



Earnings Presentation

Quarter Ended March 31st, 2019

May 29th, 2019





Forward-Looking Statements

Statements in this presentation may be "forward-looking statements" within the meaning of federal securities laws. The matters discussed herein that are forward-looking statements are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including, but not limited to, the need to manage our growth and integrate additional capital, acquire additional vessels, volatility in the dry-bulk shipping business and vessel charter rates, our ability to obtain sufficient capital, the volatility of our stock price, and other risks and factors. Forward-looking statements made during this presentation speak only as of the date on which they are made, and Euroseas does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.

Because forward-looking statements are subject to risks and uncertainties, we caution you not to place undue reliance on any forward-looking statements. All written or oral forward-looking statements by Euroseas or persons acting on its behalf are qualified by these cautionary statements.

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.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.

2019 First Quarter

- **Financial Highlights – 2019Q1:**

	First Quarter	
Net Revenues	\$8.3 m	
Net Loss	(\$0.0) m	
Preferred Dividends	(\$0.5) m	
Adj. Net Loss Available to Common Shareholders ⁽¹⁾	(\$0.5) m	(\$0.04) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$1.4 m	

(1) See press release of 5/28/2019 for reconciliation of Adj. Net Loss Available to Common Shareholders to Net (Loss)/Income and Adjusted EBITDA.

(2) Basic and diluted

Chartering & Operational Highlights

Chartering:

- EM Athens: extended for a period min 01 Sep 2019 / max 31 Oct 2019 at \$9,000/day as from end March
- Joanna: fixed for 11 to 13 months at \$6,550/day from end February
- Ninos: extended for 140 to 175 days at \$7,750/day as from March 3rd
- Kuo Hsiung: extended for 140 to 175 days at \$7,750/day as from March 7th
- Manolis P: extended for 11 to 12 months at \$6,800/day as from April 8th
- EM Oinousses: was idle from the 24th of April and is starting its new employment on or about June 7th for 6 to 12 months at \$8,700/day
- Aegean Express: extended from early June for 3 to 5 months at \$7,300/day

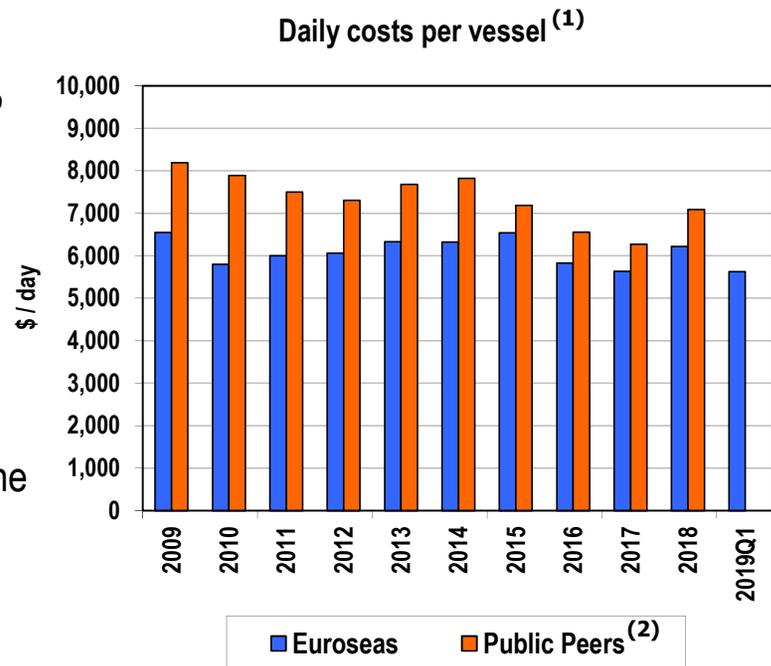
Operations:

- Joanna: The vessel completed its Special Survey in Piraeus during 2018Q4 / 2019Q1

Pillar of Success: Fleet Management & Operational Performance

- Operational Fleet utilization rate in excess of 97.6% over last 5 years
 - Outstanding safety and environmental record
 - For 2019Q1, operational fleet utilization 100% and commercial 99.4%
 - For 2018Q1, operational fleet utilization 99.7% and commercial 97.8%

