



Euroseas Ltd.
Company Presentation
[NASDAQ: ESEA]

January 2022



Forward-Looking Statements

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This presentation also contains historical data about the containerized trade, the containership fleet and the containership rates. These figures have been compiled by the Company based on available data from a variety of sources like broker reports and various industry publications or represent Company's own estimates. The Company exercised reasonable care and judgment in preparing these estimates, however, the estimates provided herein may not match information from other sources.

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Introduction

Euroseas - Introduction

- Euroseas is a provider of worldwide ocean-going transportation services through the ownership and operation of container vessels
 - Established in 2005 by the Pittas family which has owned/operated vessels since 1870; currently, the 4th generation at the helm of the Company
 - Current fleet consists of:
 - 16 vessels on the water, 10 Feeder and 6 Intermediate containerships, with a cargo capacity of 50,731 teu; and of,
 - 2 feeder containership newbuildings to be delivered in the first half of 2023 increasing the total carrying capacity to 55,971 teu.
- Long capital market track record
 - Nasdaq Listed (“ESEA”) since 2007, transparent reporting and strong corporate governance
 - Raised in excess of \$300m through follow on offerings, rights issues and private placements since formation
 - The first public company to set-up a joint venture, Euromar LLC, with private equity firms; raised \$175m in 2010 for investment in containership vessels
- Vessel management is done through Eurobulk Ltd., an affiliated company
 - Founded in 1995
 - Established and well-respected within the industry for its efficient and safe operating track record
 - Strong relationships established with charterers, suppliers, bankers and other industry participants

Latest Vessel Acquisitions

➤ M/V “Marcos V” - a 6,350 teu container vessel, built in 2005, along with a three-year charter

- Acquired M/V Marcos V, a 6,350 teu intermediate container vessel built in 2005, for \$40 million. The vessel, delivered to the Company in December of 2021. Contemporaneously with the acquisition, the vessel entered into a three-year time charter contract at a daily rate of \$42,200 with a possible extension for an additional (fourth) year at the option of the charterer at \$15,000 per day
- The charter contract we have entered into with a first class charterer is expected to contribute about \$35 million of EBITDA during the first three years, providing a significant return on our investment

➤ M/V “Jonathan P” – a 1,740 teu container vessel, built in 2006, along with a three-year charter

- Acquired M/V Jonathan P, a 1,740 teu feeder container vessel built in 2006, for \$25.5 million. The vessel, delivered to the Company in October of 2021. Contemporaneously with the acquisition, the vessel entered into a three-year time charter contract for about \$26,700 per day net to the Company
- This charter is expected to contribute about \$22 million of EBITDA during the period of the contract providing a significant return on our investment

➤ Newbuilding contracts for the acquisition of two fuel-efficient 2,800 teu feeder containerships

- Signed an agreement for the construction of two Eco design fuel efficient 2,800 teu containerships at Hyundai Mipo Dockyard Co. in Korea. The vessels are scheduled to be delivered during the first and second quarter of 2023, respectively. The total consideration for these two newbuilding contracts is about \$76 million which will be financed with a combination of debt and equity
- The two vessels create value for our shareholders by increasing our carrying capacity by about 10% while adhering to our ESG commitment of having a more environment-friendly fleet. In that respect, it is noteworthy that the new vessels will consume about 30% less fuel than previous generation, non-eco ships
 - After the delivery of the vessels the average age of our fleet will be ~10% lower (almost 2 years)

Current Fleet Profile

On the water fleet



10x Feeder
Avg. Age: 19.2 years
Carrying Capacity: 21.4k TEU



6x Intermediate
Avg. Age: 13.5 years
Carrying Capacity: 28.9TEU



2x Feeder
Carrying Capacity: 5.6k TEU

Name	Type	DWT	Size	TEU	Year Built
On the water fleet					
Marcos V	Intermediate	72,968		6,350	2005
Akinada Bridge	Intermediate	71,366		5,610	2001
Synergy Bussan	Intermediate	50,726		4,253	2009
Synergy Oakland	Intermediate	50,787		4,253	2009
Synergy Keelung	Intermediate	50,969		4,253	2009
Synergy Antwerp	Intermediate	50,726		4,253	2008
EM Kea	Feeder	42,165		3,100	2007
EM Astoria	Feeder	35,600		2,788	2004
EM Corfu	Feeder	34,654		2,556	2001
Evridiki G	Feeder	34,677		2,556	2001
Diamantis	Feeder	30,360		2,008	1998
EM Spetses	Feeder	23,224		1,740	2007
EM Hydra	Feeder	23,351		1,740	2005
Jonathan P	Feeder	23,357		1,740	2006
Joanna	Feeder	22,301		1,732	1999
Aegean Express	Feeder	18,581		1,439	1997
On the water fleet total	16	635,806		50,371	17.1⁽¹⁾
Vessels on order					
H4201	Feeder	37,237		2,800	Q1 2023
H4202	Feeder	37,237		2,800	Q2 2023
On order vessels total	2	74,474		5,600	
Total Fleet on fully delivered basis	18	710,280		55,971	

