



Earnings Presentation

Six Month Period & Quarter Ended June 30, 2019

August 9, 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.

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2019 Second Quarter

- **Financial Highlights – 2019Q2:**

	Second Quarter	
Net Revenues	\$8.1 m	
Net Loss	(\$0.7) m	
Preferred Dividends	(\$1.0) m	
Adj. Net Loss Available to Common Shareholders ⁽¹⁾	(\$1.8) m	(\$0.14) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$1.6 m	

(1) See press release of 8/8/2019 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 Oinousses: fixed for 6 to 12 months at \$8,700/day as June 7th
- Aegean Express: extended from early June for 3 to 5 months at \$7,300/day
- EM Astoria: extended for 5.5 to 7.5 months at \$8,500/day plus a 6 month option to the charter at \$9,500/day

Operations:

- No vessel was docked during the second quarter

Debt Refinancing & Preferred Equity Redemption

- Partial bank debt refinancing & Preferred Equity redemption were smoothly concluded by end Q2
 - Refinanced M/V Evridiki G and M/V Astoria drawing \$4m under our Eurobank existing revolving facility. Simultaneously the bank agreed to release \$4m of cash collateral and decreased their overall bank debt cost on our now eleven vessels by 50bps (new margin of 3.90%)
 - The above funds plus existing unrestricted funds were used to reduce the total preferred equity to \$8m, i.e. a reduction of \$11.7m. Simultaneously, the remaining Preferred Equity holders agreed to a reduction of the preferred dividend rate from 12% to 8% until Jan-2021 (when it increases to 14%)
- The above transactions resulted in an annual cost saving of roughly \$1.4m in interest and preferred dividend payments
- There is about \$4.8m of remaining revolving debt capacity under our Eurobank facility that we are able to use for future acquisitions

Fleet Expansion: EM Hydra, EM Spetses, EM Kea & M/V Diamantis P

- The acquisitions, announced in June 2019, of four vessels from affiliates, EM Hydra, EM Spetses, EM Kea and M/V Diamantis P, have been completed and the vessels were delivered to our fleet in the beginning of August 2019
 - Vessels were bought through a combination of shares and cash. The transaction was approved by a committee of disinterested independent members of the BoD.
 - In total, we issued about 22.5m shares to the sellers of the vessels and paid \$15m in cash which was used to repay existing indebtedness of the vessels with the sellers receiving only Euroseas shares
 - Drew bank loans to finance the cash portion of the acquisition
- Acquisition of a younger fleet reduced the overall average age by more than a year and increased fleet size by more than 35%
 - Reinforced position as the only publicly listed containership feeder company
 - Made another step in using our public platform to consolidate other fleets

Current Fleet Profile

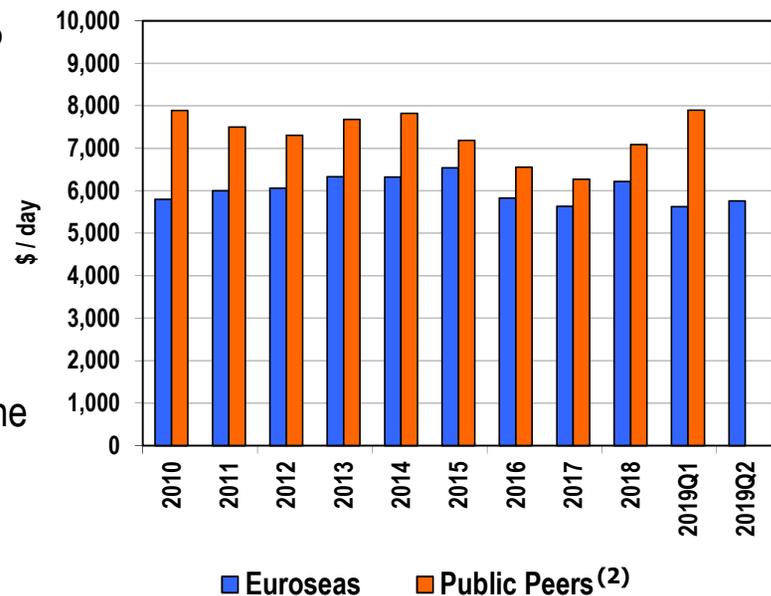
Name	Type	DWT	TEU	Built
Vessels in the water				
Akinada Bridge	Intermediate	71,366	5,610	2004
EM Corfu	Feeder	34,654	2,556	2001
EM Oinousses	Feeder	32,350	2,506	2000
EM Athens	Feeder	32,350	2,506	2000
EM Astoria	Feeder	35,600	2,788	2004
Aegean Express	Feeder	18,581	1,439	1997
Joanna	Feeder	22,301	1,732	1999
Evridiki G	Feeder	34,677	2,556	2001
Manolis P.	Feeder	20,346	1,452	1995
Kuo Hsiung	Feeder	18,154	1,169	1993
Ninos	Feeder	18,253	1,169	1990
EM Kea	Feeder	42,165	3,100	2005
EM Spetses	Feeder	23,224	1,740	2007
EM Hydra	Feeder	23,351	1,740	2005
Diamantis	Feeder	30,360	2,008	1998
Grand Total	15 vessels	457,732	34,071	19.1