- Overall costs achieved are amongst the lowest of the public shipping companies

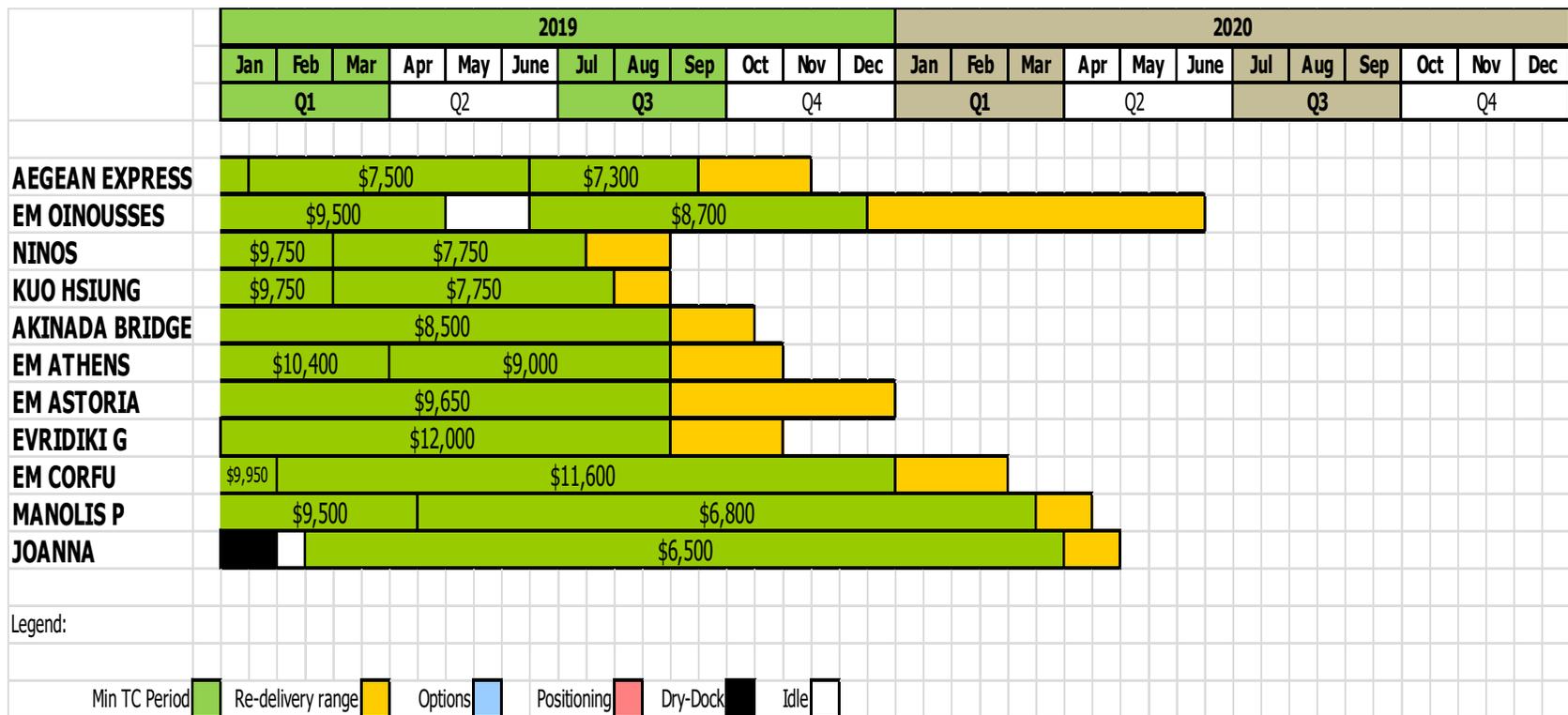


(1) Includes running cost, management fees and G&A expenses (not drydocking expenses)

(2) Peer group currently includes DCIX, GSL, EGLE, SSW, CMRE, DSX, GNK, DAC, SBLK, & SB until 2017 and DCIX, GSL, DSX, SSW, CMRE, DAC thereafter

Vessels Employment Chart

Coverage, May 2019: about 68% in 2019 (based on min durations)



Containership Market Highlights - Q1 2019

- Time charter rates in Q1 for feeder and intermediate size vessels ranging from 1,000-5,600 teu fell abt 7-15% on average in January, with the bigger drop in the above 3,000 teu sizes, but have started rising again
 - The 1,700 teu geared vessel fell from an average of \$8,267 in Q4 to \$7,071 in Q1 and currently stands at \$7,750 and rising
 - The 2,500 teu geared vessel fell from an average of \$9,833 in Q4 to \$9,191 in Q1 and currently stands at \$9,350
- Average secondhand prices for older than 20-yr old vessels remained around their scrap prices in Q1, however, for younger vessels of about 10yrs old there was a drop circa 5%
- Newbuilding prices (Tier 2 /No Scrubber/China Built) remained stable at around \$23.5m and \$29m, for 1700 and 2500 teu vessels, respectively
- Idle fleet: 369K teu as of mid-May (i.e. 1.6% of the fleet)
- Scrapping accelerated in Q1 relatively to last year
- The fleet grew by 1.4% YTD (without accounting for idle vessels reactivation/idling)

