



Earnings Presentation

Quarter Ended June 30,

2021

August 12, 2021



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 container 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.

2021 Second Quarter Financial Highlights

in million USD except per share figures

		Q2 2021	
	Net Revenues	18.3	
	Net Income	7.9	
	Adj. Net Income / (Loss) Attributable to Common Shareholders ⁽¹⁾	7.6	\$1.12 ⁽²⁾ /share
	Adj. EBITDA ⁽¹⁾	10.3	

- 1) See press release of Aug. 11, 2021 for reconciliation of Adj. Net Income Attributable to Common Shareholders and Adjusted EBITDA
- 2) Basic and diluted

Recent Developments, Chartering & Operational Highlights

S&P Highlights:

- Placed orders for two newbuilding vessels of 2,800 teu at a South Korean yard (Hyundai Mipo) at approximately \$38m
 - Delivery of the vessels is scheduled in 2023 Q1 and Q2, each to be financed with about 65% at the time of delivery
 - These vessels are 30% more fuel efficient than our ships of the same type

Conversion of the Series B Preferred Shares:

- The Series B Preferred Shares were all converted into common stock in June 2021 at a conversion price of \$14.05 per share, resulting in the issuance of 453,044 new shares
 - No Series B Preferred Shares remain outstanding

Chartering:

- **EM Hydra:** Fixed for 23-25 months at \$20,000/day as from May 2021
- **EM Spetses:** Fixed for a minimum of 36-40 months at \$29,500/day as from August 2021
- **Diamantis P:** Fixed for a minimum of 36-40 months at \$27,000/day as from October 2021

Operations:

- **Manolis P** – Won claim of scrap sale of the vessel that failed due to COVID-19 restrictions (in March 2020) resulting in net receipts of about \$1.0 million (the vessel was subsequently resold to another buyer)

Drydockings / Idle periods / Commercial off-hire

- None this quarter

Current Fleet Profile

Current fleet is comprised of 14 vessels on the water with an average age of 16.2⁽¹⁾ years and 2 newbuildings to be delivered Q1 & Q2 2023, with a total carrying capacity of 47.8k TEU on a fully delivered basis