Fleet Management & Operational Performance

- Operational Fleet utilization rate in excess of 97.6% over last 5 years
 - Outstanding safety and environmental record
 - For 2019Q2, operational fleet utilization 100% and commercial 96.7%
 - For 2018Q2, operational fleet utilization 93.9% and commercial 99.8%

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

Daily costs per vessel ⁽¹⁾

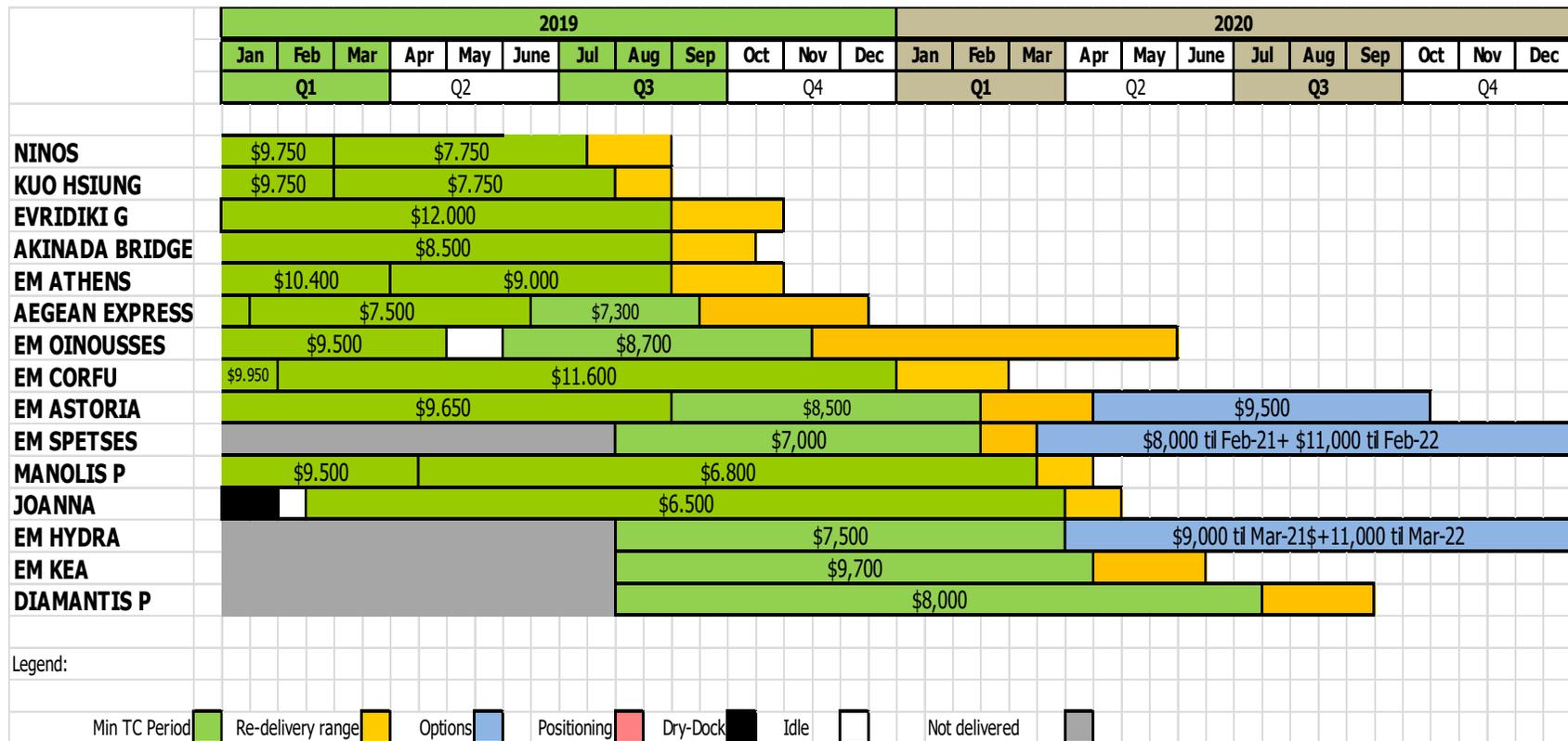


(1) Includes running cost, management fees and G&A expenses (not drydocking expenses)

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

Vessels' Employment Chart

Coverage as of Sep 1, 2019): Abt 71 % in 2019 and 82% in remaining Q3 (based on estimated logical durations)



Containership Market Highlights – Q2 2019

- Time charter rates in Q2 for feeder and intermediate size vessels ranging from 1,000-5,600 teu rose abt 4% -25% on average in Q2, with the bigger rises in the above 5,000+ teu wide beam vessels and the 1,700 teu segment
 - The 1,700 teu geared vessel rose from an average of \$7,071 in Q1 to \$8,153 in Q2 and currently stands at \$8,800
 - The 2,500 teu geared vessel rose from an average of \$9,191 in Q1 to \$9,234 in Q2 and currently stands at \$9,200
- Average secondhand prices for older than 20-yr old vessels remained around their scrap prices in Q2, however, for younger vessels of about 10yrs old there was a drop circa 10%