World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
USA	2.8(1.8)	1.9 (1.2)	2.4 (2.8)	2.6(3.6)	1.5(2.6)	2.3(2.3)	2.9(2.7)	2.3(2.5)	1.9(1.8)	1.8
Eurozone	-0.7 (-0.5)	-.0.5 (-0.4)	0.9 (1.0)	2.0(1.2)	1.8(1.7)	2.4(1.6)	1.8(2.2)	1.3(1.6)	1.5(1.7)	1.5
Japan	1.4(1.7)	1.5 (2.0)	-0.1 (1.7)	0.5(0.6)	1.0(1.0)	1.8(0.9)	1.0(1.2)	1.0(1.1)	0.5(0.5)	0.5
China	7.7 (8.2)	7.7 (7.6)	7.4 (7.5)	6.9 (6.8)	6.7(6.3)	6.8(6.7)	6.6(6.6)	6.3(6.2)	6.1(6.2)	6.0
India	3.2 (7.0)	4.4 (3.8)	7.2 (5.4)	7.6 (6.3)	7.1(7.5)	6.7(6.6)	7.1(7.4)	7.3(7.5)	7.5(7.7)	7.7
Russia	3.4 (3.0)	1.3 (1.5)	0.6 (2.0)	-3.7 (-3.0)	-0.2 (-1.0)	1.8(-0.6)	2.3(1.7)	1.6(1.6)	1.7(1.7)	1.7
Brazil	1.0 (3.0)	2.3 (2.5)	0.1 (2.3)	-3.8 (0.3)	-3.6(-3.5)	1.1(-3.5)	1.1(1.9)	2.1(2.5)	2.5(2.5)	2.2
ASEAN-5	6.2 (4.8)	5.2 (5.0)	4.6 (5.1)	4.8 (5.2)	4.9 (4.8)	5.3(4.8)	5.2(5.2)	5.1(5.1)	5.2(5.2)	5.2
World	3.1 (3.3)	3.4(3.5)	3.4 (3.7)	3.4(3.6)	3.2 (3.4)	3.7(3.4)	3.6(3.9)	3.3(3.5)	3.6(3.7)	3.6

Containerized Trade (% p.a.)

TEU/miles	3.1 (7.0)	5.1 (4.8)	5.4 (6.1)	1.2(6.7)	3.9(4.0)	5.5(4.2)	3.4(4.7)	3.4(3.8)	3.5(3.7)	3.3
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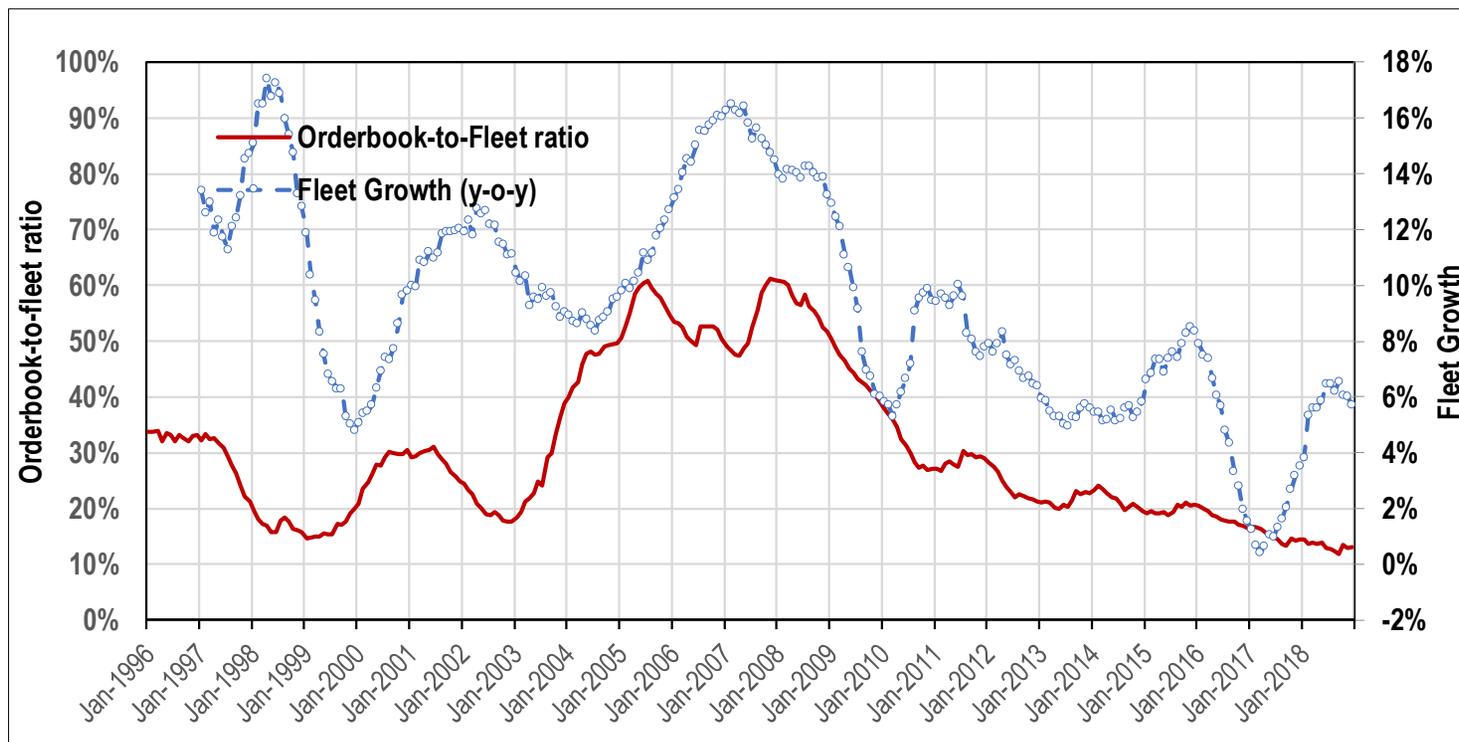
Sources:

GDP - International Monetary Fund: 2012-2018, (start of year estimates in parentheses), 2019/20/21 IMF Forecasts (Apr-19). In parentheses, previous estimates for 2019/20 as of Jan-19,

Trade: 2012-2018: Figures in parenthesis indicate beginning of Year estimates from Clarkson
2019-2020 Clarkson (Mar-19), 2021 Company Estimates figures in parenthesis, Clarkson (Jan-19)

Orderbook/Fleet Ratio, Total Fleet

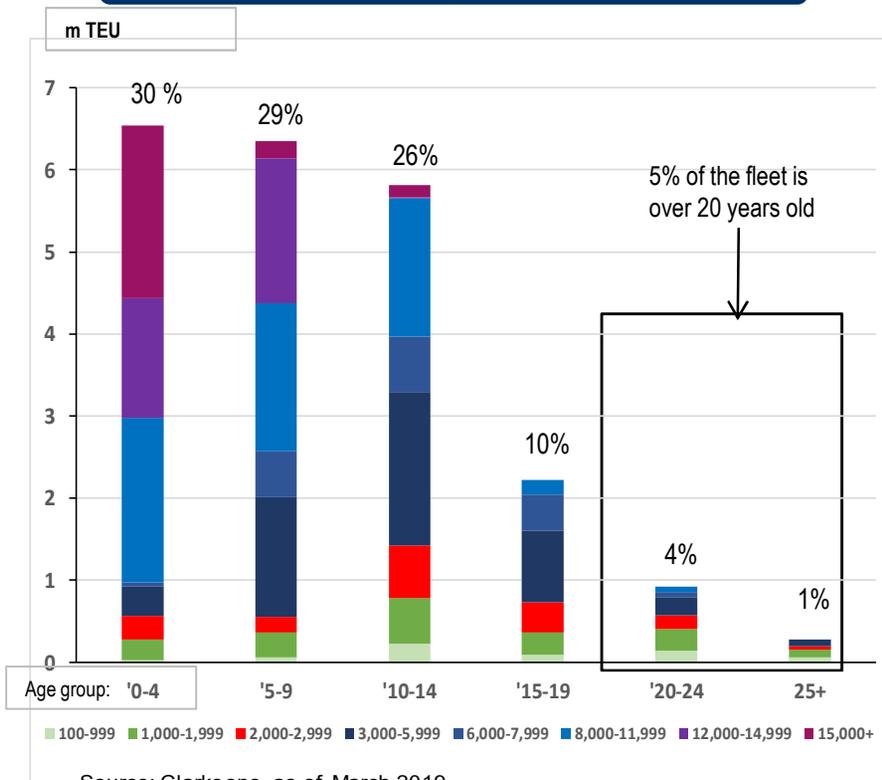
Orderbook as Percentage of Total Fleet Near Lowest Level of the Last 20+ Years



Source: Clarksons

Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Source: Clarksons, as of March 2019

Notes:

1) Scrapping & Slippage

-Scrapping, mteu & as % of fleet

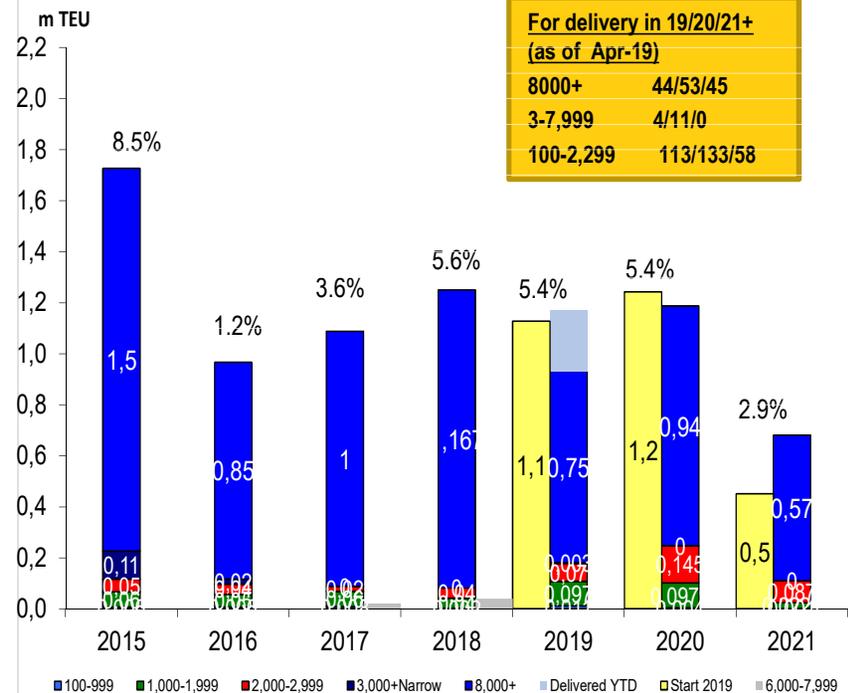
-Slippage & cancellations, mteu & as

% of scheduled deliveries

2) Fleet percent change in 2015/18 includes scrapping and other additions and removals.

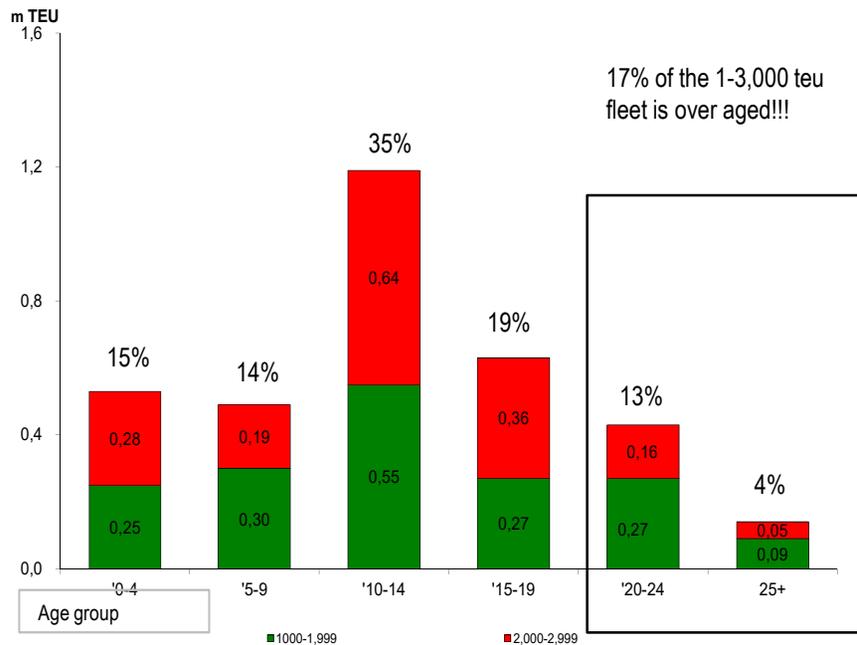
In 2019/20 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.

Container Orderbook

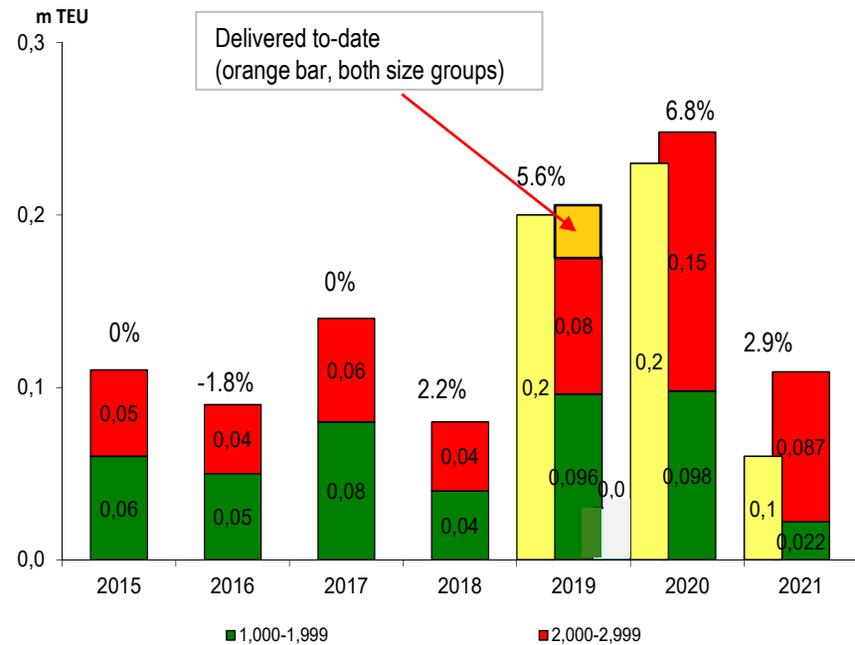


1000-3000 teu Fleet Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Container Orderbook