Euroseas represents the only publicly listed company in a U.S. exchange focused purely on the feeder and intermediate containership segments

Note:

1. Average age is weighted by the size of the vessels in teu

Effective Vessel Management

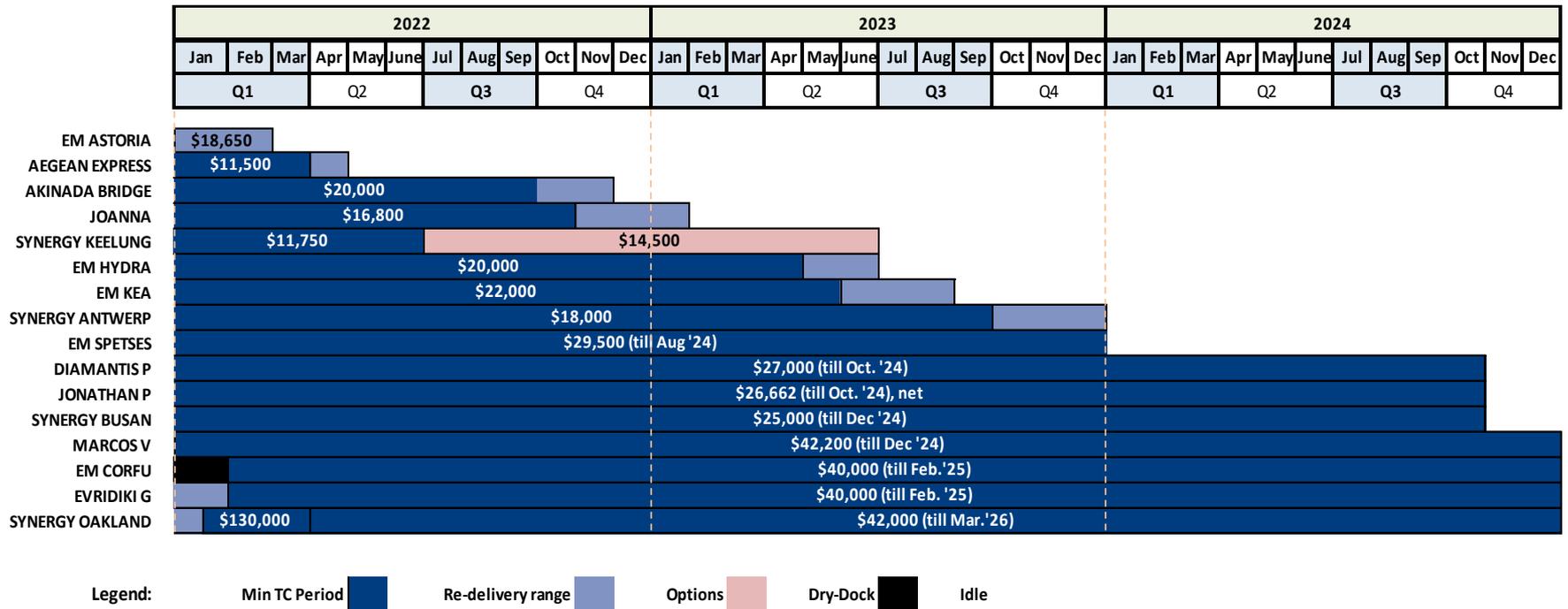
- Euroseas leverages Eurobulk's industry expertise, established relationships and significant resources
 - Top management – average of 30+ years of shipping experience
 - 26+ year history of managing dry-cargo vessels
 - Outstanding safety and environmental record
- Master services agreement between Euroseas and Eurobulk
 - Standard industry agreement between ship-owning subsidiaries and Eurobulk
 - Overall management fees and G&A costs are among the lowest of US publicly listed companies
- Access to reputable charterers via Eurobulk
 - History of repeat and long-term relationships

Eurobulk Services

- Operations & technical
- Repair & maintenance
- Crewing & provisioning
- Insurance
- Executive services
- Commercial management

Vessel Employment - Significant Visibility Beyond 2023

Solid chartering strategy securing significant cash flow generation beyond 2023!!



