven	January 2024	January 2031	22,875	21,375
Sub Total Term Loan credit facility			**$ 120,645**	**$ 154,458**
Eptaprohi - Soffive - Marinouki - Pemer - Lofou	December 2022	December 2028	60,000	53,000
Armonikos - Metamou - Vaslem - Stalem	August 2024	August 2029	20,000	5,000
Safe Bulkers	July 2025	July 2030	—	5,000
Safe Bulkers	June 2025	June 2031	—	5,000

			December 31,	
Pentakomo - Gloverthree - Gloverseven	June 2023	June 2031	25,000	46,250
Shimanine	September 2025	September 2032	—	7,200
Sub Total Revolving credit facility			**$ 105,000**	**$ 121,450**
Maxdeka	November 2019	August 2025	10,589	—
Shikoku	November 2019	August 2025	11,138	—
Shikokutessera	November 2019	August 2025	10,972	—
Glovertwo	November 2019	August 2025	10,200	—
Maxtessera	April 2021	October 2026	17,925	14,367
Kyotofriendo One	September 2022	September 2027	18,689	15,632
Pinewood	February 2021	February 2031	16,951	15,079
Shikokuepta	August 2021	August 2031	17,167	15,167
Agros	May 2022	May 2032	21,450	19,703
Yasudyo	September 2023	September 2033	27,251	25,452
Shimaeight	November 2023	November 2033	25,750	23,883
Shimasix	January 2024	January 2034	28,000	26,000
Sub Total Sale and leaseback financing			**$ 216,082**	**$ 155,283**
Safe Bulkers Participations	February 2022	February 2027	103,864	117,394
Sub Total Bond			**$ 103,864**	**$ 117,394**
Total			**$ 545,591**	**$ 548,585**
Current portion of long-term debt			60,799	44,849
Long-term debt			484,792	503,736
Total debt			**$ 545,591**	**$ 548,585**
Current portion of deferred financing costs			2,608	2,478
Deferred financing costs non-current			6,342	5,964
Total deferred financing costs			**$ 8,950**	**$ 8,442**
Total debt			**$ 545,591**	**$ 548,585**
Less: Total deferred financing costs			8,950	8,442
Total debt, net of deferred financing costs			**$ 536,641**	**$ 540,143**
Less: Current portion of long-term debt, net of current portion of deferred financing costs			58,191	42,371
Long-term debt, net of deferred financing costs, non-current			**$ 478,450**	**$ 497,772**

A. Term Loan Credit Facilities & Revolving Credit Facilities

During 2018, Pelea, Vasstwo, Eniaprohi and Vassone entered into a term loan credit facility with a financial institution for $47,750, secured by the vessels owned by them. The credit facility was drawn down in two tranches, a tranche of $23,075 drawn down in 2018 and a second tranche of $24,675 drawn down in 2019. During 2022, the maturity of the facility was extended to December 2028. In August 2025, the vessel owned by Pelea was released from the security package without any amendment in the credit facility.

During 2020, Monagrouli entered into a term loan credit facility with a financial institution for $26,400, regarding the newbuild vessel Monagrouli had agreed to acquire. The credit facility was drawn down in 2020 upon the delivery of the newbuild vessel.

In September 2021, Safe Bulkers amended one of its credit facilities with a financial institution and agreed to a new structure for a credit facility of $60,000 secured by the vessels owned by Eniadefhi, Maxdodeka, Gloverfour, Gloverfive and Youngone, comprising a term loan tranche of $30,000 and a reducing revolving credit facility tranche providing for a drawdown capacity of up to $30,000. In January 2024, the vessel owned by Youngone was released from the security package, and the availability of the revolving credit facility tranche was reduced by $5,000. In December 2024, the outstandings of the term loan tranche were prepaid in full and as of December 31, 2024, no amount was outstanding and an amount of $25,000 was available for drawdown under the reducing revolving credit facility tranche. In December 2024, Safe Bulkers entered into a new reducing revolving credit facility with the same financial institution for an amount of up to $100,000, to refinance the facility secured by the vessels owned by Eniadefhi, Maxdodeka, Gloverfour and Gloverfive. The new facility has a tenor of six years and is further secured by the vessels owned by Georgos

and Agonistis. In June 2025 the Company amended the availability period of the facility, originally being September 2025 until May 2031, to June 2025 until March 2031. In December 2025, the Company amended the terms of the facility to incorporate a mechanism that adjusts the interest margin based on independently verified performance related to fleet carbon intensity index, measured against annual sustainability performance targets. As of December 31, 2025, an amount of $5,000 was outstanding and an amount of $92,500 was available for drawdown under the reducing revolving credit facility tranche.

In December 2021, Safe Bulkers entered into a credit facility with a financial institution for an amount up to $100,000 secured by the vessels owned by Youngtwo, Shikokupente, Maxeikositessera, Maxenteka, Maxpente and Shikokuennia, comprising a term loan tranche of $50,000 and a reducing revolving credit facility tranche providing for a drawdown capacity of up to $50,000. In July 2023, the vessel owned by Maxeikositessera was released from the security package, and in September 2023, the vessel owned by Shikokuokto was added to the security package, in both cases without any amendment of either the term loan tranche or the availability of the reducing revolving credit facility tranche. In December 2024, the outstandings of the term loan tranche were prepaid in full and as of December 31, 2024, no amount was outstanding and an amount of $50,000 was available for drawdown under the reducing revolving credit facility tranche. In July 2025, Safe Bulkers entered into a new reducing revolving credit facility with the same financial institution for an amount of up to $75,000 and a tenor of five years, which refinanced the facility secured by the vessels owned by Youngtwo, Shikokupente, Maxeikositessera, Maxenteka, Maxpente and Shikokuennia. As of December 31, 2025, an amount of $5,000 was outstanding and an amount of $66,875 was available for drawdown under this reducing revolving credit facility.

