

# SAFE BULKERS INC

INVESTOR PRESENTATION

JANUARY 2022



We have a shared responsibility to resolve the crew change crisis. Join us.

The Neptune Declaration  
on Seafarer Wellbeing and Crew Change



SUSTAINABLE  
DEVELOPMENT  
GOALS

## Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 27A of the Securities Exchange Act of 1933, as amended, and in the Section 21E of the Securities Act of 1934, as amended) concerning future events, the Company's growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters. Words such as "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates" and variations of such words and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for drybulk vessels, competitive factors in the market in which the Company operates, risks associated with operations outside the United States and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

## Management Team

**Polys Hajioannou**  
Chairman and CEO



**Dr. Loukas Barmparis**  
President



**Konstantinos Adamopoulos**  
Chief Financial Officer



**Ioannis Foteinos**  
Chief Operating Officer



**1.SB Snapshot**

**2.SB Deep dive**

**3.Environmental Social Governance (ESG)**

**4.Appendix**



# 1. Safe Bulkers Inc. Snapshot



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**TRACK RECORD  
EXPERIENCE**  
60+ years

**ALIGNED INTERESTS**  
~40% owned <sup>1</sup>  
by our CEO  
Polys V. Hajioannou

**CONTRACTED  
REVENUES <sup>2</sup>**  
\$430 million

**Additional revenue  
capacity  
of ~\$15 million from  
scrubbers due to fuel  
price differential**

**TOTAL ASSETS<sup>2</sup>**  
\$1.1 billion  
Debt<sup>3</sup>: \$401.9 million  
Scrap value<sup>3</sup>: \$378.2  
million

**39 dry bulk vessels**  
80%+ Japanese-  
built fleet <sup>1</sup>

**9 Japanese newbuilds<sup>1</sup>**  
IMO GHG EEDI Phase 3  
- NOX TIER III

**\$44.9 million of  
Newbuild Capex  
already paid  
as of Q3 2021**

**DELEVERAGING**  
~ 34% Leverage  
as of Q3 2021

**LIQUIDITY<sup>4</sup>**  
Cash: \$92.2 million  
RCF & undrawn  
borrowing capacity  
\$164 million

**Compete on the basis  
of renewed  
environmentally  
advanced fleet**

**Create value for our  
shareholders**

1) As of January 10, 2022

2) As of September 30, 2021

3) As of October 29, 2021. Consolidated debt profile before deferred financing costs of \$401.9 million. Scrap value calculated based on fleet as of October 29, scrap price of \$580/ton as of Q3 2021 Indian subcontinent demolition price bulk carrier.

4) As of October 29, 2021. Cash represents Cash and cash equivalents plus time deposits and restricted cash. Undrawn borrowing capacity represents \$118 million of undrawn borrowing capacity under revolving reducing credit facilities and \$46 million secured financing commitments for loan and sale and lease back financing.

# 1. SB History

**1958**

1<sup>st</sup> investment in shipping by **Vassos Hajionannou family**

**1994**

Establishment of **Safety Management Overseas S.A.** in Athens

**2008**

**Safe Bulkers IPO**  
**NYSE:SB**  
SB  
LISTED  
NYSE

**2013**

Ordering of **11 ECO design ships**

**2015**

Establishment of **Safe Bulkers Management Ltd.** in Cyprus

**2019-20**

**\$67m** environmental fleet upgrade **EGCS & BWTS** retrofit projects

**2020-21**

Ordering of **9 Japanese IMO GHG EEDI Phase 3** applicable from 2025  
**NOX Tier III**  
**\$44.9 mil. Capex paid**

**2021**

**Fleet renewal**  
**7 Second-hands sold**  
**4 younger second-hands acquired**

**2021**

Establishment of **Safe Bulkers office** in Switzerland

**20% fleet growth** since 2015

**23% fleet renewal** by Q1 2024

**2023**

**Compete on the basis of environmental performance**



## 2. SB - Deep dive



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## 2. Fleet

1

39 vessels on water SB  
80%+ Japanese built

2

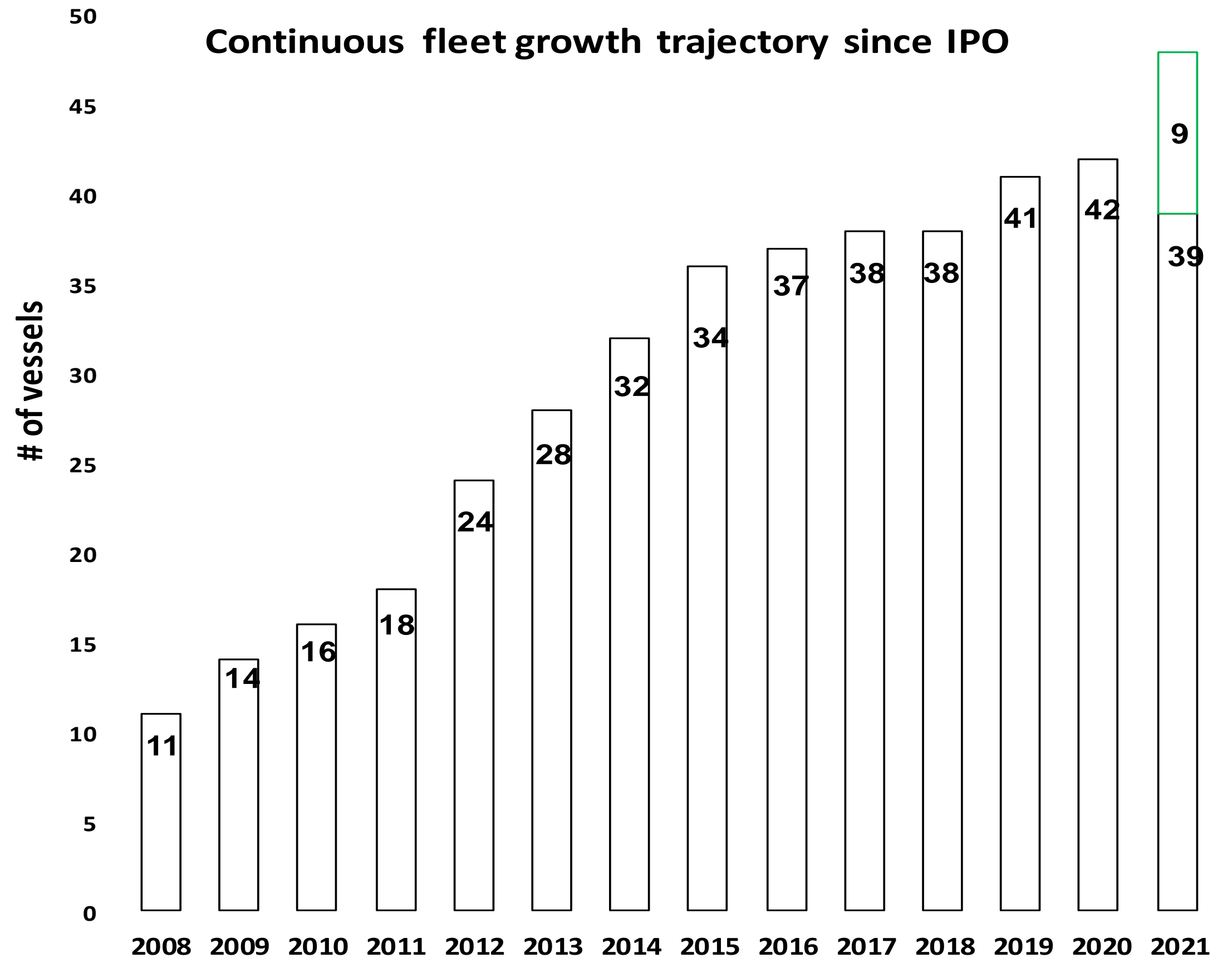
9 newbuilds on order  
deliveries from Q2 2022  
to Q1 2024