- Already, 86% of 2022 available days are covered at an average rate of ~\$30,000/day with an EBITDA contribution of ~\$104m
- For 2023, 57% of available days have been secured at an average rate of ~\$31,500/day and an EBITDA contribution of ~\$82m
- For 2024, ~2,600 days are already covered out of ~6,500 available days (about 40%) at an average rate of ~\$35,500/day



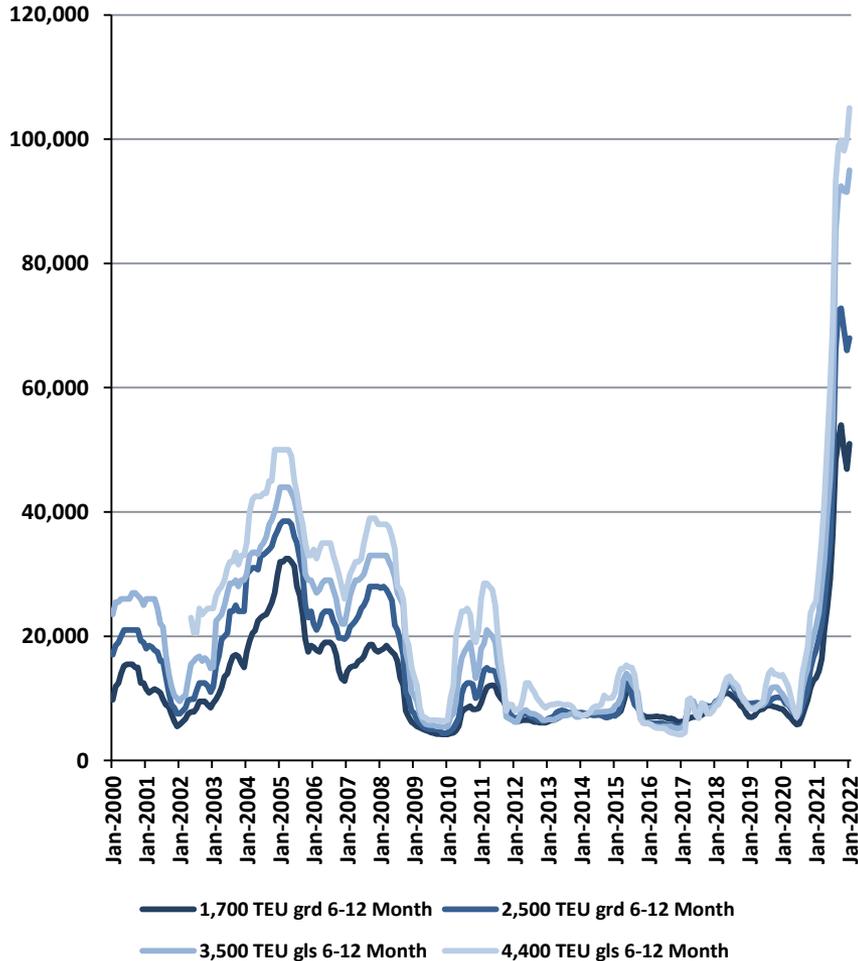
**Container Sector Overview:
Favorable Supply/Demand
Fundamentals**



Current Point in the Market

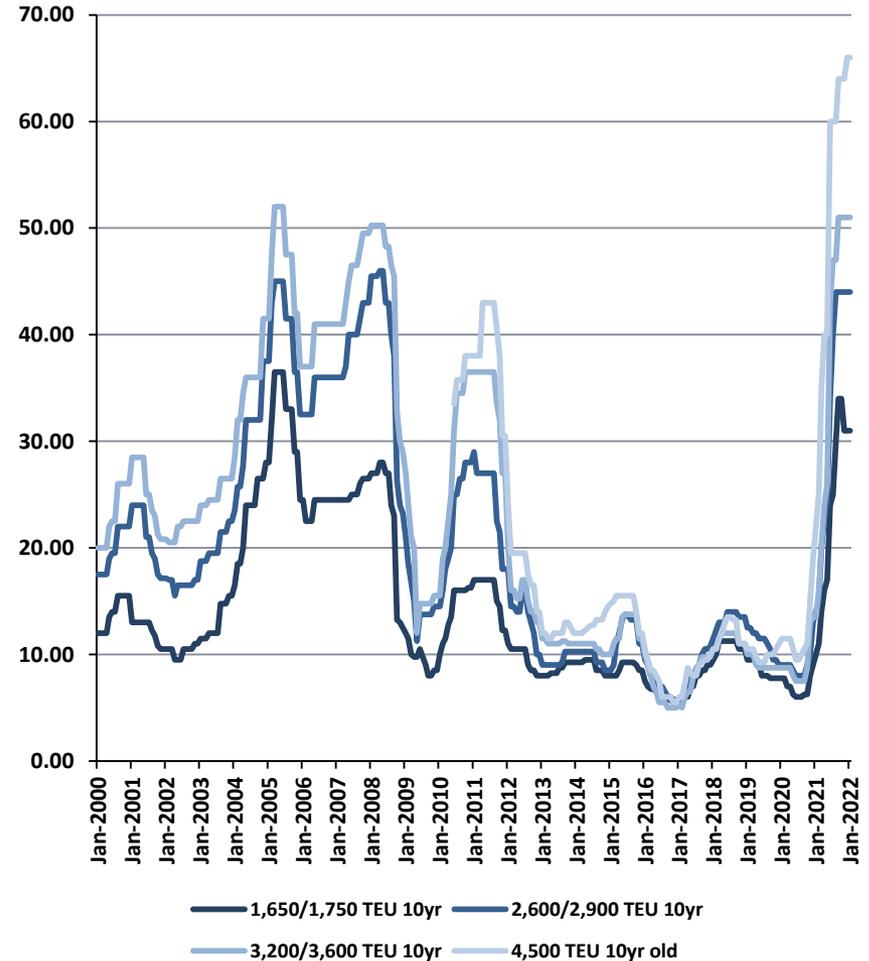
6 – 12m TC rate (\$/day)