In December 2022, Eptaprohi, Soffive, Marinouki, Marathassa, Kerasies, Pemer and Lofou entered into a revolving reducing credit facility with a financial institution for an amount up to $80,000 secured by the vessels owned by them. During the year ended December 31, 2023, the maturity of the revolving reducing credit facility was extended from June 2028 to December 2028 and its margin was amended. In December 2023, the vessel owned by Kerasies was released from the security package without any amendment in the availability of the reducing revolving credit facility. In April 2024, the vessel owned by Marathassa was released from the security package without any amendment in the availability of the reducing revolving credit facility. In September 2025, the vessel owned by Pemer was released from the security package and the availability of the revolving credit facility was reduced by $3,663. As of December 31, 2025, an amount of $53,000 was outstanding and an amount of $4,798 was available for drawdown under this reducing revolving credit facility.

During 2022, Shimafive entered into a term loan credit facility with a financial institution for $25,500, regarding the newbuild vessel Shimafive had agreed to acquire. The credit facility was drawn down in October 2023 upon delivery of the newbuild vessel.

During 2022, Shimaseven entered into a term loan credit facility with a financial institution for $25,500, regarding the newbuild vessel Shimaseven had agreed to acquire. The credit facility was drawn down in January 2024 upon delivery of the newbuild vessel.

In January 2023, Pentakomo, Maxdekatria, Gloverthree,and Gloverseven entered into a credit facility with a financial institution for a reducing revolving credit facility providing for a drawdown capacity of up to $67,500, to be converted to a term loan credit facility in June 2026. The facility was made available in June 2023, upon delivery of the newbuild vessel Gloverseven had agreed to acquire. In March 2024, the vessel owned by Maxdekatria was released from the security package, and the availability of the revolving credit facility tranche was reduced by $9,050. As of December 31, 2025, an amount of $46,250 was outstanding and no amount was available for drawdown under this reducing revolving credit facility.

In April 2024, Kastrolem, Marilem, and Staloudi entered into a term loan credit facility with a financial institution for an amount up to $48,000 secured by the vessels owned by them. The credit facility was drawn down in April 2024. In April 2025, Kastrolem, Marilem, Staloudi, Maxdeka, Shikoku, Shikokutessera and Glovertwo entered into a new term loan credit facility with the same financial institution for an amount up to $84,300, secured by the vessels owned by them. The new facility was used to refinance the existing term loan credit facility secured by the vessels owned by Kastrolem, Marilem and Staloudi and to refinance the purchase of the vessels owned by Maxdeka, Shikoku, Shikokutessera and Glovertwo, which were previously under sale and leaseback financings with third parties, the relevant purchase options of which were exercised during 2024. The term loan credit facility was drawn down in September 2025.

In August 2024, Armonikos, Metamou, Vaslem and Stalem entered into a revolving reducing credit facility with a financial institution for an amount up to $50,000 secured by the vessels owned by them. As of December 31, 2025, an amount of $5,000 was outstanding and an amount of $38,750 was available for drawdown under this reducing revolving credit facility.

In July 2025, Shimanine entered into a new reducing revolving credit facility with a financial institution for an amount of up to $24,000 and a tenor of seven years, secured by the vessel owned by her. As of December 31, 2025, an amount of $7,200 was outstanding and an amount of $16,530 was available for drawdown under this reducing revolving credit facility.

B. Sale and Leaseback Financings

Sale and leaseback financing represents financing obtained from concluding an agreement to sell the vessel and then lease her back under a bareboat charter for a pre-determined period with either an obligation or an option to purchase (that is reasonably certain, at inception, will be exercised) the vessel back at the end of the respective charter period or an option to purchase the respective vessel during the charter period at predetermined purchase prices. Transactions which involve a purchase obligation (or a purchase option that is reasonably certain, at inception, that will be exercised) are treated as a failed sale and hence represent merely a financing arrangement. The above table includes eight such facilities outstanding as of December 31, 2025, whereby the relevant vessels were formerly owned by our respective subsidiaries and ownership will revert back to the Company on settlement of the outstanding amounts. Details of these facilities are as follows:

Each of Shikokutessera, Maxdeka, Shikoku and Glovertwo entered into a sale and leaseback agreement in November 2019, with

third party companies, subsidiaries of a financial institution, regarding the respective vessel owned by the relevant subsidiary. Under these agreements, the respective vessel was sold and leased back on a bareboat charter basis, in the case of the vessel owned by Shikokutessera for a period of eight years, and in the case of the other three vessels for seven years, six months. Each respective subsidiary held an option to purchase back its respective vessel five years, nine months after the commencement of the respective bareboat charter. The purchase options for all four vessels were exercised in August 2024, and all four vessels were acquired back in August 2025, when all outstanding amounts under these sale and leaseback agreements were repaid.

Pinewood entered into a sale and leaseback agreement in January 2021, consummated in February 2021, with an unrelated third party, regarding the vessel owned by Pinewood. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Pinewood holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Pinewood to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as financing transaction.

Maxtessera entered into a sale and leaseback agreement in March 2021, consummated in April 2021, with a third party company, subsidiary of a financial institution, regarding the vessel owned by Maxtessera. Under this agreement, the vessel was sold and leased back on a bareboat charter basis for a period of seven years. Maxtessera held an option to purchase back its vessel five years, six months after the commencement of the bareboat charter. The purchase option was exercised in October 2025, and the vessel will be acquired back in October 2026, when all outstanding amounts under this sale and leaseback agreement will be repaid.