- Newbuilding prices (Tier 2 /no scrubber/China built) remained stable at around \$23.5m and \$29m for the 1700/2500 teu vessels, respectively
- Idle fleet: 486k teu as of July 22, 2019 (i.e. 2.1% of the fleet)
 - This includes idle due to scrubber retrofitting (mostly larger vessels)
- Scrapping remained at the same levels as Q1 in Q2 relatively low for the current market.
- The fleet grew by 2.4 % 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)	2.6(2.3)	1.9(1.9)	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(1.3)	1.6(1.5)	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)	0.9(1.0)	0.4(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)	6.2(6.3)	6.0(6.1)	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)	7.0(7.3)	7.2(7.5)	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)	1.2(1.6)	1.9(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)	0.8(2.1)	2.4(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)	5.0(5.1)	5.1(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)	3.2(3.3)	3.5(3.6)	3.6

Containerized Trade (% p.a.)

TEU/miles	3.1 (7.0)	5.1 (4.8)	5.4 (6.1)	1.2(6.7)	4.0(4.0)	5.5(4.2)	3.5(4.7)	2.9(3.4)	3.3(3.5)	3.5
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Sources:

GDP - International Monetary Fund: 2012-2018, (start of year estimates in parentheses), 2019/20 IMF Forecasts (Jul-19), 2021 (Apr-19) In parentheses, previous estimates for 2019/20 as of Apr-19,