Over the past 52 weeks TC rates have been on the rise, standing at levels never seen before



10 year old Second Hand Prices (\$m)

Second hand vessel prices have reached all time highs, following TC rates momentum



World GDP & Shipping Demand Growth

Containerized trade has rebounded after a low growth year in 2020

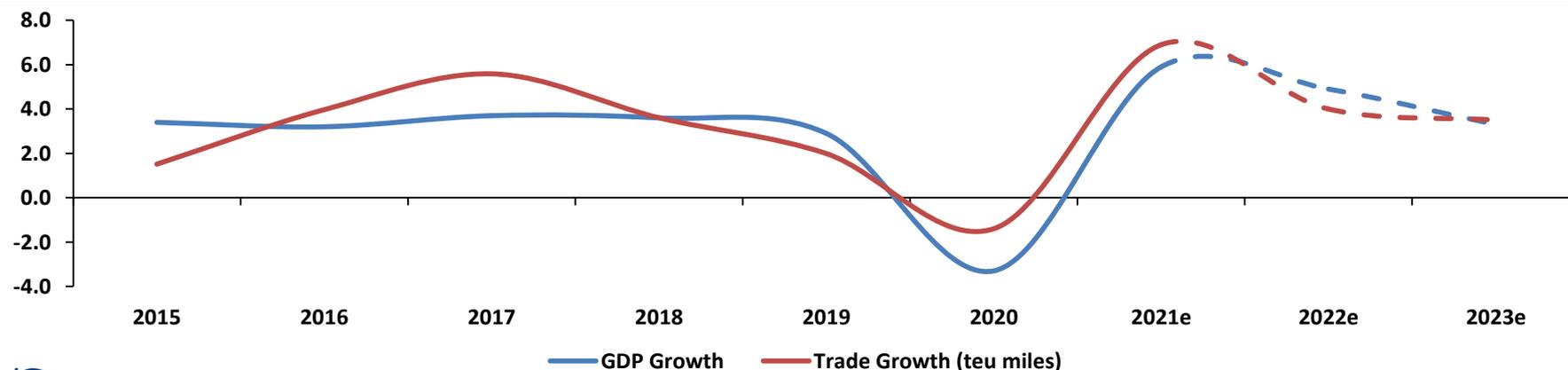
Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
USA	2.6	1.5	2.3	2.9	2.3	-3.5	6.0	5.2	1.7
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.0	4.3	1.4
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.4	3.2	0.5
China	6.9	6.7	6.8	6.6	6.1	2.3	8.0	5.6	4.9
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.5	8.5	6.1
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.7	2.9	1.6
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.2	1.5	2.1
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	2.9	5.8	5.4
World	3.4	3.2	3.7	3.6	2.9	-3.3	5.9	4.9	3.3

Containerized Trade (% p.a.)

TEU-miles	1.2	4.0	5.6	3.5	1.7	-1.2	6.7	3.6	3.5
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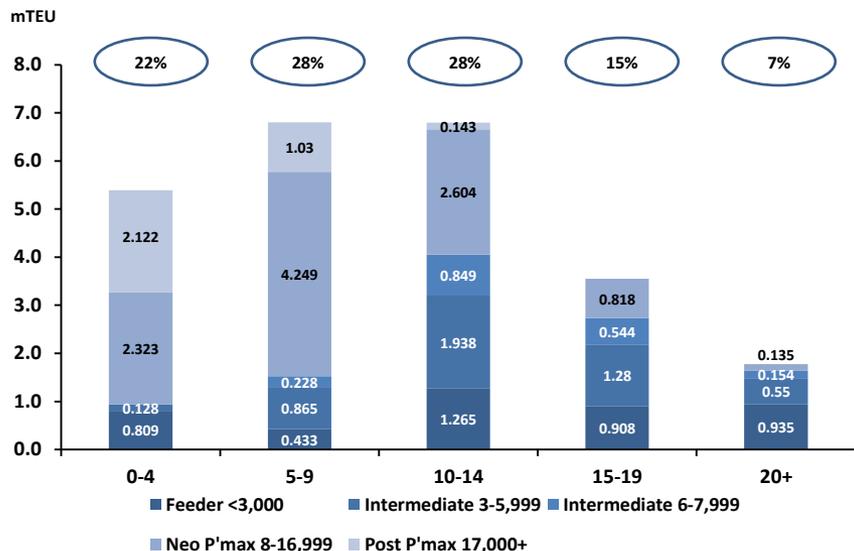
Trade and growth projections are being continuously revised as the Coronavirus (Covid-19) effects on world growth and trade are being assessed.