3

7 older vessels sold  
4 younger acquired

4

diversified fleet of  
12 Panamax  
7 Kamsarmax  
15 Post- Panamax  
5 Capes



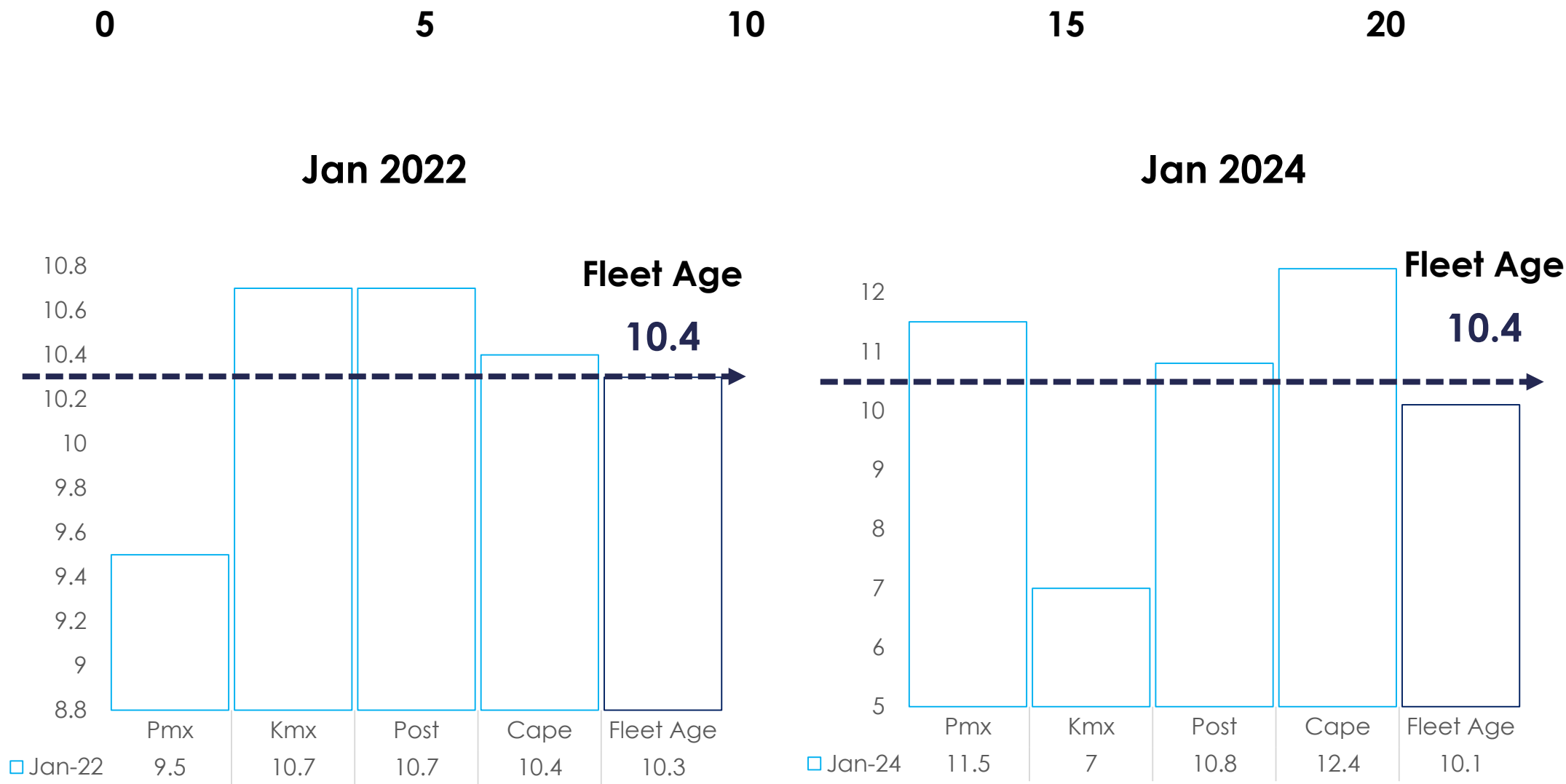
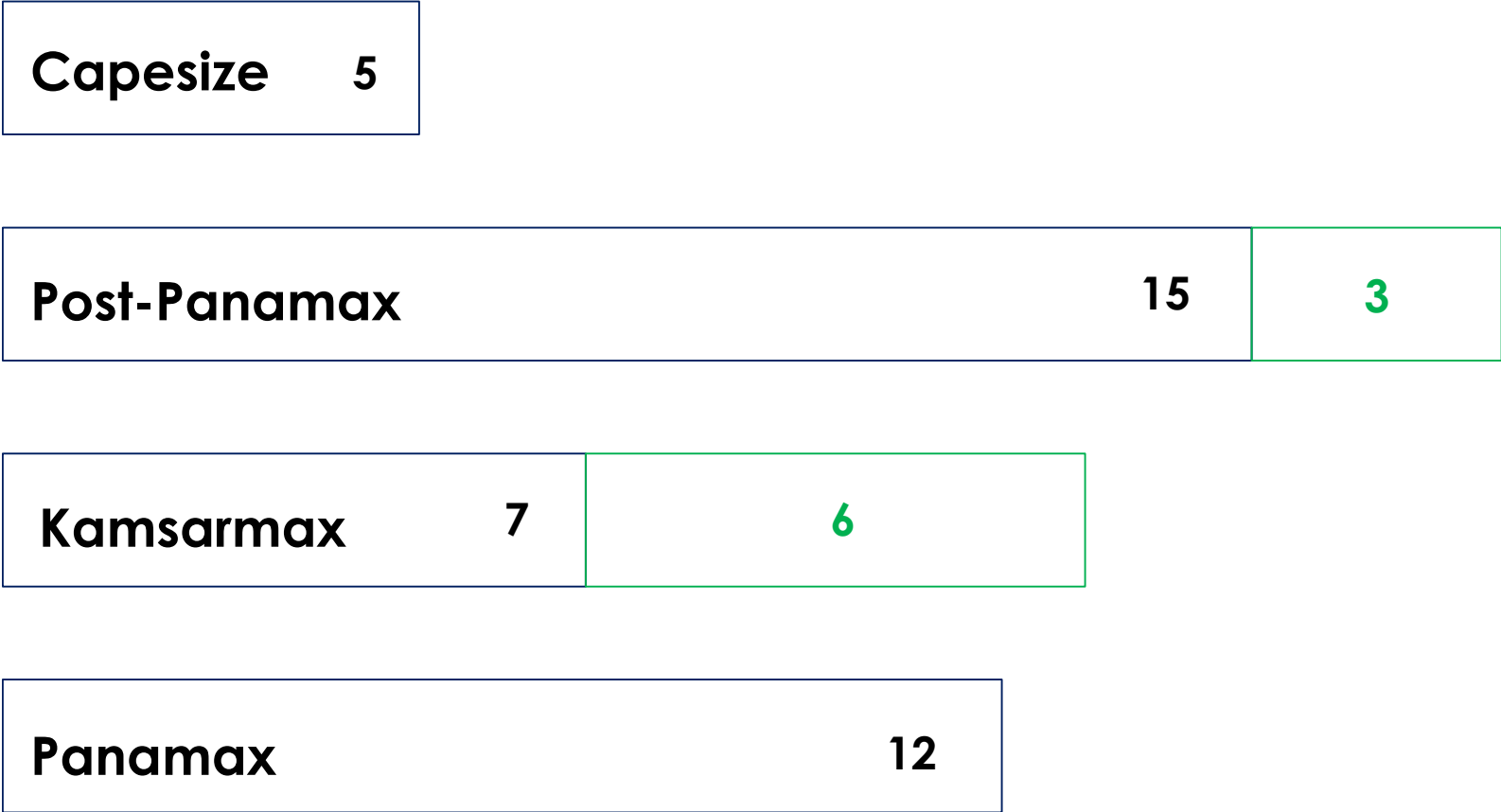


- 1

23% renewal by Q1 2024 Keeping average fleet age at ~10 years through Q1-2024
- 2

80%+ Japanese vessels command substantial premium both in chartering and resale value
- 3