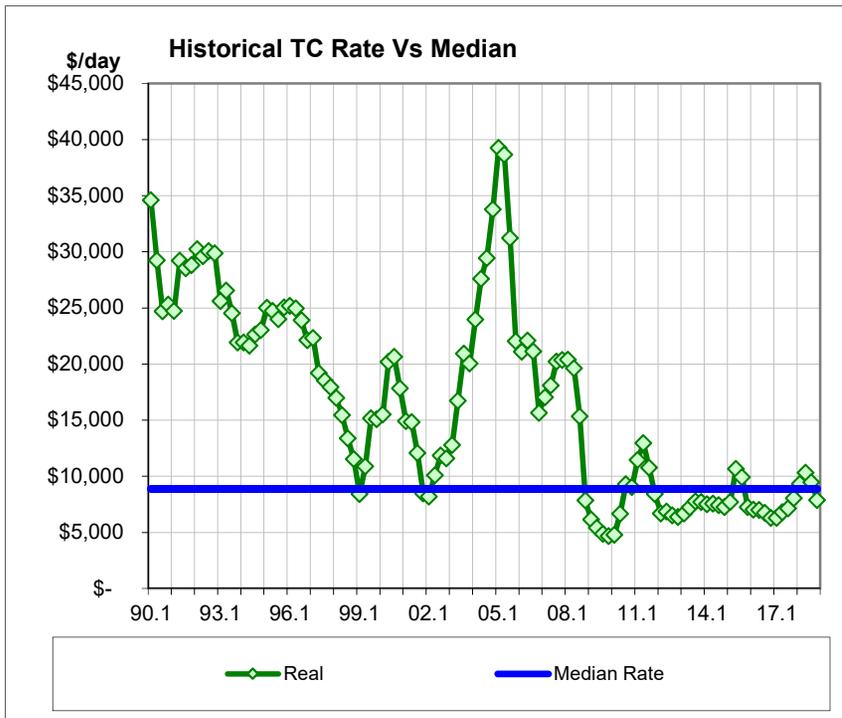


Fleet growth of feeder fleet expected to be around 2% in 2019 (taking scrapping trends into account)

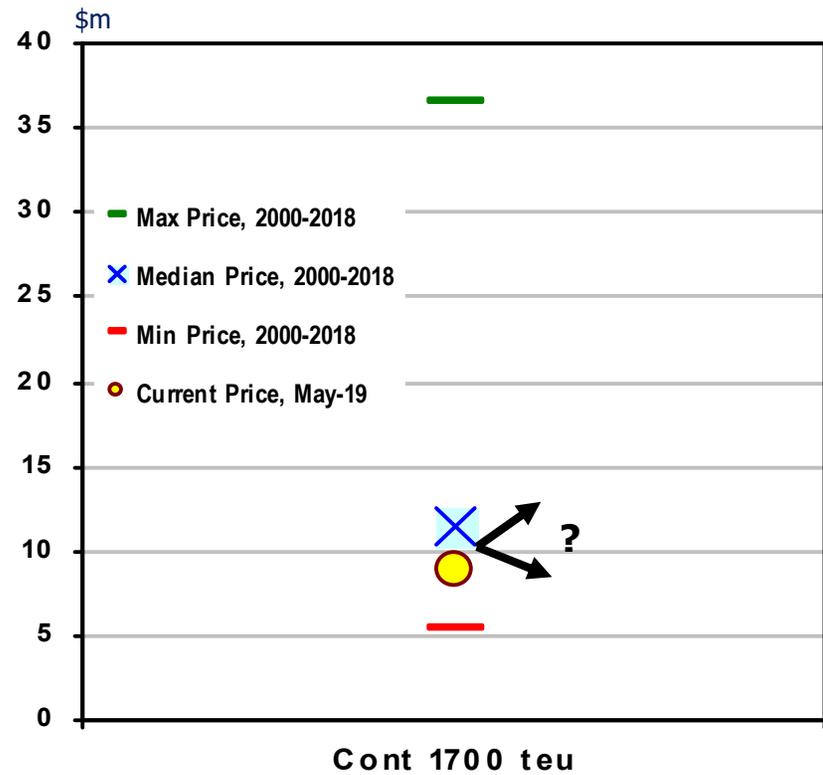
Fleet percent change in 2015-18 includes scrapping and other additions and removals.
 In 2019-21 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.
 Source: Clarksons, as of March 2019

Market Snapshot

1700 teu One-Year Time Charter Rate



10 Year Old Historical Price Range



Source: Clarksons



Outlook Summary

- 2019 YTD has shown a tightening market after January with rates for larger vessels improving strongly, however rates remain low for feeders as idle fleet is still not fully absorbed
- Our supply/demand analysis which is based on Clarkson's expectations for container trade growth suggests a slightly improving market in 2019, stalling in 2020 and firming up again in 2021 if only a few additional orders are placed
- The fundamentals for the sub 5,000 teu vessels are slightly better than for the larger vessels despite the recent feeder ordering mainly because demand prospects for feeder size vessels remains stronger than that of bigger vessels, especially in intra-Asia trades where robust growth is expected to continue in the years to come
- Environmental regulations coming into effect in 2020 create additional uncertainty as ships will be taken out of service to install scrubbers already in 2019 and the probable increase in low sulfur fuel prices can result in further slow-steaming which, in turn, could help strengthen the market
- The other wild card are the US/CHINA/EU trade talks whose outcome can affect demand growth either positively or negatively, pending on their outcome!