Containerized Trade Growth Vs World GDP Growth

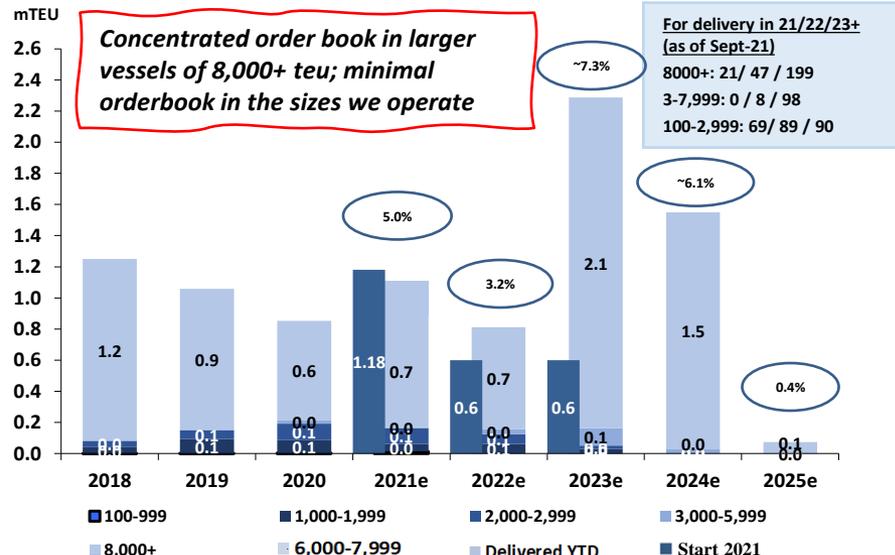


Age Profile and Orderbook

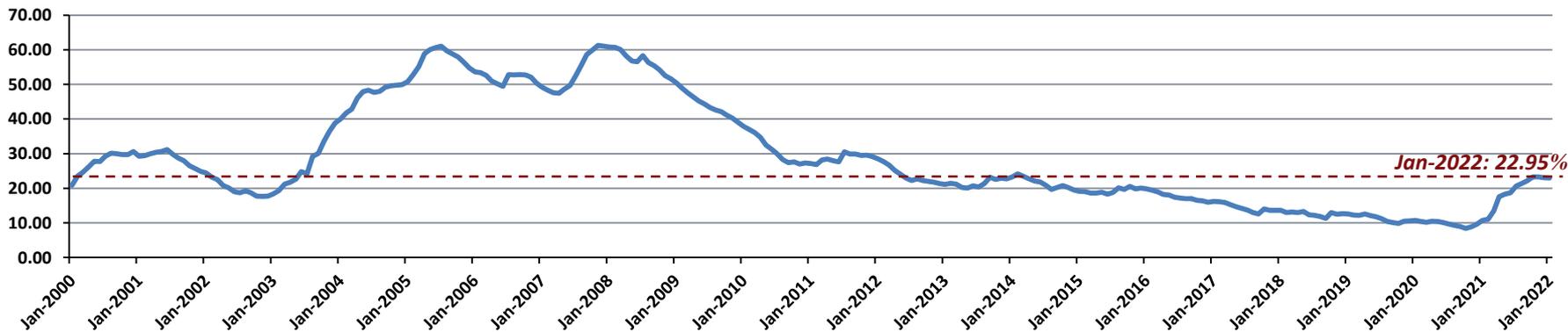
Age Profile



Containership Orderbook



Orderbook as % of fleet

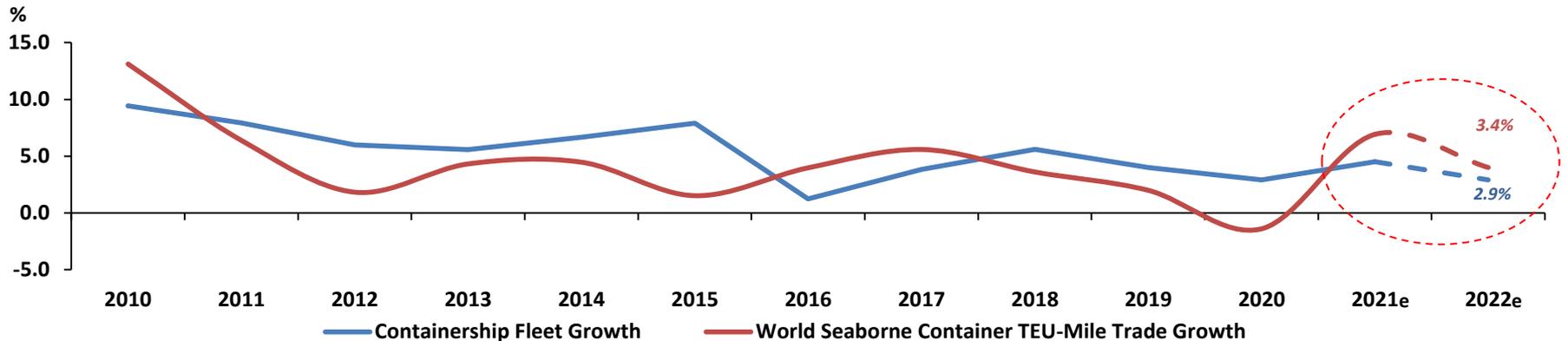


Source: Clarksons Research

(*) Percentage figures for years 2021, 2022 and 2023 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Outlook Summary

Containership Supply – Demand Outlook



- **Supply/demand estimates suggest a firm market continuing in 2022**
 - Order book has increased, mostly focusing on the larger vessels, and is currently standing at ~23% up from ~11% same period last year but it is not expected to “hit” the market in 2022
 - Port congestion has continued to significantly impact the container shipping markets, leading to excessive wait times and disrupting operator schedules. These logistical bottlenecks have resulted in new highs in container freight rates, which are expected to at least remain throughout the first half of 2022
- **Longer term fundamentals are harder to predict and, as always, will depend on the interplay of:**
 - What demand for vessels will be once transportation system disruptions ease
 - Material supply pressure from 2023 onwards (due to increased deliveries) and whether it will overtake demand growth
 - Effect of new environmental regulations which will probably result in further slow steaming by 2023/24, effectively, removing capacity from the market