Shikokuepta entered into a sale and leaseback agreement in July 2021, consummated in August 2021, with an unrelated third party, regarding the vessel owned by Shikokuepta. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Shikokuepta holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Shikokuepta to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as financing transaction.

Agros entered into a sale and leaseback agreement in October 2020, with an unrelated third party, regarding the newbuild vessel Agros had agreed to acquire. The transaction was consummated in May 2022 upon delivery of the vessel to Agros. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Agros holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Agros to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as a financing transaction.

Kyotofriendo One entered into a sale and leaseback agreement in September 2022 with an unrelated third party regarding the vessel owned by Kyotofriendo One. The transaction was consummated in September 2022. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of five years, with a purchase obligation at the end of the 5th year. Furthermore, Kyotofriendo One holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Kyotofriendo One to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as a financing transaction.

Yasudyo entered into a sale and leaseback agreement in March 2023, with an unrelated third party, regarding the newbuild vessel Yasudyo had agreed to acquire. The transaction was consummated in September 2023 upon delivery of the vessel to Yasudyo. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Yasudyo holds an option to purchase back the vessel after the 3rd year of the bareboat charter, at predetermined purchase prices. In view of the obligation of Yasudyo to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as a financing transaction.

Shimaeight entered into a sale and leaseback agreement in October 2023, with an unrelated third party, regarding the newbuild vessel Shimaeight had agreed to acquire. The transaction was consummated in November 2023 upon delivery of the vessel to Shimaeight. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Shimaeight holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Shimaeight to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as a financing transaction.

Shimasix entered into a sale and leaseback agreement in December 2023, with an unrelated third party, regarding the newbuild vessel Shimasix had agreed to acquire. The transaction was consummated in January 2024 upon delivery of the vessel to Shimasix. Under the agreement, the vessel was sold and leased back on a bareboat charter basis for a period of 10 years, with a purchase obligation at the end of the 10th year. Furthermore, Shimasix holds an option to purchase back the vessel after the three years of the bareboat charter, at predetermined purchase prices. In view of the obligation of Shimasix to purchase the vessel at the end of the bareboat charter, the Company has assessed that this transaction be recorded as a financing transaction.

Our financing facilities bear interest at the USD Secured Overnight Financing Rate ("SOFR") plus a margin plus a credit adjustment spread where applicable, except for the Kyotofriendo One sale and leaseback transaction and a portion of the Maxtessera sale and leaseback transaction. The Kyotofriendo One financing facility and a portion of the Maxtessera financing facility are deemed to incur interest at a fixed rate calculated so that the initial facility amount be amortized to maturity down to the purchase option price of the vessels.

Our financing facilities are generally repayable by monthly or quarterly principal installments and a balloon payment due on maturity. The fair value of debt outstanding on December 31, 2025 amounted to $430,621 when valuing the Maxtessera and Kyotofriendo One loan facilities on the basis of the deemed equivalent fixed rate, as applicable on December 31, 2025, which are

considered to be Level 2 items in accordance with the fair value hierarchy.

As of December 31, 2025, a total amount of $219,453 was available for drawdown under the reducing revolving credit facilities and reducing revolving credit facility tranches.

Our term loan and reducing revolving credit facilities were secured as follows

- First priority mortgages over th e vessels owned by the Company or title of ownership for the vessels under sale and lease back finance arrangements
- First priority assignment of all insurances and earnings of the relevant vessels; an
- Guarantee from Safe Bulkers in respect of facilities entered into by Subsidiaries.

The financing agreements contain debt covenants including restrictions as to changes in management and ownership of the vessels, entering into certain long-term charters, additional indebtedness and mortgaging of vessels without the respective lender's prior consent, minimum vessel insurance cover ratio requirements, as well as minimum fair vessel value ratio to outstanding loan principal requirements (the "Minimum Value Covenant"). The Minimum Value Covenant must not fall below 105%, 112%, 120%, 125% or 135% as the case may be. The borrowers are permitted to pay dividends to their owners as long as no event of default under the respective loan has occurred or has not been remedied or would occur as a result of the payment of such dividends.

Certain of the financing agreements require the respective borrowers to maintain at all times a minimum balance in each vessel operating account, ranging from $200 to $500.

The Safe Bulkers facilities and the corporate guarantees of the Company include the following financial covenants:

- total consolidated liabilities divided by total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets), must not exceed 85% (the "Consolidated Leverage Covenant");
- total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) less its total consolidated liabilities must not be less than $150,000 (the "Net Worth Covenant");
- the ratio of EBITDA over consolidated interest expense must not be less than 2.0:1, on a trailing 12 months' basis (the "EBITDA Covenant");
- a minimum of 30% or 35%, as per the relevant agreement, of its voting and ownership rights shall remain directly or indirectly beneficially owned by the Hajioannou family for the duration of the relevant credit facilities and in the case of one facility Polys Hajioannou beneficially holds a minimum of 20% of the voting and ownership rights (the "Control Covenant"); and
- payment of dividends is subject to no event of default having occurred and be continuing or would occur as a result of the payment of such dividends.

The Minimum Value Covenant, Consolidated Leverage Covenant, EBITDA Covenant, Net Worth Covenant and Control Covenant do not apply to the Pinewood, Shikokuepta, Agros, Kyotofriendo One, Yasudyo, Shimaeight and Shimasix financing agreements. The Minimum Value Covenant does not apply to the Maxtessera financing agreement. The EBITDA Covenant does not apply to the Monagrouli, Shimafive and Shimaseven loan facilities.