11x Feeder⁽³⁾
Avg. Age: 18.5 years⁽¹⁾
Carrying Capacity: 25.3k TEU⁽³⁾



5x Intermediate
Avg. Age: 14.2 years⁽¹⁾
Carrying Capacity: 22.6k TEU

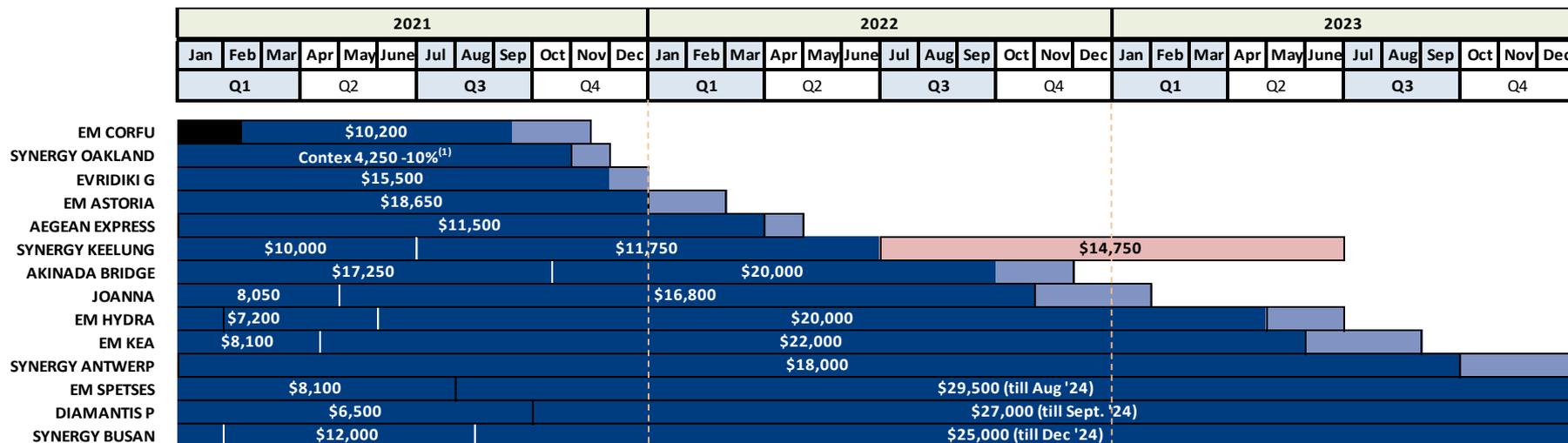
Name	Type	Size		Year Built
		DWT	TEU	
Akinada Bridge	Intermediate	71,366	5,610	2001
Synergy Bussan	Intermediate	50,726	4,253	2009
Synergy Oakland	Intermediate	50,787	4,253	2009
Synergy Keelung	Intermediate	50,969	4,253	2009
Synergy Antwerp	Intermediate	50,726	4,253	2008
EM Kea	Feeder	42,165	3,100	2007
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
Joanna	Feeder	22,301	1,732	1999
Aegean Express	Feeder	18,581	1,439	1997
Total Fleet on the water	14	539,487	42,281	16.2
Newbuildings				TBD⁽²⁾
H4201	Feeder	37,237	2,800	Q1 2023
H4202	Feeder	37,237	2,800	Q1 2023
Number of vessels	2	74,477	5,600	
Total Fleet⁽³⁾	16	613,961	47,881	

Notes:

1. Average age is weighted by the size of the vessels in teu
2. Calendar quarter vessel is scheduled to be delivered ("TBD")
3. On a fully delivered basis

Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



Legend: Min TC Period (dark blue) Re-delivery range (light blue) Options (red) Dry-Dock (black) Idle (white)

Contracted EBITDA & Coverage: 2021/2022/2023		2021E (H2)	2022E	2023E
Contracted Days		2,323	3,128	1,810
Coverage (%)		92%	62%	33%
Average TC rate (\$/day)		20,087	21,226	24,356
Contracted EBITDA (\$m) ⁽³⁾		28.3	41.5	29.4
Open Days		205	1,892	3,736

Source: Company

Notes:

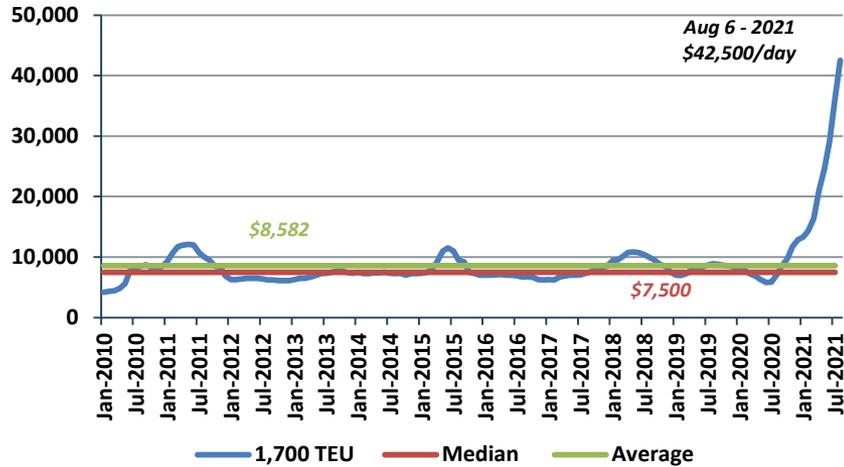
1. Synergy Oakland's current rate is \$64,660 as of 22/7/21 until 22/10/21
2. Given the strength of the current charter market, it is assumed that the existing charters will run to their maximum duration
3. Assuming an average commission of 5%