- **Feeder & Intermediate containership segments (< 6000 teu)**
 - In the smaller sizes, there is still a cascading effect with larger vessels gaining market share from smaller ones
 - The feeder fleet is expected to grow about 4% but the trades that those ships are involved are mainly in Asia and are expected to grow in the region of 5% or more thus, providing a promising outlook for the sector



Euroseas Operations, Chartering & Strategy



Indicative EBITDA Calculator, 2021-2024

This slide provides a calculation tool for our shareholders and investors to assess the earnings potential in 2021 onwards, based on our existing coverage as well as the potential incremental contribution from our open days

EBITDA Calculator: 2021 to 2024	Actual 9m	Q4 E	2021E	2022E	2023E	2024E
Calendar Days	3,822	1,380	5,202	5,840	6,301	6,588
Available days for hire	3,765	1,350	5,115	5,723	6,244	6,493
Contracted Days	3,708	1,317	5,025	4,926	3,558	2,558
Coverage (%)	98%	98%	98%	86%	57%	39%
Average TC rate Contracted (\$/day)	15,536	29,728	19,256	29,475	31,572	35,483
(A) Contracted EBITDA	26.6	28.0	54.6	103.5	81.8	68.3
Open Days	-	0	0	797	2,686	3,935
Indicative EBITDA Contribution assuming same rates as of current contracted rates						
Assumed Average TC rate of open days		29,728	19,256	29,475	31,572	35,483
(B) EBITDA Contribution, Open Days		0.0	0.0	16.7	61.8	105.1
(A+B) Total EBITDA	26.6	28.0	54.6	120.2	143.6	173.4