As of December 31, 2025, the Company was in compliance with all debt covenants in effect, with respect to its financing facilities.

C. Unsecured Bond

In February 2022, the Company, through its wholly owned subsidiary, Safe Bulkers Participations Plc (the "Issuer"), issued €100,000,000 of unsecured bonds to investors and listed the bonds on the Athens Exchange (the "Bond"). The Bond matures in February 2027 and carries a coupon of 2.95%, payable semi-annually. The bond offering was completed on February 11, 2022, and the trading of the bonds on the Athens Exchange commenced on February 14, 2022.

The Bond can be called in part (pro rata) or in full by the Issuer on any coupon payment date, after the second anniversary and until six months prior to maturity. If the Bond is redeemed (in part or in full) on i) the 5th and/or 6th coupon payment date, bondholders will receive a premium of 1.5% on the nominal amount of the bond redeemed, ii) the 7th and/or 8th coupon payment date, bondholders will receive a premium of 0.5% on the nominal amount of the bond redeemed; and iii) the 9th coupon payment date, no premium shall be paid for a redemption. In case there is a material change in the tax treatment of the Bond for the Issuer, then the Issuer has the right, at any time, to fully prepay the Bond without paying any premium. The Issuer can exercise the early redemption right in part, one or more times, by prepaying each time a nominal amount of bonds equal to at least €10,000,000, provided that the remaining nominal amount of the bonds after the early redemption is not lower than €50,000,000.

As of December 31, 2025, the outstanding balance of the Bond amounted to $117,394. The fair value of the Bond determined through Level 1 of the fair value hierarchy as at December 31, 2025, amounted to €98,917 or $116,122.

The Bond includes the following financial covenants for the Company:

- total consolidated liabilities divided by total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets), must not exceed 85%;
- total consolidated assets (based on the market value of all vessels owned or leased on a finance lease taking into account their employment, and the book value of all other assets) less its total consolidated liabilities must not be less than $150,000;
- the ratio of EBITDA over consolidated interest expense must not be less than 2.0:1, on a trailing 12 months' basis; and
- a minimum of 30% of its voting and ownership rights shall remain directly or indirectly beneficially owned by the Hajioannou family for the duration of the Bond.

As of December 31, 2025, the Company was in compliance with all covenants in effect, with respect to the Bond.

The estimated minimum annual principal payments required to be made after December 31, 2025, based on the above credit facilities, sale and leaseback financings and the Bond are as follows:

To December 31,		
2026	$	44,849
2027		186,662
2028		84,783
2029		34,995
2030		72,259
2031 and thereafter		125,037
Total	**$**	**548,585**

Total interest incurred on long-term debt for the years ended December 31, 2023, December 31, 2024 and December 31, 2025 amounted to $27,285, $33,011 and $31,068, respectively, which includes interest capitalized of $2,578, $1,636 and $725 for the years ended December 31, 2023, December 31, 2024 and December 31, 2025, respectively. The average interest rate (including the margin in the case of credit facilities and sale and leaseback financings and the coupon of the Bond) for all long-term debt during the years December 31, 2023, December 31, 2024 and December 31, 2025 was 6.034% p.a., 6.358% p.a. and 5.615% p.a., respectively.

7. Share Capital

As of December 31, 2024 and December 31, 2025, the Company had 200,000,000 shares of authorized common stock of $0.001 par value, of which 105,288,996 and 102,259,402 were issued and outstanding respectively.

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by the Company's board of directors out of funds legally available for dividends. Upon the Company's dissolution or liquidation or the sale of all or substantially all of the Company's assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of the common stock will be entitled to receive pro rata the remaining assets available for distribution. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of the Company's securities. All outstanding shares of common stock are fully paid and non-assessable. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of any shares of preferred stock which may be issued. The Company's common stock is not subject to any sinking fund provisions and no holder of any shares will be required to make additional contributions of capital with respect to the Company's shares in the future. There are no provisions in the Company's articles of incorporation or bylaws discriminating against a shareholder because of his or her ownership of a particular number of shares.

As of December 31, 2024 and December 31, 2025, the Company had 20,000,000 shares of authorized preferred stock of $0.01 par value, of which 804,950 and 804,950 Series C Cumulative Redeemable Perpetual Preferred Shares (the "Series C Preferred Shares"), respectively, and 3,195,050 and 3,195,050 Series D Cumulative Redeemable Perpetual Preferred Shares (the "Series D Preferred Shares" and, together with the Series C Preferred Shares, the "Preferred Shares"), respectively, were issued and outstanding, respectively. In addition, 1,000,000 shares have been designated Series A Participating Preferred Stock in connection with our adoption of a shareholder rights plan.

Holders of Preferred Shares have no voting rights other than the ability (voting together as a class with all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable, including all of the Preferred Shares), subject to certain exceptions, to elect one director if dividends for six quarterly dividend periods (whether or not consecutive) payable on the Company's Preferred Shares are in arrears and certain other limited protective voting rights. The Company's Preferred Shares are subordinate to all of existing and future indebtedness.

Common stock

In August 2020, the Company filed a prospectus supplement with the Securities and Exchange Commission, under which it may offer and sell shares of its common stock from time to time up to aggregate net offering proceeds of $23,500 through an "at-the-market" equity offering program (the "ATM Program"). In May 2021, the Company filed an addendum to the August 2020 prospectus supplement and increased its net offering proceeds to $100,000. The ATM Program was terminated in May 2023, upon when the Company had offered to sell and had sold 19,417,280 shares and had received aggregate net offering proceeds of $71,537 under the ATM Program.