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

2021 Company Estimates

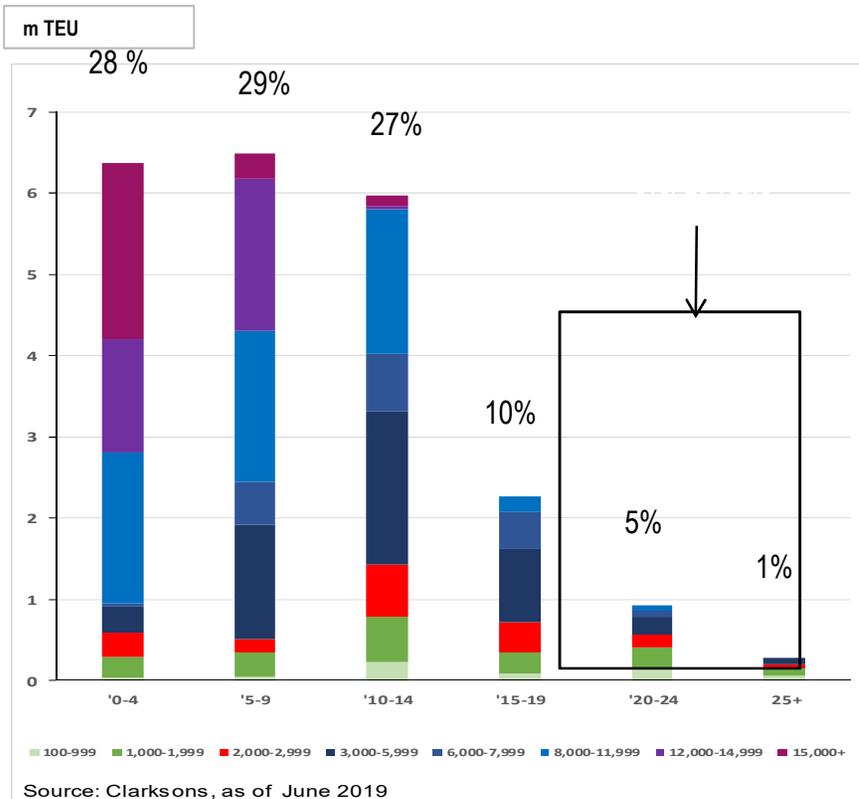
Note 1: Data for 2012-2015 are based on teus. Clarksons provide historical data from 2015 onwards.

Note 2: Beginning of Year estimates for 2015/16/17 are for teus. Actual growth for the same years has been adjusted to tonemiles

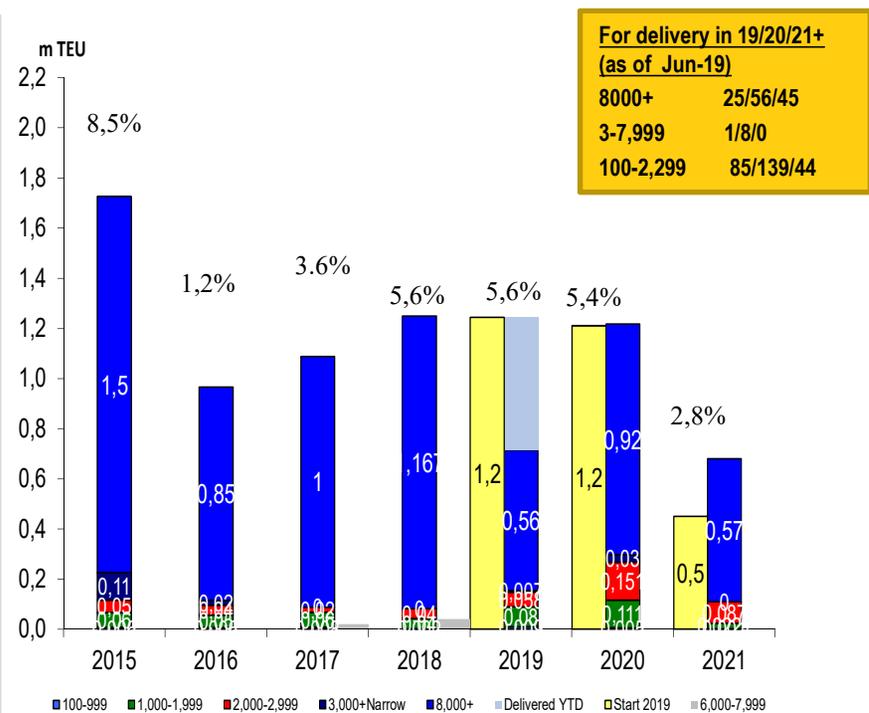
Note 3: 2018/19/20/21 data is expressed in tonemiles only

Containership Age Profile & Orderbook Delivery

Containership Age Profile



Container Orderbook



Source: Clarksons, as of June 2019

Notes:

1) Scrapping & Slippage

-Scrapping, mteu & as % of fleet

2009

0.3m-3%

2010

0.3m-2%

2011

0.1m-0.5%

2012

0.3m-2%

2013

0.4m-3%

2014

0.4m-2%

2015

0.2m-1%

2016

0.7m-3.5%

2017

0.4m-2%

2018

0.1m-0.5%

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

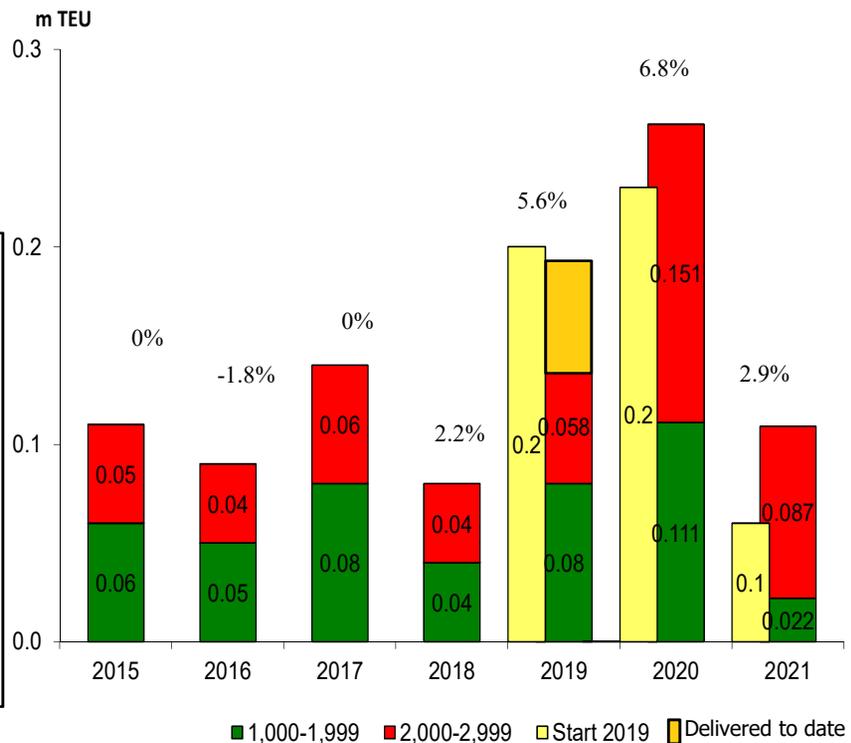
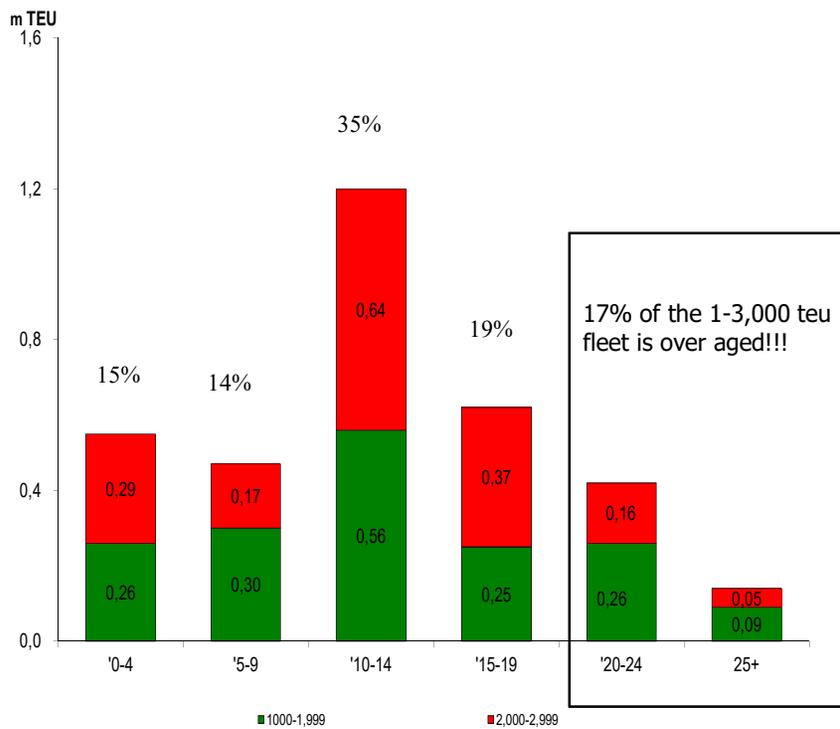
In 2019-21 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.