17 Scrubber fitted vessels earning fuel price based premium while protecting environment



## 2. Performance & Secured Employment

1

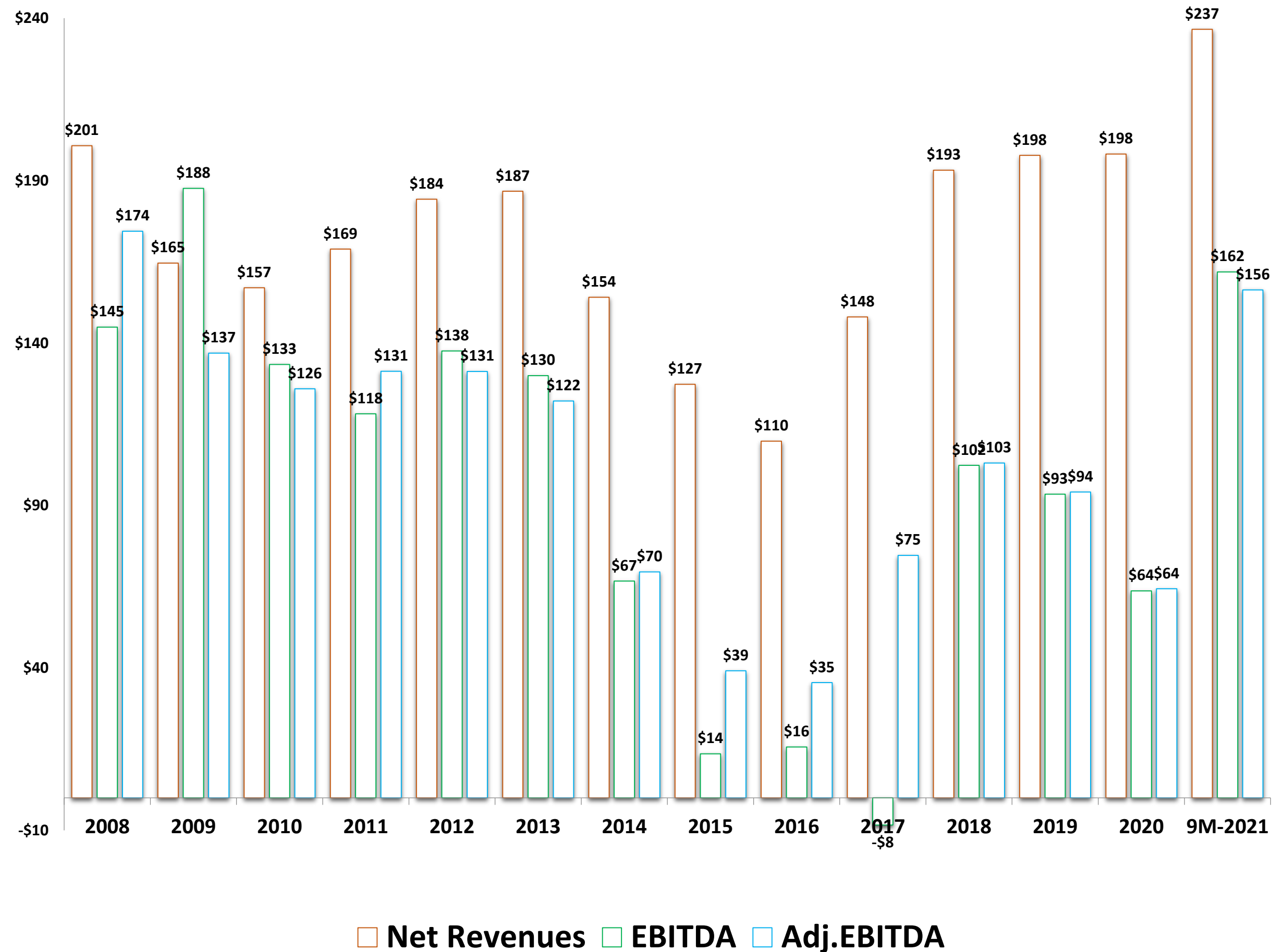
**\$430 million**  
contracted revenues  
as of Q3 2021

2

**Consistent Revenue**  
earnings generation  
throughout cycle

3

**Experience, market**  
knowledge proven  
track record both in  
trough and peak



## 2. Secured Employment – A-Class counterparties

1

Consistent cooperation  
established performing  
charterers or their  
subsidiaries

2

Cautious monitoring  
current market  
conditions





## 2. SB Selected Financials

01

### Revenues

- \$430 million of contracted revenues as of September 30, 2021
- \$92.5 million Net Revenues in Q3 2021
- \$236.6 million Net Revenues in 9-months 2021

02

### EBITDA / Net Income

- \$72.4 million EBITDA in Q3 2021
- \$161.9 million EBITDA in 9-months 2021
- \$55.4 million Net Income in Q3 2021
- \$109.1 million Net Income in 9-months 2021

03

### Leverage & Debt

- 60% Leverage and \$605.8 million total debt as of December 31, 2019
- 66% Leverage and \$616.2 million total debt as of December 31, 2020
- 34% Leverage and \$418.8 million total debt as of September 30, 2021

### 3. Dry Bulk sector



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# 3. Commodities market - CRB Commodity Index

1

USA \$1 trillion stimulus program infrastructure spending

2

CHINA \$120 billion approximate amount spent yearly on infrastructure projects

3

EU overall recovery package of €2.4 billion 2021-27

4

China 2021 GDP grew 8.1%, best growth pace since 2011

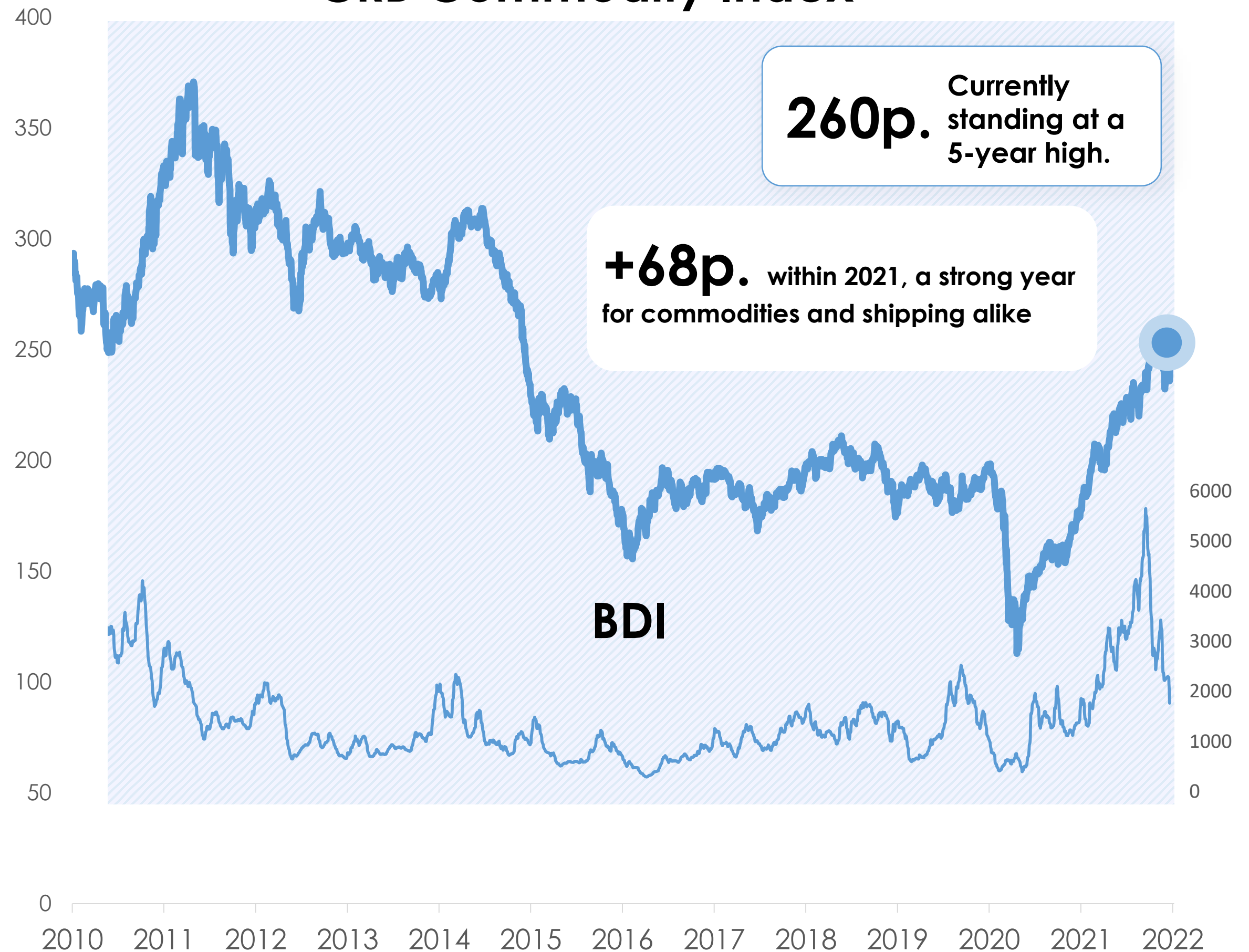
5

Global dry bulk tonne-mile demand expected increase by 4.5% in 2022, supported by recovery-related industrial materials iron ore (5.5%), coal (3.4%), agricultural (5.1%)

6

Global GDP expected increase by 4.9% in 2022 as per IMF

## CRB Commodity Index



Thomson Reuters/Core Commodity CRB Index is calculated using arithmetic average of commodity futures prices with monthly rebalancing. The index consists of 19 commodities: Aluminum, Cocoa, Coffee, Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil, Lean Hogs, Live Cattle, Natural Gas, Nickel, Orange Juice, RBOB Gasoline, Silver, Soybeans, Sugar and Wheat. Those commodities are sorted into 4 groups, with different weightings: Energy: 39%, Agriculture: 41%, Precious Metals: 7%, Base/Industrial Metals: 13%.