In June 2022, the Company implemented a program for the repurchase of up to 5,000,000 shares of its common stock. In March 2023, the Company announced an increase of this share repurchase program, authorizing the Company to purchase up to an aggregate of 10,000,000 shares of the Company's Common Stock. The program was completed in May 2023, and an amount of 10,000,000 shares of common stock was repurchased and canceled pursuant to it.

In May 2023, the Company announced a new program for the repurchase of up to 5,000,000 shares of its common stock. In July 2023, the Company terminated the program, having repurchased and canceled an amount of 139,891 shares of common stock.

In November 2023, the Company authorized a program for the repurchase of up to 5,000,000 shares of its common stock. In April 2024, the Company terminated the program, having repurchased and canceled an amount of 4,860,953 shares of common stock.

In November 2024, the Company authorized a program for the repurchase of up to 5,000,000 shares of its common stock. In December 2024, the Company terminated the program, having repurchased and canceled an amount of 1,488,690 shares of common stock.

In February 2025, the Company authorized a program for the repurchase of up to 3,000,000 shares of common stock. The program was completed in March 2025, and an amount of 3,000,000 shares of common stock was repurchased and canceled pursuant to it.

In December 2025, the Company authorized a program for the repurchase of up to 10,000,000 shares of common stock. As of December 31, 2025, 68,993 shares of common stock had been repurchased and canceled pursuant to this program.

Purchases under all previously announced repurchase programs were made in the open market and in compliance with applicable laws and regulations.

Pursuant to arrangements approved by the Company's shareholders and the nominating and compensation committee, effective July 1, 2008, in respect of the audit committee chairman and effective January 1, 2010, in respect of the other independent directors of the Company, every quarter the audit committee chairman receives the equivalent of $15.0 and the other independent directors each receive the equivalent of $7.50, all payable in arrears in the form of newly issued Company common stock as part compensation for services rendered as audit committee chairman and independent directors, respectively. The number of shares to be issued is determined based on the closing price of the Company's common stock on the last trading day prior to the end of each quarter in which services were provided and the shares are issued as soon as practicable following the end of the quarter. During the years ended December 31, 2023, December 31, 2024 and December 31, 2025, 18,487 shares, 12,325 shares and 15,759 shares, respectively, were issued to the audit committee chairman and 23,497 shares, 18,486 shares and 23,640 shares, respectively, were issued in aggregate to the other independent directors of the Company.

Preferred stock

In May 2014, the Company successfully completed a public offering, whereby 2,300,000 shares of Series C Preferred shares were issued and sold at a price of $25.00 per share. The net proceeds of the public offering and the private placement were $55,504, net of underwriting discount of $1,744 and offering expenses of $252. The Series C Preferred Shares were issued for cash and pay cumulative quarterly dividends at a rate of 8% per annum from their date of issuance, i.e. $2.00 per preferred share. The declaration of such dividend is subject to the discretion of the Company's board of directors. At any time on or after May 31, 2019, the Series C Preferred Shares may be redeemed, at the option of the Company, in whole or in part at a redemption price of $25.00 per share plus unpaid dividends. The Series C Preferred Shares are not convertible into common stock and are not redeemable at the option of the holder.

In June 2014, the Company successfully completed a public offering, whereby 3,200,000 shares of Series D Preferred Shares were issued and sold at a price of $25.00 per share. The net proceeds of the public offering and the private placement were $77,420 net of underwriting discount of $2,369 and offering expenses of $211. The Series D Preferred Shares were issued for cash and pay cumulative quarterly dividends at a rate of 8% per annum from their date of issuance, i.e., $2.00 per preferred share. The declaration of such dividend is subject to the discretion of the Company's board of directors. At any time on or after June 30, 2019, the Series D Preferred Shares may be redeemed, at the option of the Company, in whole or in part at a redemption price of $25.00 per share plus unpaid dividends. The Series D Preferred Shares are not convertible into common stock and are not redeemable at the option of the holder.

In March 2022, the Company issued a notice of redemption of 1,492,554 of the outstanding Series C Preferred Shares. The redemption was completed on April 29, 2022, at a redemption price of $25.00 per Series C Preferred Share in the amount of $37,314 plus all accumulated and unpaid dividends to, but excluding, the redemption date, of $738. Following the redemption, there were 804,950 Series C Preferred Shares outstanding, as of December 31, 2025.

The payment due upon liquidation to holders of any series of the Company's preferred shares is fixed at the redemption preference of $25.00 per share plus accumulated and unpaid dividends to the date of liquidation. The liquidation price of the Series C Preferred Shares and Series D Preferred Shares as of December 31, 2025 was $20,405 and $80,995, respectively.

8. Commitments and Contingencies

(a) Capital expenditure commitments relating to our vessels under construction are as follows:

Year Ended December 31,	Due to Shipyards/Sellers	Due to Manager	Total
2026	$ 110,064	$ 3,817	$ 113,881
2027	51,098	1,400	52,498
Total	**$ 161,162**	**$ 5,217**	**$ 166,379**

(b) Other contingent liabilities

The Company and its Subsidiaries have not been involved in any legal proceedings that may have, or have had, a significant effect on their business, financial position, results of operations or liquidity, nor is the Company aware of any proceedings that are pending or threatened that may have a significant effect on its business, financial position, results of operations or liquidity. From time

to time various claims, suits and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, shipyards, insurance providers and other claims relating to the operation of the Company's vessels. Management is not aware of any material claims or contingent liabilities which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Management is not aware of any such claims or contingent liabilities which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. A maximum of $1,000,000 of the liabilities associated with the individual vessel actions, mainly for sea pollution, is covered by P&I Club insurance.