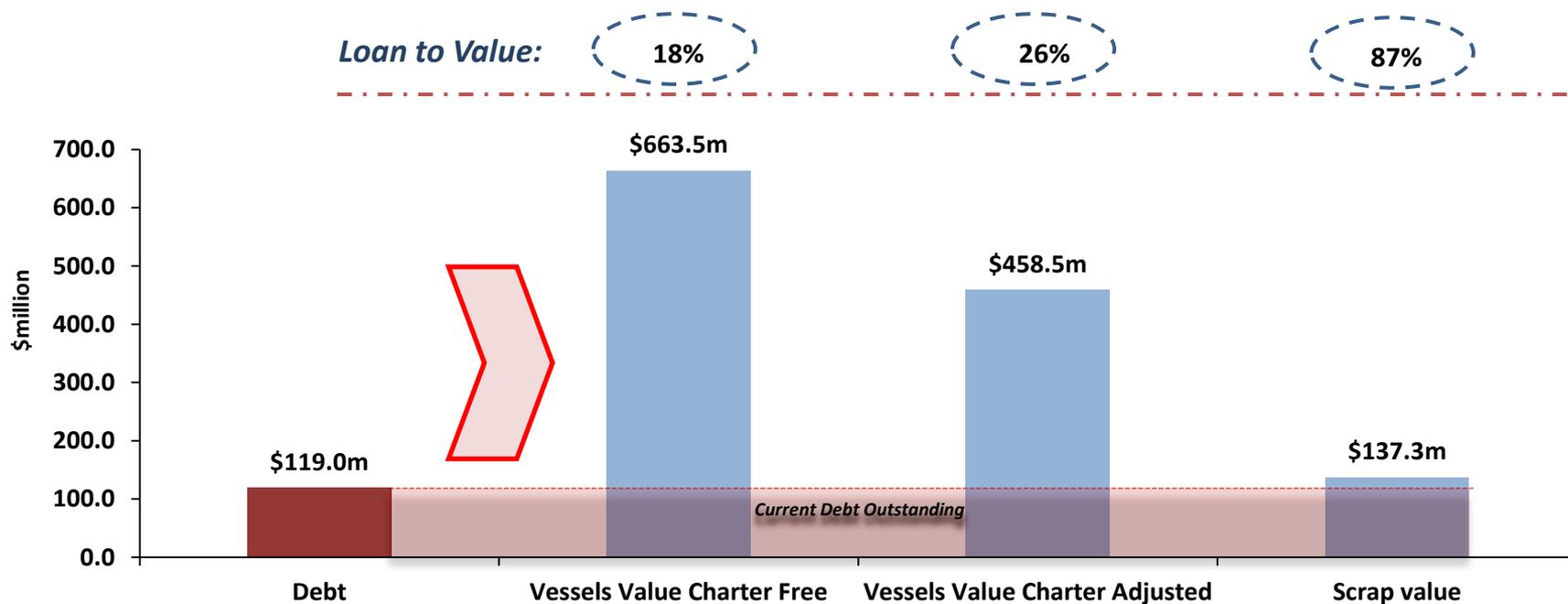
- Indicatively, Open Days in 2021 to 2024 are shown as earning the average of currently contracted TC rates
 - As our fleet in 2022 is almost fully (86%) contracted out, the variability of the final EBITDA is small (\$0.8m per \$1,000/day change)
 - In 2023, the sensitivity of EBITDA to rate changes is about \$2.7m per \$1,000/day change, for example, if the Open Days in 2023 earned on average \$20,000/day, the EBITDA for the year would be, approximately, \$112m
 - In 2024, the sensitivity of EBITDA to rate changes is about \$3.9m per \$1,000/day change, for example, if the Open Days in 2024 earned on average \$15,000/day, the EBITDA for the year would be, approximately, \$127m

EBITDA Calculation Assumptions (Q4 2021/2022/2023/2024)

1. "Available days for hire" reflects assumptions about scheduled drydockings
2. Average contracted TC rate has been calculated based on the existing charter coverage on a vessel-by-vessel basis
3. For "Open Days" and for illustration purposes only, the table shows the current average contracted TC rate.
4. OPEX and G&A/vessel/day assumed at \$7,000 for future periods; commissions of 5.00% on market rates