Source: Clarksons, as of June 2018

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 June 2019

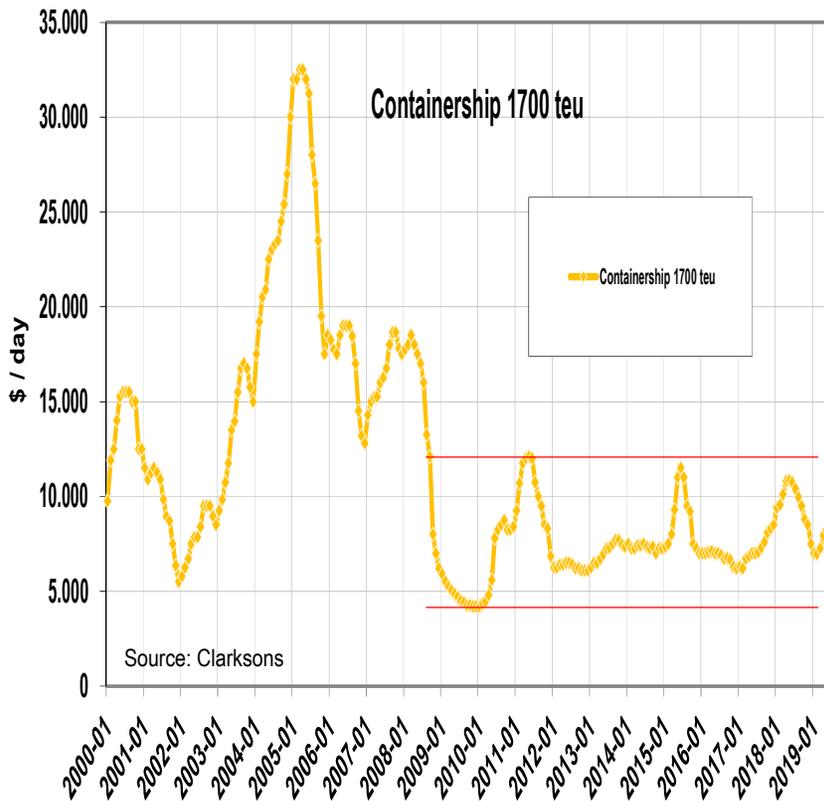


Outlook Summary

- 2019 YTD has shown a tightening market after January, however rates remain relatively low as idle fleet is still not fully absorbed and cascading is still very much happening.....
- Our supply/demand analysis which is based on Clarkson's expectations for container trade growth suggests a modestly improving market in 2019/20, firming up again in 2021 if only a few additional orders are placed.
- The fundamentals for the sub 5,000 teu vessels, which seemed better than for the larger vessels, have deteriorated over the past months as the orderbook has swollen again following the recent feeder ordering;
 - however, demand prospects for feeder size vessels remains positive despite a very slow H1 as most of the growth in these sizes comes from 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
- Developments of the US/CHINA/EU trade issues would affect the near and medium term market prospects