9. Revenues

Revenues are comprised of the following:

	Year Ended December 31		
	2023	2024	2025
Time charter revenue	$ 290,440	$ 316,553	$ 284,375
Other income	4,953	4,126	3,756
Total	**$ 295,393**	**$ 320,679**	**$ 288,131**

The Company generates its revenues from time charters or infrequently under voyage contracts.

Time charter agreements may have renewal options for one month to three years. The time charter party generally provides typical warranties regarding the speed and the performance of the vessel as well as some owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws, and carry only lawful and non-hazardous cargo. The Company typically enters into time charters ranging from one month to five years and in isolated cases on longer terms depending on market conditions. The charterer has the full discretion over the ports visited, shipping routes and vessel speed, subject only to the owner protective restrictions discussed above.

Vessels may also be chartered under voyage charters, where a contract is made for the use of a vessel under which the Company is paid freight on the basis of moving cargo from a loading port to a discharge port. A significant portion of the voyage hire is typically paid upon initiation of the voyage and the remainder upon completion of the performance obligation.

During the years ended December 31, 2023, 2024 and 2025, the Company generated revenue from its time charters of $290,440, $316,553 and $284,375, respectively. Scrubber-fitted vessels are able to earn a premium attributable to the use of the scrubbers installed on board the vessels, to reduce the sulfur content of fuels in compliance to legislation effective January 1, 2020. This premium may be fixed as part of the daily charter rate or may vary based on actual consumption. Such variable consideration consists of the premium of scrubber-fitted vessels and the gain on fuel price differential, amounted to $34,623, $21,538 and $18,297 and is included in time charter revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

As of December 31, 2025, the time charters under which the Company vessels were employed had remaining term ranging from less than one month to twelve months based on the minimum duration of the contracts, excluding four vessels, one of which was employed under time charter for an original duration of three years, two of which were employed under a time charter for an original duration of four years and one vessel which was on long term time charter for a period of twenty years, with a remaining tenor ranging between one to six years.

During the years ended December 31, 2023, December 31, 2024 and December 31, 2025 no vessel was employed under a voyage charter.

10. Vessel Operating Expenses

Vessel operating expenses are comprised of the following:

	Year Ended December 31,		
	2023	2024	2025
Crew wages and related costs	$ 39,473	$ 40,937	$ 42,702
Insurance	5,263	5,668	5,430
Repairs, maintenance and drydocking costs	16,354	16,223	16,921
Spares, stores and provisions	18,738	20,668	23,096
Lubricants	5,479	5,161	5,179
Taxes	606	575	702
Miscellaneous	3,288	3,369	3,317
Total	**$ 89,201**	**$ 92,601**	**$ 97,347**

11. Fair Value of Financial Instruments and Derivatives Instruments

Cash and cash equivalents and restricted cash and interest rate, foreign exchange forward contracts, bunker price and freight derivatives are recorded at fair value. The carrying values of the current financial assets and current financial liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments. Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. The fair values of the variable interest long-term debt approximate the recorded values, due to their variable interest rates. The fair value of the fixed interest long-term debt is estimated using prevailing market rates as of the period end. The Company believes the terms of its loans are similar to those that could be procured as of December 31, 2025. The fair value of the long-term debt is disclosed in Note 6.

Derivative instruments

Interest rate swaps

The Company from time to time enters into interest rate derivative contracts to manage interest costs and risk associated with changing interest rates with respect to its variable interest loans and credit facilities. No interest rate derivative contracts were entered into during the year ended December 31, 2024.

Details of interest rate swap transactions entered into as of December 31, 2025 are presented in the table below:

				Notional Amount	
Company[1]	Inception	Expiry	Fixed Rate	December 31, 2024	December 31, 2025
Safe Bulkers	April 8, 2025	April 8, 2030	3.345 %	$ —	$ 30,000
Safe Bulkers	April 8, 2025	April 8, 2030	3.356 %	—	20,000
Total				**$ —**	**$ 50,000**

1. Under all above swap transactions, the respective bank effects quarterly floating-rate payments to the Company for the relevant amount based on the three-month SOFR, and the Company effects quarterly payments to the bank on the relevant amount at the respective fixed rates

Foreign Exchange Forward Contracts

The Company from time to time may enter into foreign exchange forward contracts to create economic hedges for its exposure to currency exchange risk on payments relating to capital expenditure obligations, the redemption of the Bond or for trading purposes. Foreign exchange forward contracts are agreements entered into with a bank to exchange, at a specified future date, currencies of different countries at a specific rate. As of December 31, 2024, the Company had seven outstanding derivative instruments relating to currency exchange contracts for an aggregate amount of €60,000 or $65,343, with maturity in November 2026. As of December 31, 2025, the Company had twelve outstanding derivative instruments relating to currency exchange contracts for an aggregate amount of €55,000 or $58,946, with maturity in November 2026.

Bunker Fuel Contracts

The Company from time to time may enter into bunker fuel contracts to buy or sell the spread differential between the price per ton of the 0.5% and 3.5% sulfur content fuel with the objective of reducing the risk arising from lower spread differential, which affects the additional revenue from the operation of Scrubbers in scrubber-fitted vessels. During the years ended December 31, 2024 and December 31, 2025, the Company did not enter into any such contracts.

Forward Freight Agreements ("FFA")

The Company from time to time may enter into FFA on the Panamax or Capesize indices with the objective of reducing the risk arising from the volatility in the vessel charter rates. During the year ended December 31, 2024, the Company entered into a certain number of FFA on the Capesize index, all matured in 2024. During the year ended December 31, 2025, the Company did not enter into any such contracts.