# 3. Global Fleet Age & Orderbook Profile

1

Historically low orderbook on both segments where SB competes

2

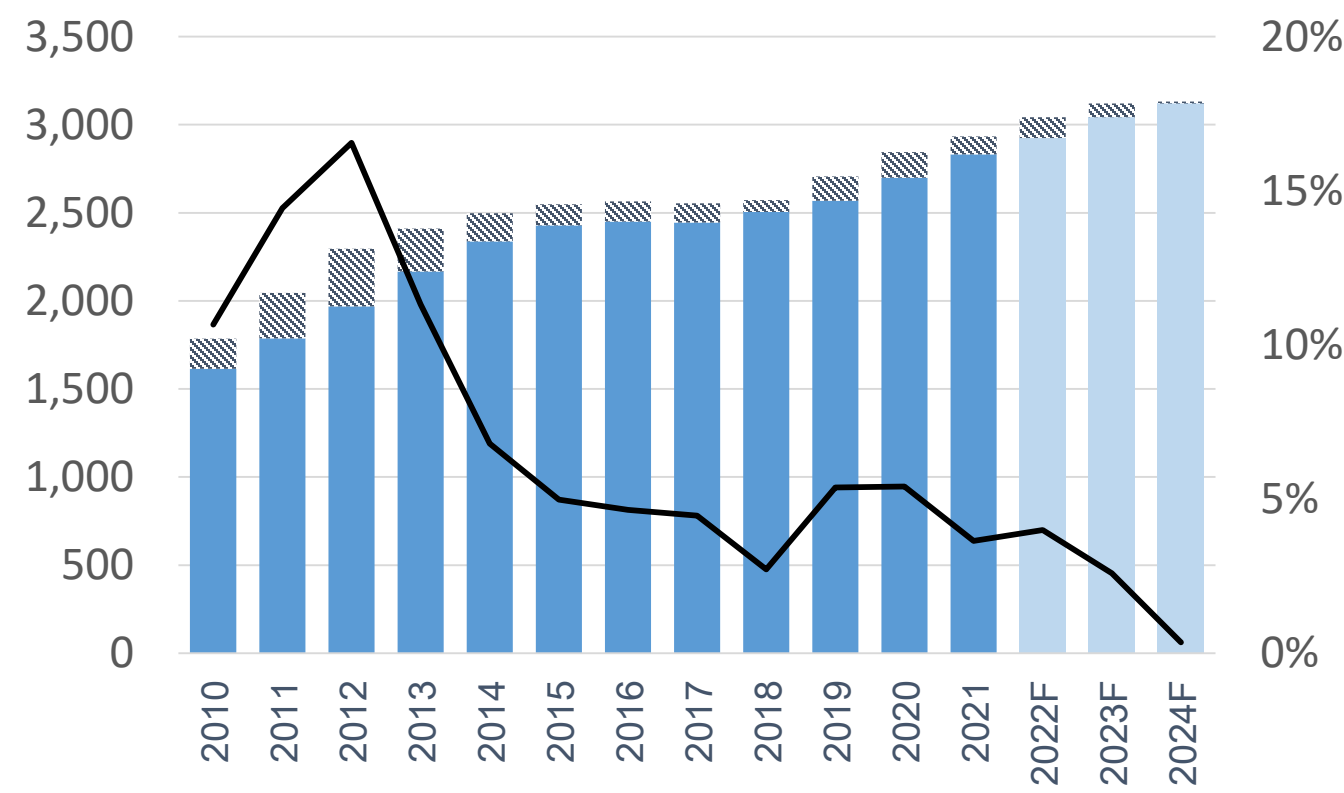
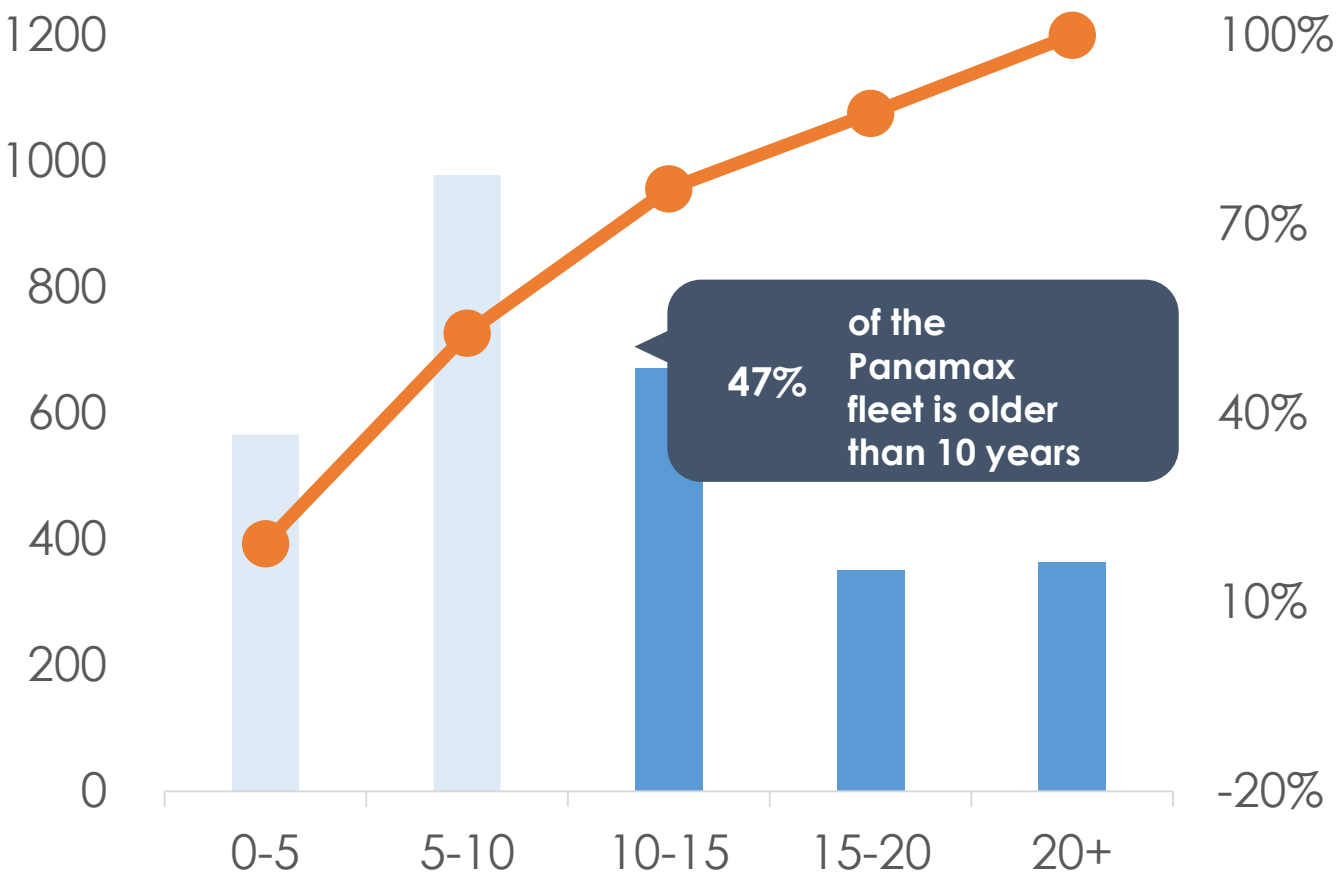
47% of Panamax fleet >10-years