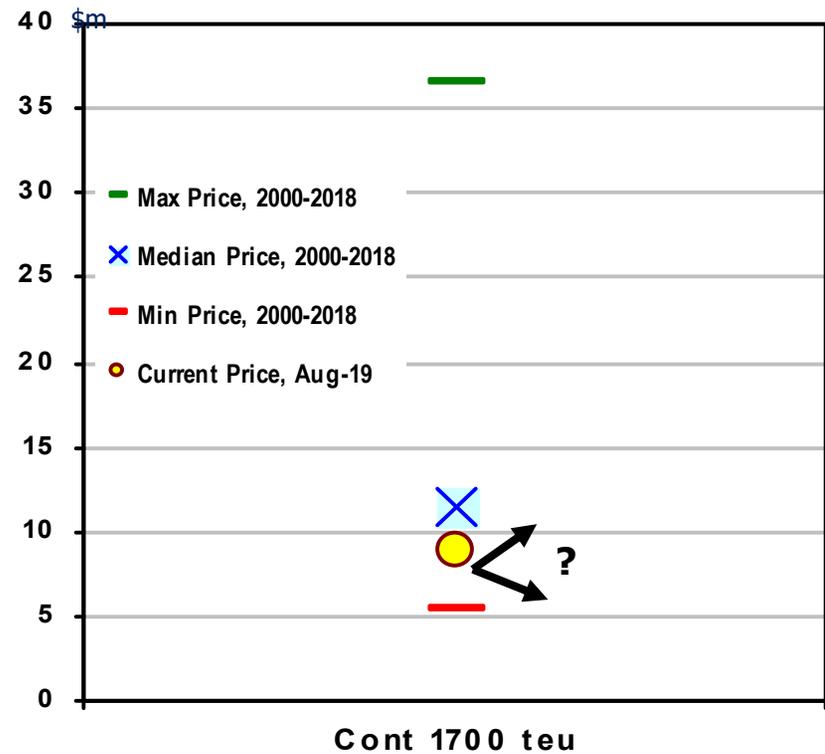
Market Snapshot

1700 teu One-Year Time Charter Rate



Since the financial crisis of 2008 rates stayed rather depressed with three "spikes" within the \$5,000 to 12,000/day range

10 Year Old Historical Price Range





EUROSEAS LTD

Financial Overview



Financial Highlights: Second Quarter and Six months of 2018 and 2019

Euroseas Continuing Operations <i>In million USD except per share amounts</i>	Second Quarter		Change	First Half		Change
	2018	2019	%	2018	2019	%
Net Revenues	9.8	8.1	-17%	18.1	16.4	-9%
Net Income/(Loss)	2.2	(0.7)		0.8	(0.8)	
Preferred Dividends	(0.4)	(1.0)		(0.9)	(1.5)	
Net Income/(Loss) available to Common Shareholders	1.8	(1.7)		(0.1)	(2.2)	
Interest & Finance Costs net (incl. interest income)	0.7	1.5		1.3	2.2	
Vessel Depreciation	0.8	0.8		1.7	1.6	
Gain on Sale of Vessel	(1.3)	0.0		(1.3)	0.0	
Unrealized Loss On Derivatives	(0.1)	(0.0)		(0.1)	(0.0)	
Adjusted EBITDA ⁽¹⁾	2.3	1.6		2.3	3.0	
Adj. Net Loss attributable to Common Shareholders	0.4	(1.8)		(1.6)	(2.3)	
Adj. Net (Loss) per share, basic & diluted ⁽²⁾	0.03	(0.14)		(0.14)	(0.18)	

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

(1) See press release of 8-Aug-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 Q2 of 2018 and 2019 respectively and on 11,113,764 & 12,340,060 for H1 of 2018 and 2019

Fleet Data for Second Quarter and Six months of 2018 and 2019

Fleet Statistics	Second Quarter		Half Year	
	2018	2019	2018	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of vessels	11.95	11.00	11.97	11.00
Utilization Rate (%)				
Overall⁽¹⁾	93.7%	96.7%	95.6%	98.0%
Commercial⁽¹⁾	99.8%	96.7%	98.8%	98.0%
Operational⁽¹⁾	93.9%	100.0%	96.8%	100.0%
Time Charter Equivalent (TCE)⁽²⁾	\$10,028	\$8,307	\$9,228	\$8,693
Operating Expenses				
Vessel Oper. Exp. excl. drydocking	\$5,698	\$5,763	\$5,873	\$5,693
G&A Expenses	\$580	\$660	\$670	\$631
Total Operating Expenses	\$6,278	\$6,423	\$6,543	\$6,324
Interest Expense	\$544	\$1,214	\$527	\$940
Drydocking Expense	\$394	\$181	\$543	\$388
Loan Repayments without Balloons	\$831	\$1,302	\$1,026	\$1,309
Total Cash Breakeven w/o Balloons	\$8,047	\$9,120	\$8,639	\$8,961