The Company's interest rate agreements, foreign exchange forward contracts, bunker fuel contracts and FFA do not qualify for hedge accounting. The Company determines the fair market value of such derivative contracts at the end of every period and accordingly records the resulting unrealized loss/gain during the period in the consolidated statement of income.

Information on the location and amounts of derivative fair values in the consolidated balance sheets and derivative gains/losses in the consolidated statements of income are shown below:

Derivatives not designated as hedging instruments

		Asset Derivatives Fair Values		Liability Derivatives Fair Values	
Type of Contract	Balance sheet location	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025
Foreign Exchange Forward Contracts	Derivative assets / Current assets	$ —	$ 6,485	$ —	$ —
Foreign Exchange Forward Contracts	Derivative assets / Non-current assets	672	—	—	—

Foreign Exchange Forward Contracts	Derivative liabilities / Current liabilities	—	—	—	208
Interest rate swaps	Derivative liabilities / Non-current liabilities	—	—	—	27
Foreign Exchange Forward Contracts	Derivative liabilities / Non-current liabilities	—	—	1,419	—
	Total Derivatives	**$ 672**	**$ 6,485**	**$ 1,419**	**$ 235**

	Amount of Gain/(loss) Recognized on Derivatives Year ended December 31,		
	2023	**2024**	**2025**
Interest rate swaps	$ 338	$ —	$ 301
Foreign Exchange Forward Contracts	1,819	(3,380)	7,024
Forward Freight Agreements	(1,681)	(485)	—
Bunker Fuel Contracts	47	195	—
Net Gain/(loss) Recognized	**$ 523**	**$ (3,670)**	**$ 7,325**

The gain or loss is recognized in the consolidated statement of income and is presented in Other (Expense)/Income – Gain/(Loss) on derivatives.

The Company's interest rate derivative instruments are pay-fixed, receive-variable interest rate swaps based on the USD SOFR swap rate. The fair value of the interest rate swaps is determined using a discounted cash flow approach based on expected forward SOFR swap yield curves and takes into account the credit risk of the counterparty financial institutions. SOFR swap rates are observable at commonly quoted intervals for the full terms of the swaps and therefore are considered Level 2 items in accordance with the fair value hierarchy. Differences in prices are observable at commonly quoted intervals for the full terms of the swaps and therefore are considered Level 2 items in accordance with the fair value hierarchy.

The Company's foreign exchange forward derivative instruments are agreements entered into with a bank to exchange, at a specified future date, currencies of different countries at a specific rate. The fair value of the foreign exchange forward derivative instruments is determined using mid-rates based on available market rates at the time of the valuation and take into account the credit risk of the counterparty financial institutions. Foreign exchange prices are observable at commonly quoted intervals for the full terms of the foreign exchange forward derivative instruments and therefore are considered Level 2 items in accordance with the fair value hierarchy.

The Company's FFA derivative instruments were receive-fixed, pay-variable swaps based on the earnings of the Panamax class dry bulk vessels as published by the Baltic Exchange. The fair value of the FFA derivatives is determined using a discounted cash flow approach based on the market rate of such earnings at the time of such valuation and take into account the credit risk of the counterparty financial institutions. Differences in prices are observable at commonly quoted intervals for the full terms of the FFAs and therefore are considered Level 2 items in accordance with the fair value hierarchy.

The Company's bunker fuel derivative instruments were receive-fixed, pay-variable swaps based on the difference in price between various categories of bunker fuels. The fair value of the bunker fuel swaps is determined using a discounted cash flow approach based on the difference on the market rate of each bunker fuel price at the time of such valuation and take into account the credit risk of the counterparty financial institutions. Differences in prices are observable at commonly quoted intervals for the full terms of the swaps and therefore are considered Level 2 items in accordance with the fair value hierarchy.

The following table summarizes the valuation of the Company's financial instruments as of December 31, 2024 and December 31, 2025.

	Significant Other Observable Inputs (Level 2)	
	December 31, 2024	**December 31, 2025**
Derivative instruments – asset position	$ 672	$ 6,485
Derivative instruments – liability position	1,419	235

12. Accrued Liabilities

Accrued liabilities are comprised of the following:

	December 31,	
	2024	2025
Interest on long-term debt	$ 8,254	$ 2,610
Vessels' operating and voyage expenses	2,610	4,480
Commissions	644	378
Interest on derivatives and other finance expenses	104	161
General and administrative expenses	195	229
Total	**$ 11,807**	**$ 7,858**

13. Future Minimum Time Charter Revenue

The future minimum time charter revenue, net of commissions, based on existing vessels committed to spot and period non-cancellable time charter contracts (including fixture recaps) which includes contracted revenue linked to the BPI and BCI index calculated as of December 31, 2025, is as follows:

December 31,	
2026	$ 95,119
2027	30,670
2028	15,378
2029	9,227
2030	9,227
Thereafter	4,550
Total	**$ 164,171**

Revenues from time charters are not generally received when a vessel is off-hire, including time required for normal periodic maintenance. In arriving at the minimum future charter revenues, an estimated off-hire time has been deducted, although such estimate may not be reflective of the actual off-hire in the future.