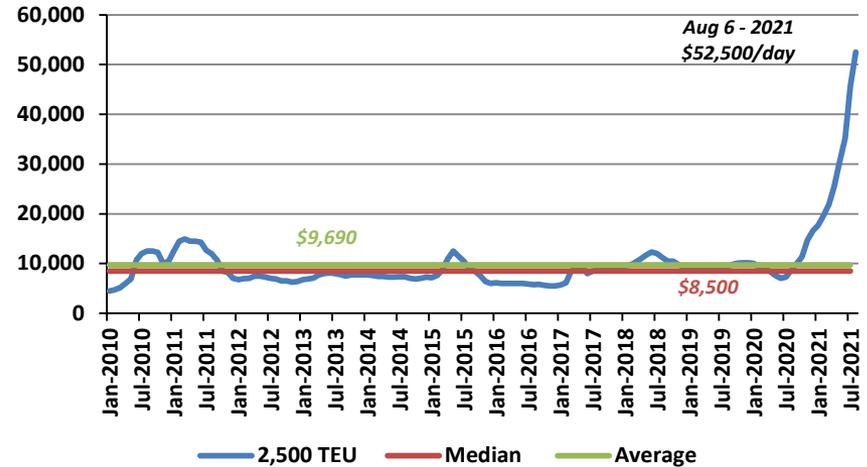
Market Overview

Last 10 year 6-12m TC rate (\$/day)

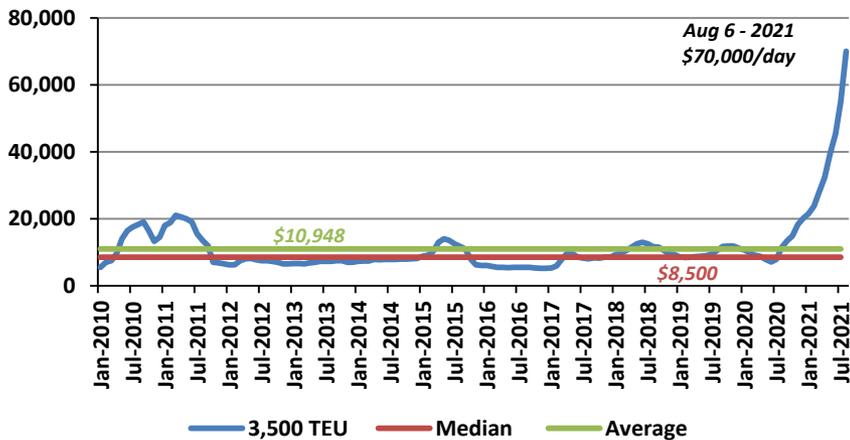
1,700 TEU grd



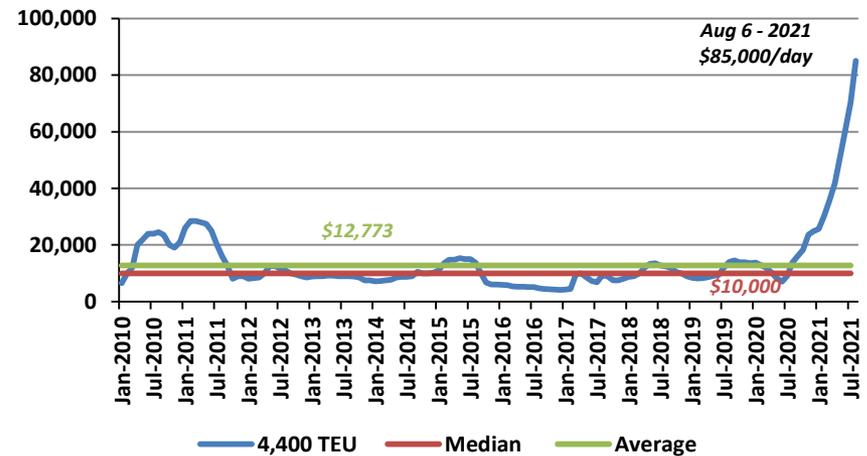
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q2 2021