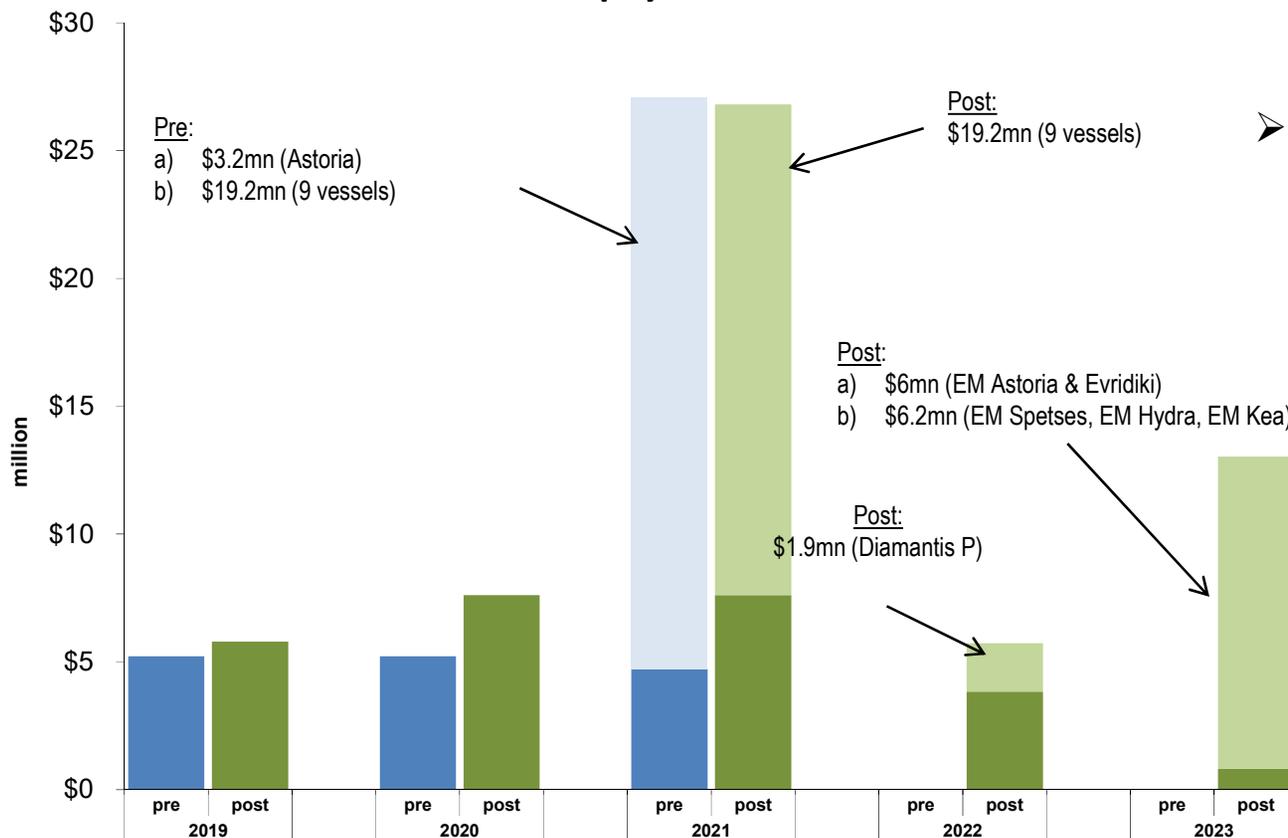
Note: Figures referring to 2018 exclude vessels spun-off to EuroDry Ltd in May 2018 (see press release of August 8, 2019)

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 8.2 and 0 for the second quarter and to 37.6 and 36.4 for the first six months 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	\$ 5,650
G&A	\$ 430
Interest	\$ 650
Drydock	\$ 600
Preferred Dividend	\$ 120
Subtotal	\$ 7,450
<u>Loan Rpmt</u>	<u>\$ 1,300</u>
TOTAL	\$ 8,750

- On a pro-forma basis our blended senior margin stands at 3.7% and by assuming 3month Libor @ 2.5% the all-in cost of our senior debt is 6.2% and by including the preferred instrument this increases to 6.4%

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