14. General and Administrative Expenses

General and administrative expenses include management fees payable to our Managers and costs in relation to the administration of our Company. General and administrative expenses for the years ended December 31, 2023, December 31, 2024 and December 31, 2025 were as follows:

	December 31,		
	2023	2024	2025
Management fees – related parties	$ 19,199	$ 21,357	$ 24,051
Professional fees (legal and accounting)	1,070	966	1,241
Directors fees and expenses	781	741	632
Listing fees and expenses	128	100	94
Environmental, Social and Governance expenses	216	1,427	831
Information Technology expenses	272	627	655
Miscellaneous	2,097	1,817	2,349
Total	**$ 23,763**	**$ 27,035**	**$ 29,853**

15. Unearned Revenue/Accrued Revenue

Unearned Revenue represents cash received in advance of it being earned, whereas Accrued Revenue represents revenue earned prior to cash being received. Revenue is recognized as earned on a straight-line basis at their average rates when charter agreements provide for varying annual charter rates over their term. Total Unearned Revenue/Accrued Revenue during the periods presented is as follows:

	December 31,	
	2024	2025
Unearned Revenue		
Cash received in advance of service provided – Current liability	$ 3,898	$ 3,777
Deferred revenue resulting from varying charter rates – Current liability	2,640	1,447
Deferred revenue resulting from varying charter rates – Non-Current liability	2,624	2,313
Total Unearned Revenue	**$ 9,162**	**$ 7,537**
Accrued Revenue		
Resulting from varying charter rates – Current asset	$ 903	$ 615
Total Accrued Revenue	**$ 903**	**$ 615**

16. Gain on Sale of Assets

Gain on Sale of Assets represents net gains from the sale of three vessels concluded during the year ended December 31, 2023, four vessels concluded during the year ended December 31, 2024 and two vessels concluded during the year ended December 31, 2025. Summary of the transactions is presented in the table below:

	Years Ended December 31,		
	2023	2024	2025
Gain on sale of assets	$ 10,375	$ 16,555	$ 4,596

Vessel name	Type	Built	Gross sale price	Gain	Delivery to new owners
Pedhoulas Trader	Kamsarmax	2006	15,900	4,637	January 2023
Efrossini	Panamax	2012	22,500	3,316	July 2023
Katerina	Panamax	2004	10,200	2,422	December 2023
Total gain in 2023				**$ 10,375**	

Vessel name	Type	Built	Gross sale price	Gain	Delivery to new owners
Pedhoulas Cherry	Kamsarmax	2015	26,625	2,265	February 2024
Panayiota K	Post-Panamax	2010	20,450	2,292	April 2024
Maritsa	Panamax	2005	12,200	4,324	May 2024
Paraskevi 2	Panamax	2011	20,300	7,674	July 2024
Total gain in 2024				**$ 16,555**	

Vessel name	Type	Built	Gross sale price	Gain	Delivery to new owners
Pedhoulas Leader	Kamsarmax	2007	12,500	1,793	September 2025
Pedhoulas Merchant	Kamsarmax	2006	11,500	2,803	September 2025
Total gain in 2025				**$ 4,596**	

17. Dividends

During 2023, the Company declared and paid four quarterly consecutive dividends of $0.05 per common share totaling $22,678. During 2024, the Company declared and paid four quarterly consecutive dividends of $0.05 per common share totaling $21,502. During 2025, the Company declared and paid four quarterly consecutive dividends of $0.05 per common share totaling $20,610.

During 2023, the Company declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1,610, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6,390. During 2024, the Company declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1,610, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares,

totaling $6,390. During 2025, the Company declared and paid four quarterly consecutive dividends of $0.50 per share of Series C Preferred Shares, totaling $1,610, and four quarterly consecutive dividends of $0.50 per share of Series D Preferred Shares, totaling $6,390.

18. Earnings Per Share

Diluted earnings per share are the same as basic earnings per share. There are no potentially dilutive shares. The computation of basic earnings per share is presented as follows:

	December 31,		
	2023	2024	2025
Net income	**$ 77,351**	**$ 97,376**	**$ 38,563**
Less preferred dividend attributable to preferred shareholders	8,000	8,000	8,000
Net income available to common shareholders	**$ 69,351**	**$ 89,376**	**$ 30,563**
Weighted average number of shares, basic and diluted	113,619,092	107,576,009	103,038,189
Earnings per share in U.S. Dollars, basic and diluted	**$ 0.61**	**$ 0.83**	**$ 0.30**

19. Subsequent Events

(a) Dividend declaration - preferred stock Series C and Series D: In January 2026, the board of directors declared a dividend of $0.50 per share of all classes of preferred shares, totaling $2,000, payable to all shareholders of record as of January 16, 2026, which was paid on January 30, 2026.

(b) Acquisition of newbuild vessels: In January 2026, the Company entered into an agreement for the acquisition of two newbuild, 82,500 dwt, dry-bulk, Kamsarmax class vessels, with scheduled delivery dates in the third quarter of 2028 and the first quarter of 2029.

(c) Dividend declaration - common stock: In February 2026, the board of directors declared a dividend of $0.05 per share of common stock, totaling $5,113 payable to all shareholders of record of the Company's common stock at the closing of trading on March 2, 2026, which will be paid on March 18, 2026.

(d) Sale of vessel: In February, 2026, the Company entered into an agreement for the sale of the MV Michalis H, a Chinese-built, 180,400 dwt, dry-bulk, Capesize class vessel, at a gross sale price of $35.2 million and with scheduled delivery dates in the first quarter of 2026.

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Corporate directory

Board of Directors and Management

Polys Hajioannou
Chief Executive Officer,
Chairman and Director

Dr. Loukas Barmparis
President, Secretary and Director

Konstantinos Adamopoulos
Chief Financial Officer,
Treasurer and Director

Ioannis Foteinos
Chief Operating Officer and Director

Frank Sica
Director

Ole Wikborg
Director

Christos Megalou
Director

Kristin H. Holth
Director

Marina Hajioannou
Director

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Stock Listing

Safe Bulkers' common stock is traded on the New York Stock Exchange under the ticker symbol "SB".

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