EUROSEAS LTD

Financial Overview



Financial Highlights: First Quarter 2018 and 2019

Euroseas Continuing Operations <i>In million USD except per share amounts</i>	First Quarter		Change
	2018	2019	%
Net Revenues	8.31	8.34	0%
Net Income/(Loss)	(1.42)	(0.02)	
Preferred Dividends	(0.46)	(0.47)	
----- Net Income/(Loss) available to Common Shareholders	(1.88)	(0.49)	
Interest & Finance Costs net (incl. interest income)	0.62	0.68	
Vessel Depreciation	0.87	0.80	
Unrealized Loss On Derivatives	0.04	0.02	
Adjusted EBITDA ⁽¹⁾	0.03	1.44	
Adj. Net Loss attributable to Common Shareholders	(1.93)	(0.51)	
Adj. Net (Loss) per share, basic & diluted ⁽²⁾	(0.17)	(0.04)	

All data provided with the company's vessels excluding the vessels spun-off

(1) See press release of 28-May-2019 for Adjusted EBITDA reconciliation to Net (Loss)/Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 11,113,764 & 12,340,060 for Q1 of 2018 and 2019 respectively

Fleet Data for First Quarter of 2018 and 2019

<u>Fleet Statistics</u>	First Quarter	
	2018 (unaudited)	2019 (unaudited)
Number of vessels	12.00	11.00
Utilization Rate (%)		
Overall⁽¹⁾	97.6%	99.4%
Commercial ⁽¹⁾	97.8%	99.4%
Operational ⁽¹⁾	99.7%	100.0%
Time Charter Equivalent (TCE)⁽²⁾	\$8,441	\$9,088
Operating Expenses		
Vessel Oper. Exp. excl. drydocking	\$6,048	\$5,622
G&A Expenses	\$760	\$601
Total Operating Expenses	\$6,808	\$6,223
Interest Expense	\$511	\$663
Drydocking Expense	\$692	\$598
Loan Repayments without Balloons	\$1,222	\$770
Total Cash Breakeven w/o Balloons	\$9,233	\$8,254
Preferred dividend (cash portion)	\$0	\$397
Total Cash Breakeven w/o Balloons	\$9,233	\$8,651

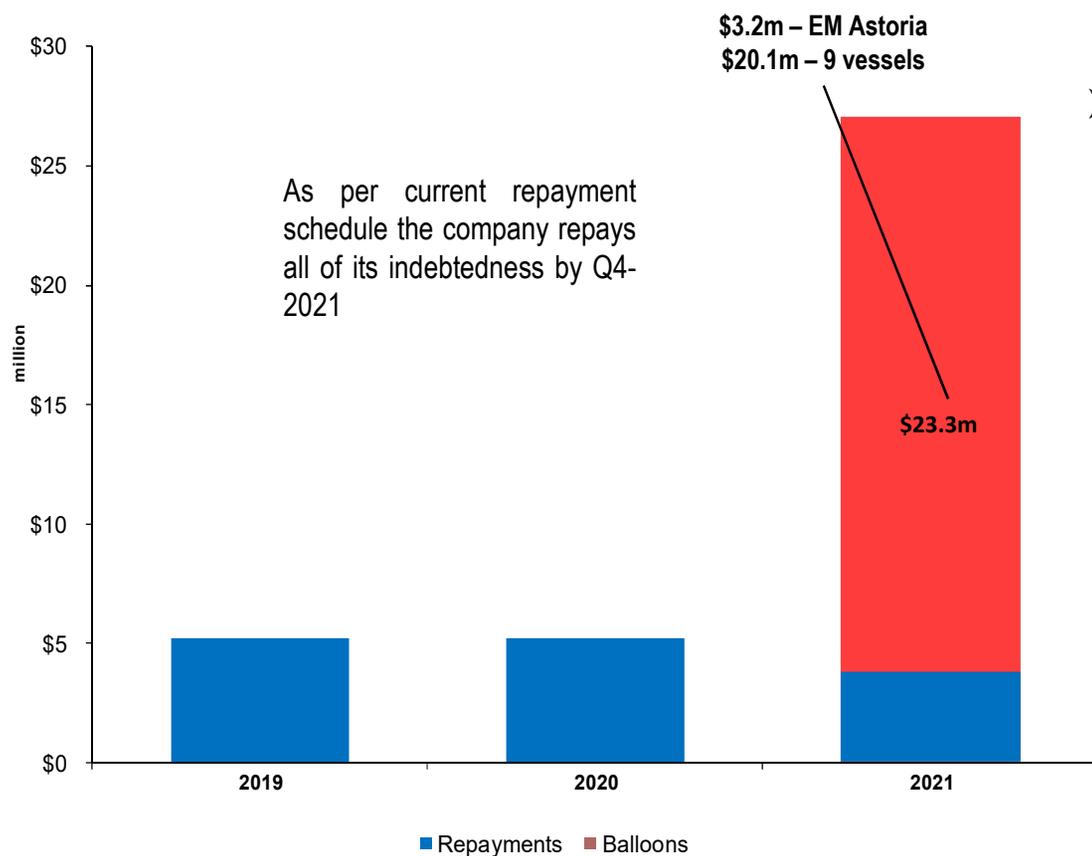
Note: Figures referring to 2018 exclude vessels spun-off to EuroDry Ltd in may 2018 (see press release of May 28, 2019)