3

48% of Capesize Fleet >10-years

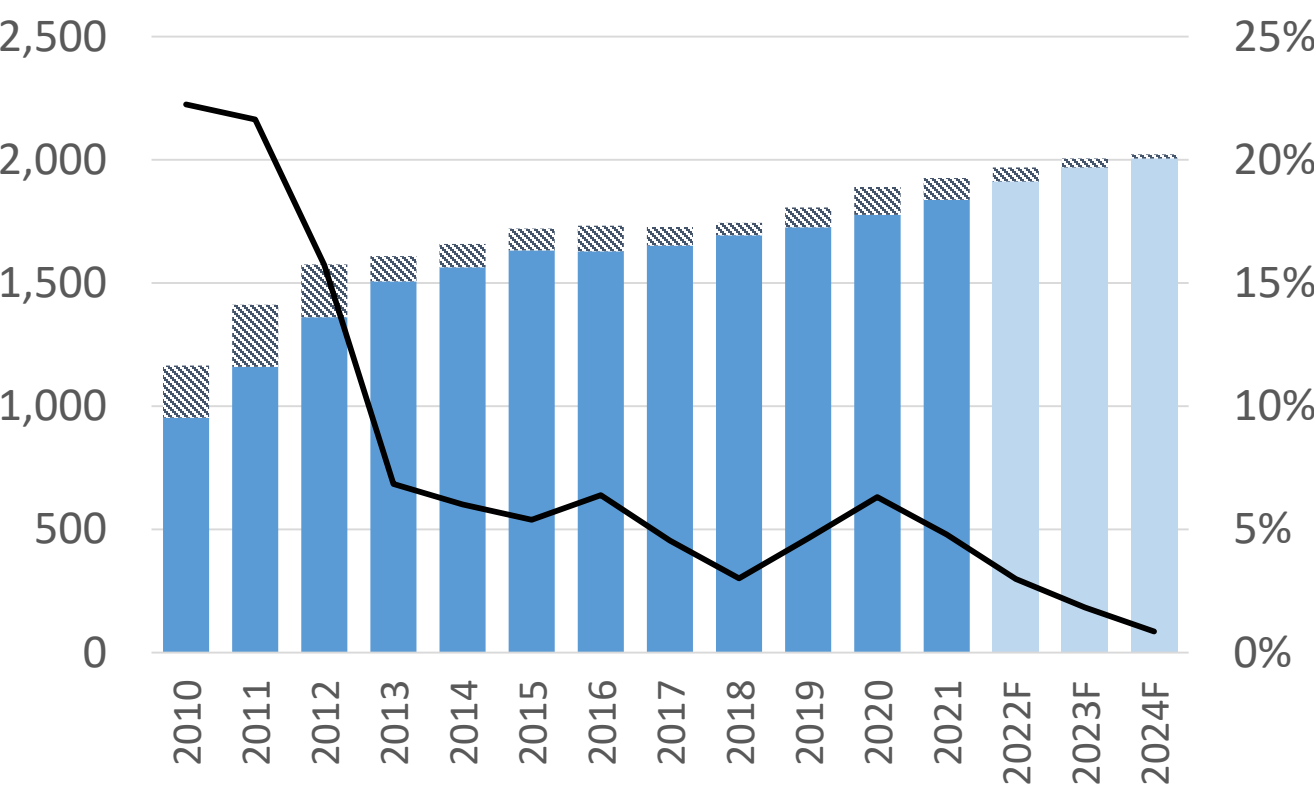
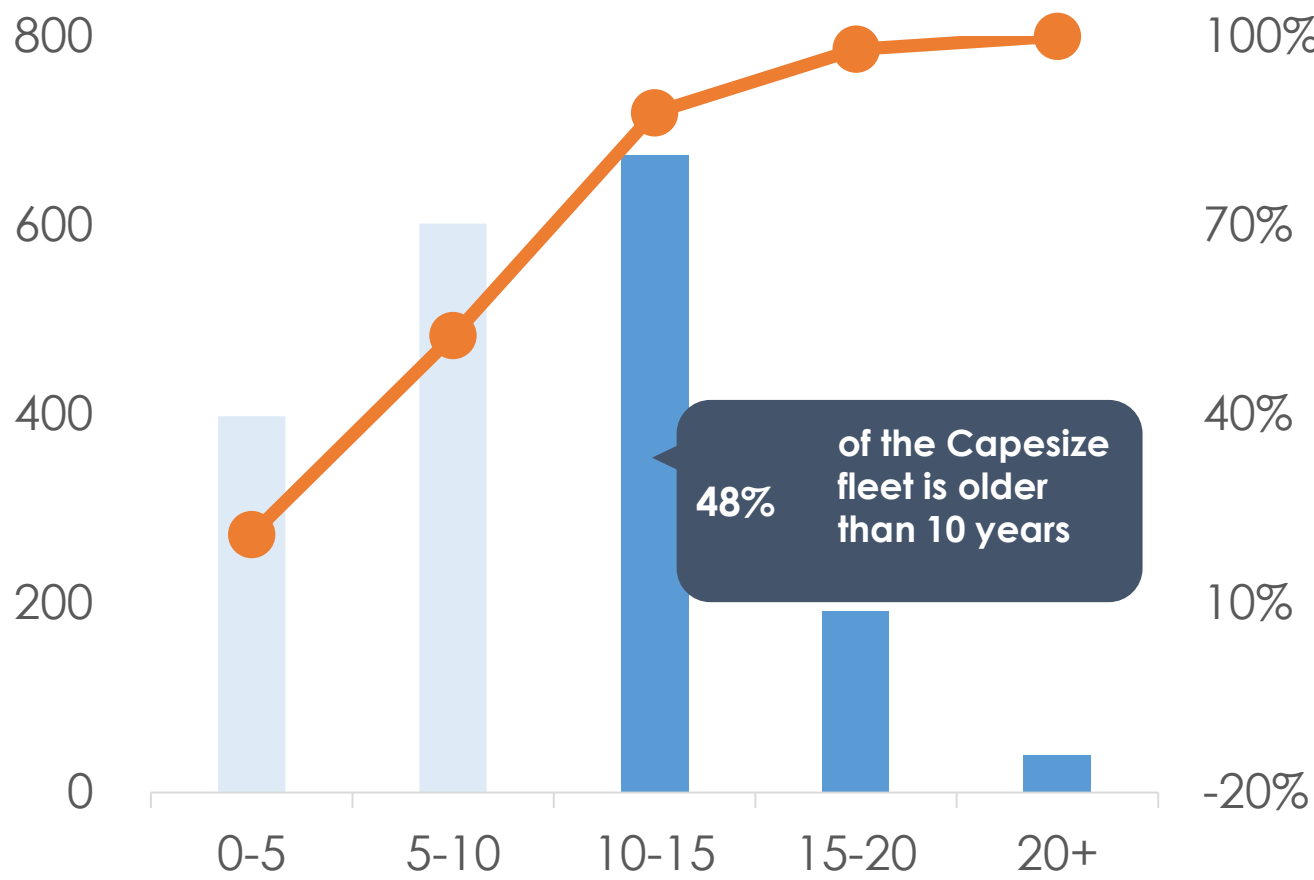
## Panamax