Key Balance Sheet Highlight

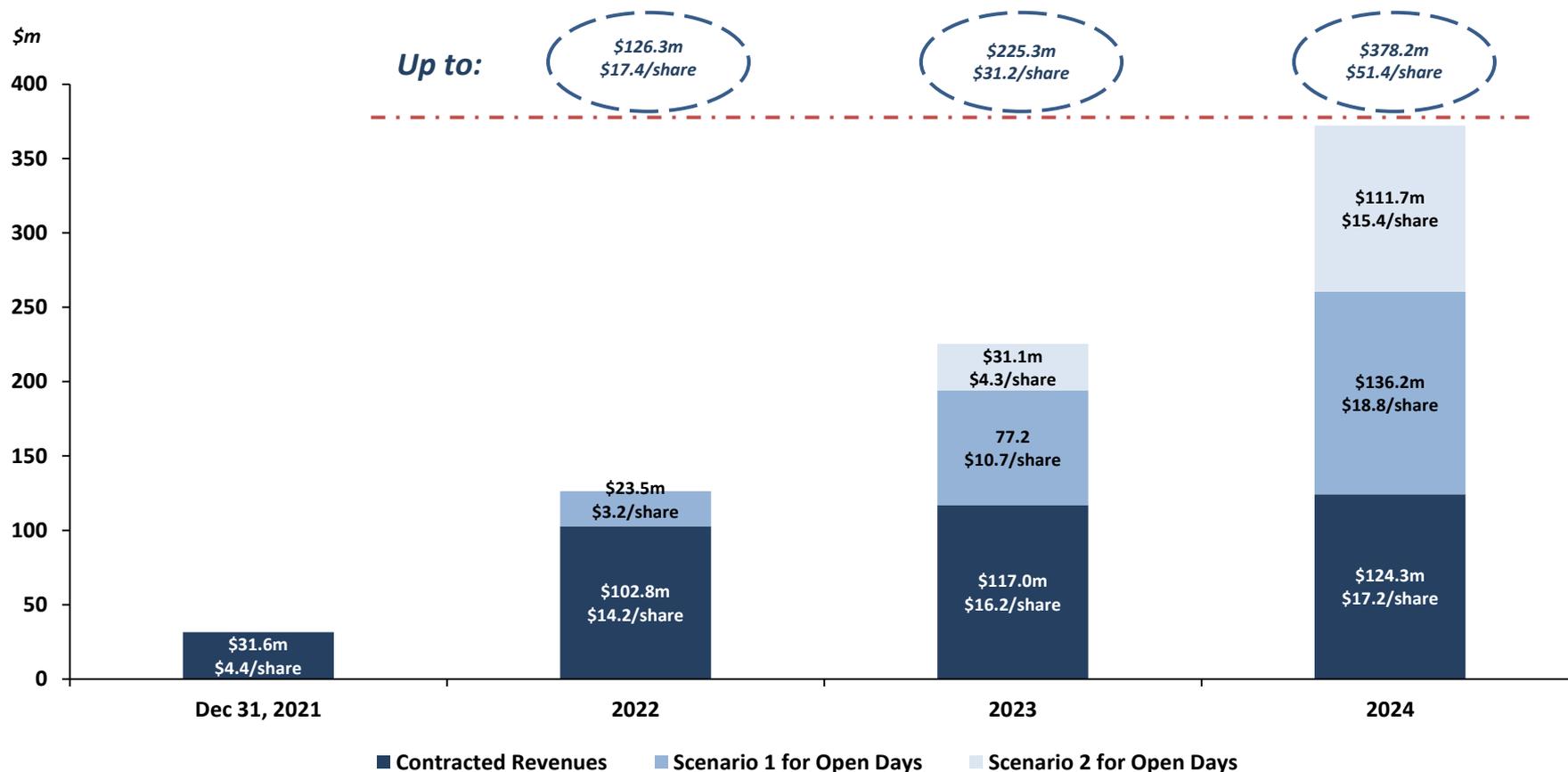
Current outstanding debt as of December 31, 2021 compared to December fleet valuation



- Low leverage with outstanding debt standing at 26% of current charter-adjusted vessel values
- Total debt is even lower than the current scrap value of the vessels (reflecting the current price of \$640/lwt).
- Contracted EBITDA in 2022 alone stands at \$103.5m which is 87% of company's current debt outstanding

Cash Accumulation per Share Based on Contracted Revenues

- Based on our current contracts, our fleet is expected to accumulate \$17.2/share by the end of 2024 after all obligations and costs are paid. Contributions from Open Days – going directly to the “bottom” line will be incremental to that. Thus, should the remaining open days be contracted under currently average contracted rates (Scenario 2 below) for each year this can rise up to \$51.4/share by the end of 2024.
 - If Open Days are covered at a rate of \$20k/day on average for 2023 and \$15k/day on 2024 (Scenario 1 below), cash built up would amount to \$36/share.
- The below calculation excludes the additional value added from fleet equity



What Is Next - Growth Strategy

- Current healthy markets are to generate significant cash flow
 - Primary use of this cash flow is to proceed with selective investments to grow and modernize the Company
 - Secondly, excess cash may be used to reward shareholders either through dividends or share buybacks if the share price remains undervalued as it is currently
- Growth can be funded by providing a public consolidation platform
 - Could fund growth by issuance of shares in shares-for-ships transactions (like in 2019)
- Risk management via long term charter coverage and conservative/flexible financing



Thank you!



Euroseas Contacts

**Euroseas Ltd.
c/o Eurobulk Ltd**

**4, Messogiou & Evropis Street
151 24 Maroussi, Greece**

**www.euroseas.gr
euroseas@euroseas.gr
Tel. +30-211-1804005
Fax.+30-211-1804097**

or,

**Dr. Tasos Aslidis
Chief Financial Officer**

**Euroseas Ltd.
11 Canterbury Lane
Watchung, NJ 07069
aha@euroseas.gr
Tel: 908-3019091
Fax: 908-3019747**

**Nicolas Bornozis / Markella Kara
Investor Relations**

**Capital Link, Inc.
230 Park Avenue, Suite 1536
New York, NY 10169
euroseas@capitalink.com
Tel: 212- 6617566
Fax: 212-6617526**