Footnotes

- (1) Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up. Scheduled off-hire days including vessels laid-up amounted to 29.5 and 36.4 for the first quarter of 2018 and 2019, respectively.
- (2) TCE calculation shows the gross rate the vessels earn while employed; it excludes periods during which the vessels are laid-up or off-hire for commercial or operational reasons

Debt Profile

Debt Repayment Profile



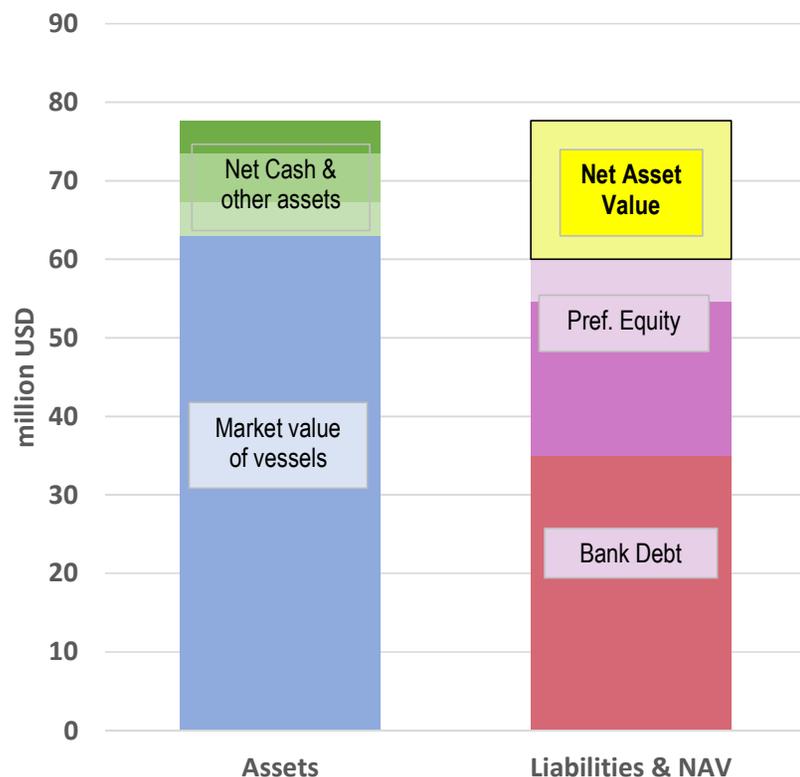
Cash Flow Breakeven

➤ Budget estimate for next 12 months:

	\$/vessel/day
OPEX	\$ 5,600
G&A	\$ 550
Interest	\$ 550
Drydock	\$ 500
Preferred Dividend	\$ 650
Subtotal	\$ 7,850
<u>Loan Rpmt</u>	<u>\$ 1,300</u>
TOTAL	\$ 9,150

Balance Sheet Highlights

Euroseas Ltd Capital Structure Snapshot
(as of Mar-2019)



Assets

- Cash / other liquidity
 - Unrestricted: \$4.2m
 - Restricted: \$6.2m
- Other assets: \$4.1m
- Vessels market value in the \$62-64m range
 - Company's estimate as of end-2019Q1
- Total MV adjusted assets abt \$76-79m

Liabilities

- Bank Debt: \$36.2m, i.e. ~ 46% of total assets
- Preferred Equity: \$19.7m, ~ 25% of total assets
- Other liabilities: \$5.0m, i.e. ~7% of total assets

Net Asset Value as of March 31, 2019

- Net Asset Value: about \$15-17m,
or about \$1.20-1.35 / share...
- Closing share price of \$0.70 on 5/28/2019 represents a significant discount to the value of the company

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