Vessels with DWT between 65-99,999



## Capesize

Vessels with DWT above 100,000+



Fleet at the year start

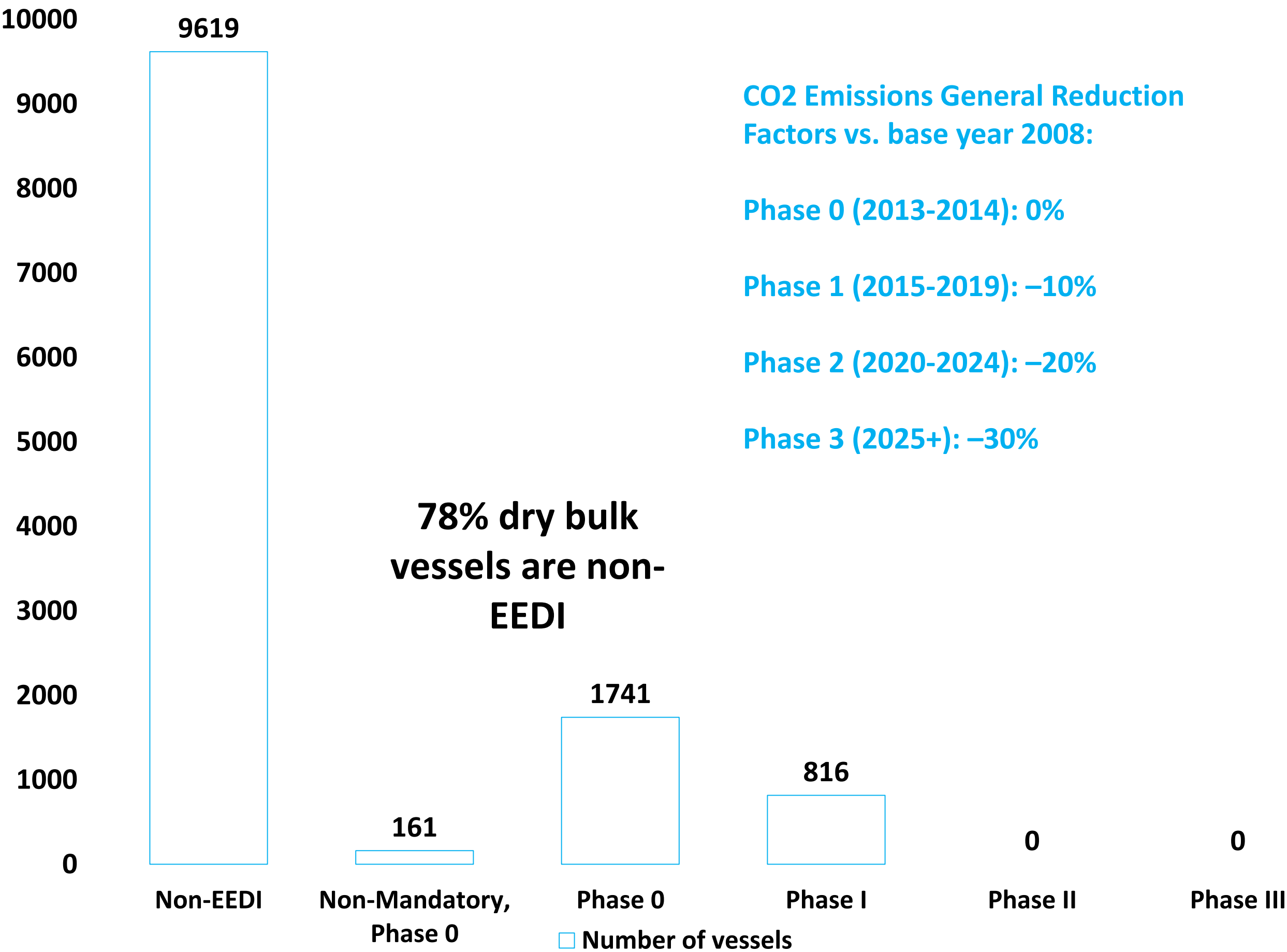
Deliveries within the year

Historically low orderbook as a percentage of current fleet on both segments

# 3. Global Dry Bulk Fleet Phase Profile

- 1 Only a limited number of vessels are beyond 'Phase 0'
- 2 Ideal supply side fundamentals further supported as environmental regulations impact kicks-in after 2025

## EEDI\* PHASES WORLD DRY BULK FLEET COMPLIANCE



Source: IMO EEDI database as of September 2020  
 \*Energy Efficiency Design Index (EEDI), formulated for new ships, is an index that estimates grams of CO2 per transport work (g of CO2 per tonne-mile).

## 4. Environmental and Social Governance



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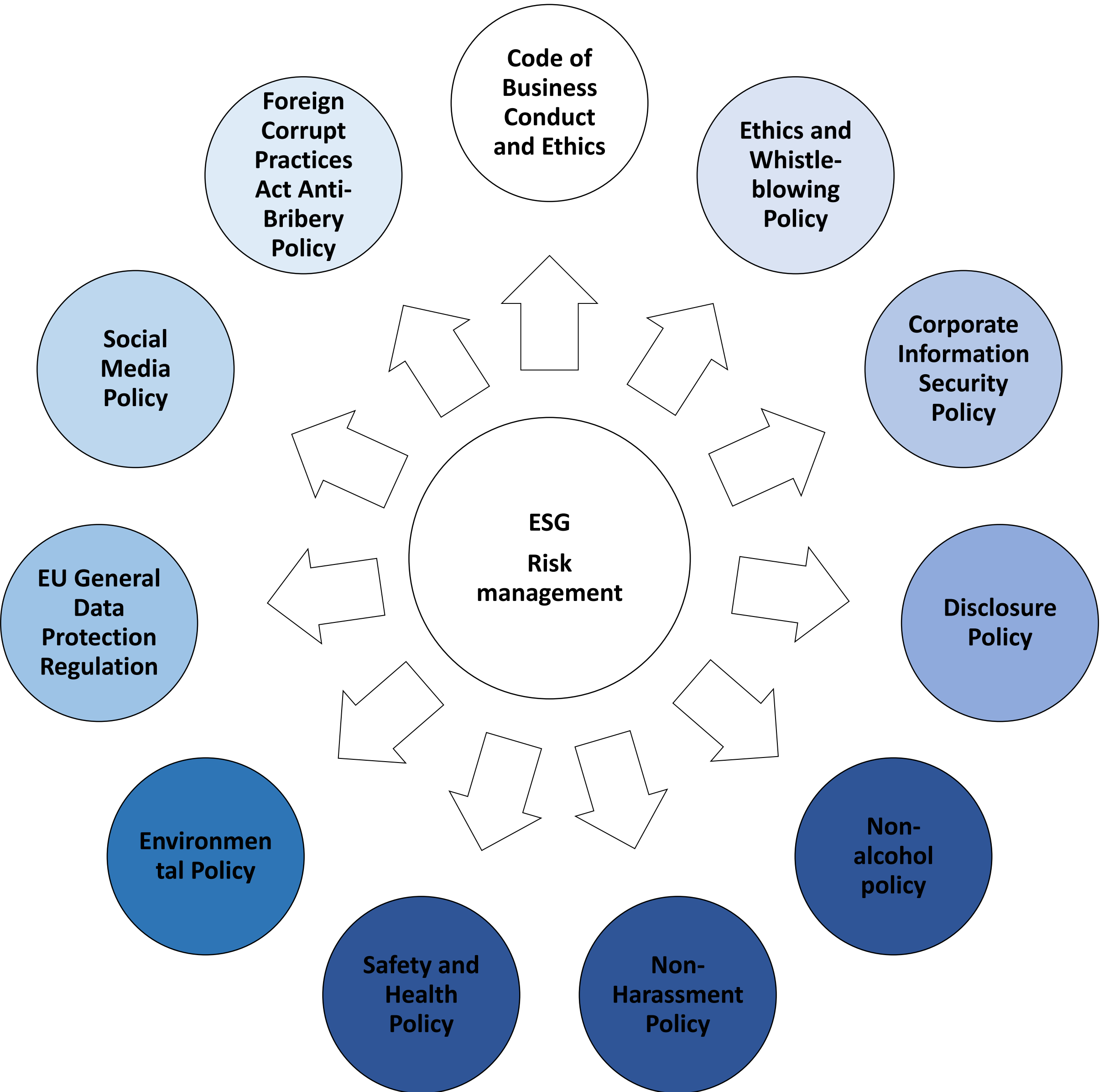


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[www.safebulkers.com](http://www.safebulkers.com)



# 4. Environmental and Social Governance



Source: Safe Bulkers publicly available sustainability report can be downloaded here: [Sustainability report 2020](#).

## Green Investments

- 01
- \$67.2 million as of December 31, 2020 extensive ecological investment program
- 02
- 17 vessels with voluntary installation of Sulphur Oxides (SOx) Exhaust Gas Cleaning Systems (EGCS), known as **Scrubbers** Alfa Laval PureSOx open-loop exhaust gas cleaning systems
- 03
- 35 vessels early adopted Ballast Water Treatment Systems **BWTS**
- 04
- 9 IMO GHG EEDI Phase 3 IMO - NOx Tier III newbuilds on order from Japanese shipyards Q1 2024 fully delivered. \$44.9 million Capex invested already.
- 05
- ISO 50001 Energy management  
ISO 14001 Environmental management

## Green investments

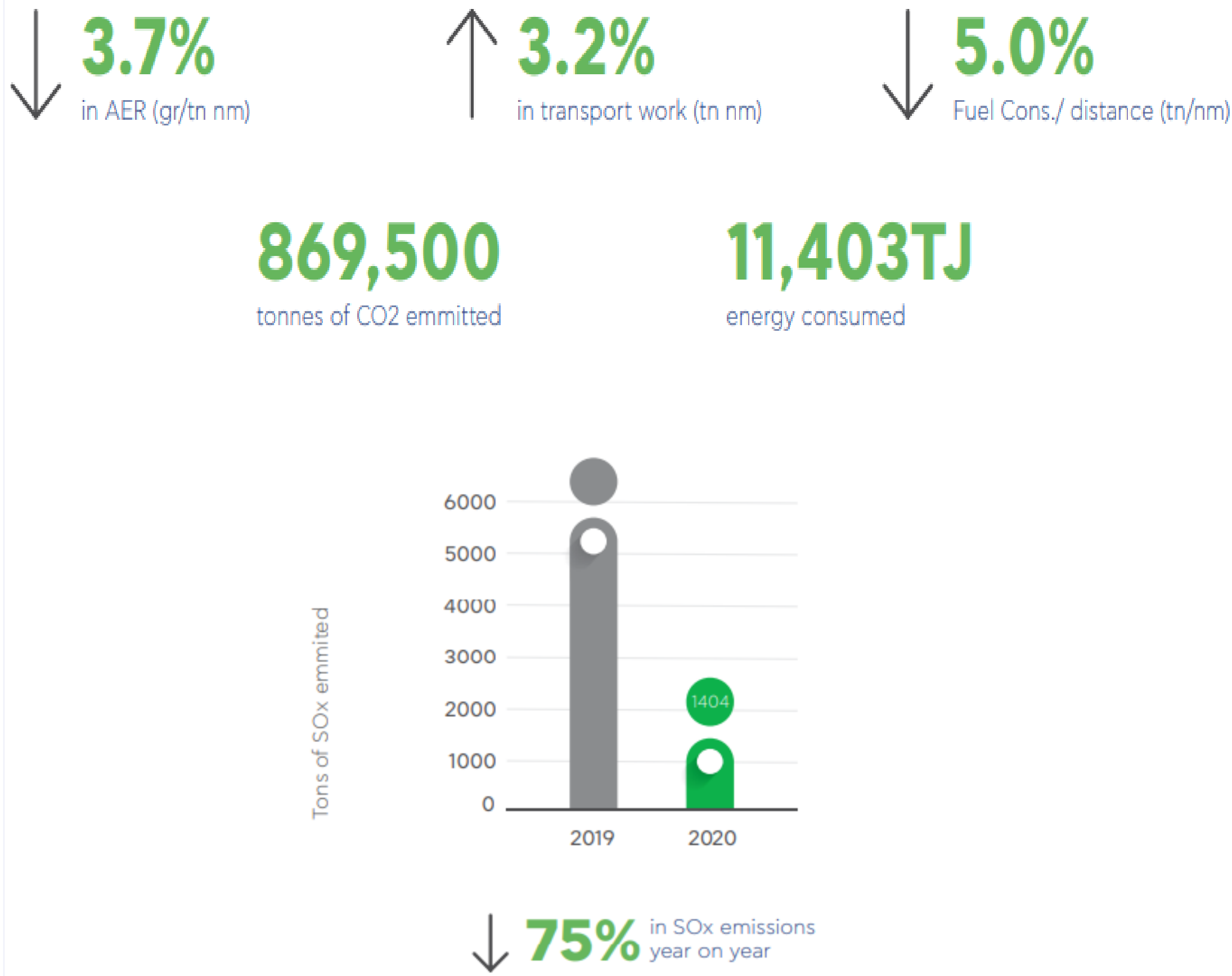
CAPEX Invested (mil. USD)	2018	2019	2020
BWTS	3.5	4.1	6.1
SOx Scrubbers	5.0	38.8	9.7
Total	8.5	42.9	15.8

Source: Safe Bulkera publicly available sustainability report can be downloaded here: [Sustainability report 2020](#).

# 4. Environmental and Social Governance

## Emissions Profile CO2 Emissions

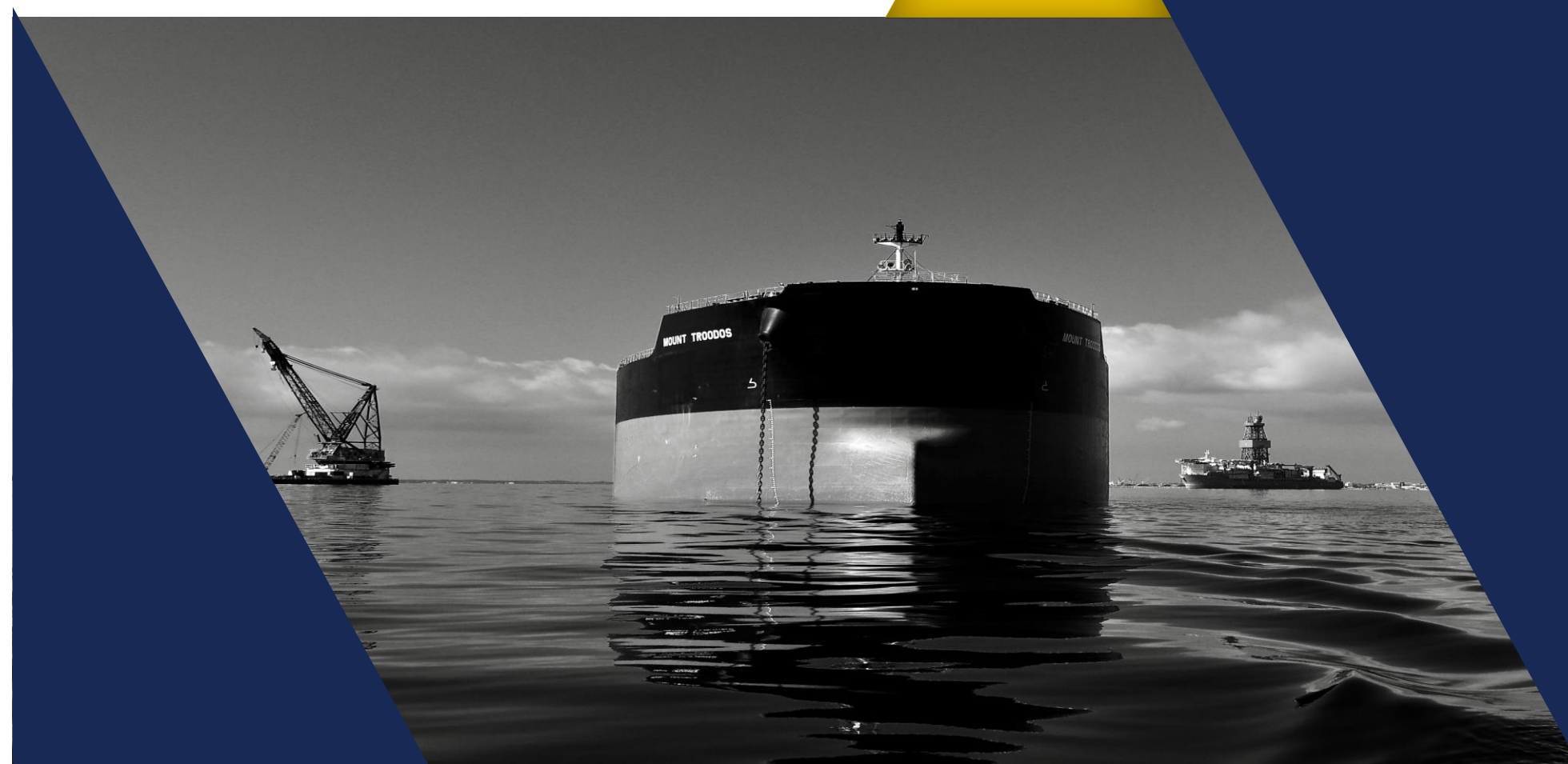
- 013.7 % reduction of AER of our fleet in 2020 vs. 2019
- 023.2% increased transport work in 2020 vs. 2019
- 035% reduced fuel consumption in 2020 vs. 2019
- 0475% reduction in SOx (Sulphur Oxide) emissions due to the IMO Sulphur Cap in 2020 vs. 2019
- 05Full compliance with the IMO DCS and the EU MRV regulations
- 06All 9 newbuild vessels on order are Tier III compliant (abatement technologies EGR or SCR, achieving a 75% NOx reduction compared to Tier I)



Source: Safe Bulkers publicly available sustainability report can be downloaded here: [Sustainability report 2020](#). We measure our operation’s transport energy efficiency and carbon intensity using the Annual Efficiency Ratio (AER, IMO DCS method). We managed to reduce the Annual Efficiency Ratio for every segment of our fleet.



## 5. Key Investment highlights



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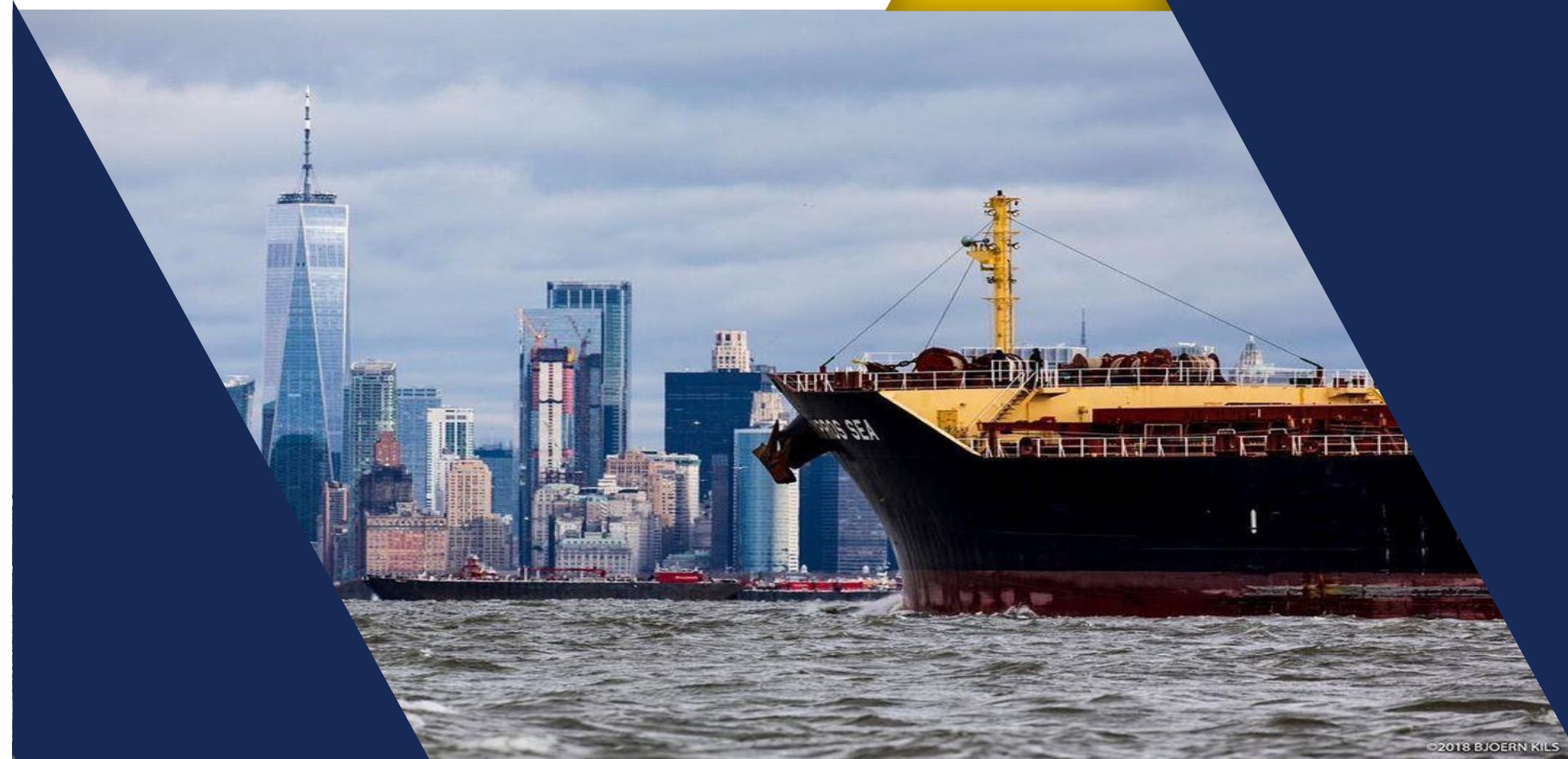
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## 5. Key investment highlights

- 1 SB a 'top 10' pure dry bulk vessel owner in Panamax segment
- 2 ~40% owned by Polys V. Hajioannou strong support and hands-on management
- 3 Strong Balance sheet fundamentals, ample Liquidity, low Leverage
- 4 Secured cash flows with reliable counterparties guarantee on-going fleet expansion ahead of peers
- 5 Consistency in Strategy, Risk management and industry experience forged through many cycles
- 6 9 Japanese newbuilds on order IMO GHG EEDI Phase 3 – NOX Tier III provide secured growth and ESG based competitiveness
- 7 17 Scrubber installed vessels provide inherent fuel price revenue generation advantage
- 8 Sustainable demand growth for seaborne dry bulk trade based on macro environment and current market constraints of commodity shortages, supply chain, quarantines, containership spill-over
- 9 Ideal supply side market fundamentals historically low orderbook and environmental regulations expected impact



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# 6. Appendix

	Three-Months Period Ended September 30,		Nine-Months Period Ended September 30,	
	2020	2021	2020	2021
<u>FLEET DATA</u>				
Number of vessels at period end	42	39	42	39
Average age of fleet (in years)	9.86	10.30	9.86	10.30
Ownership days	3,864	3,727	11,402	11,307
Available days	3,726	3,726	10,972	11,165
Average number of vessels in the period	42.00	40.51	41.61	41.42
<u>AVERAGE DAILY RESULTS</u>				
Time charter equivalent rate	\$ 12,575	\$ 24,427	\$ 9,940	\$ 20,359
Daily vessel operating expenses	\$ 4,896	\$ 4,608	\$ 4,799	\$ 4,729
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	\$ 4,459	\$ 4,608	\$ 4,318	\$ 4,511
Daily general and administrative expenses	\$ 1,418	\$ 1,590	\$ 1,388	\$ 1,506
<u>TIME CHARTER EQUIVALENT RATE RECONCILIATION</u>				
(In thousands of U.S. Dollars except for available days and Time charter equivalent rate)				
Revenues	\$ 53,992	\$ 96,847	\$ 151,632	\$ 247,032
Less commissions	(2,059)	(4,353)	(5,703)	(10,442)
Less voyage expenses	(5,080)	(1,478)	(36,866)	(9,284)
Time charter equivalent revenue	\$ 46,853	\$ 91,016	\$ 109,063	\$ 227,306
Available days	3,726	3,726	10,972	11,165
Time charter equivalent rate	\$ 12,575	\$ 24,427	\$ 9,940	\$ 20,359



## 6. Appendix

	Three-Months Period Ended September 30,		Nine-Months Period Ended September 30,	
	2020	2021	2020	2021
<b>REVENUES:</b>				
Revenues	53,992	96,847	151,632	247,032
Commissions	(2,059)	(4,353)	(5,703)	(10,442)
<b>Net revenues</b>	<b>51,933</b>	<b>92,494</b>	<b>145,929</b>	<b>236,590</b>
<b>EXPENSES:</b>				
Voyage expenses	(5,080)	(1,478)	(36,866)	(9,284)
Vessel operating expenses	(18,917)	(17,173)	(54,716)	(53,467)
Depreciation	(13,829)	(12,823)	(40,395)	(39,153)
General and administrative expenses	(5,480)	(5,927)	(15,825)	(17,024)
Gain on sale of assets	—	4,025	—	632
Early redelivery (cost)/income	—	(85)	—	7,470
<b>Operating income/(loss)</b>	<b>8,627</b>	<b>59,033</b>	<b>(1,873)</b>	<b>125,764</b>
<b>OTHER (EXPENSE) / INCOME:</b>				
Interest expense	(4,608)	(3,512)	(16,900)	(11,826)
Other finance cost	(108)	(238)	(467)	(462)
Interest income	44	11	563	63
(Loss)/gain on derivatives	(272)	1,185	(1,009)	(1,977)
Foreign currency gain/(loss)	57	(436)	491	(611)
Amortization and write-off of deferred finance charges	(429)	(664)	(1,324)	(1,808)
<b>Net income/(loss)</b>	<b>3,311</b>	<b>55,379</b>	<b>(20,519)</b>	<b>109,143</b>
Less Preferred dividend	2,876	2,746	8,622	8,318
Less/(Plus) Mezzanine equity measurement	360	—	495	(271)
<b>Net income/(loss) available to common shareholders</b>	<b>75</b>	<b>52,633</b>	<b>(29,636)</b>	<b>101,096</b>
<b>Earnings/(loss) per share basic and diluted</b>	<b>—</b>	<b>0.44</b>	<b>(0.29)</b>	<b>0.91</b>
<b>Weighted average number of shares</b>	<b>102,160,308</b>	<b>119,891,929</b>	<b>102,762,932</b>	<b>111,044,439</b>

## COMPANY CONTACT



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