- One-Year time charter rates across all segments skyrocketed over the past 12 months – reaching levels never seen in the past, registering new all-time highs

(\$/day)			
Vessel Size	2021-Q1 average	2021-Q2 average	Current* rate
1,700 teu geared	14,562	24,585	42,083
2,500 teu geared	19,585	30,038	61,791
4,250 teu g'less	30,154	50,308	82,085
5,600 teu g'less	35,000	60,000	94,528

*Context as of Aug 10, 2021

- Average secondhand price index increased on average by about 52% in 21Q2 over 21Q1.
 - Price increases varied across different age groups with the elder vessels increasing by up to 300%
- Newbuilding prices (no scrubber/China built) were increased by circa 10% in 21Q2, on the back of steel prices being on the rise and fresh interest for newbuildings on the back of containership market rises
- Idle fleet: 0.12m teu as of August 2, 2021 (i.e. ~0.5% of the fleet)
 - This is down from 2.4m teu as of middle May 2020
- Scrapping decreased in Q2 to only 3 ships or ~1,840teu. Total YTD scrapping of 13 ships or ~9,900teu.
 - Prices increased to around \$600/lwt due to high demand for steel
- The fleet has grown by 1.8 % YTD
- Order book has significantly increased focusing on the larger vessels currently standing at ~21.3% from about 11% just six months ago

World GDP & Shipping Demand Growth

Global recovery continues at a solid pace, but new variants of COVID-19 may extent the uncertainty

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	7.0(6.4)	4.9(3.5)	1.4(2.3)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	4.6(4.4)	4.3(3.8)	1.9(2.2)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.8(3.3)	3.0(2.5)	1.1(1.2)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.1(8.4)	5.7(5.6)	5.4(5.7)
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.5(12.5)	8.5(6.9)	6.8(7.6)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.4(3.8)	3.1(3.8)	2.1(2.1)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.3(3.7)	1.9(2.6)	2.1(2.2)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	4.3(5.2)	6.3(6.0)	5.7(5.6)
World	3.4	3.2	3.7	3.6	2.9	-3.3	6.0(6.0)	4.9(4.4)	3.5(3.8)

Containerized Trade (% p.a.)

TEU-miles	1.2	4.0	5.6	3.5	1.7	-1.2	6.6(5.5)	3.3(3.4)	3.5
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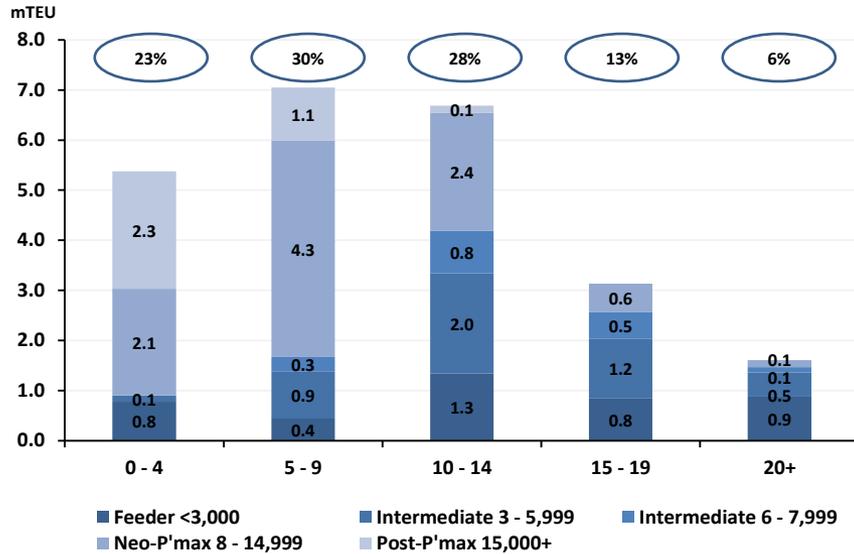
Sources: Clarksons Research, IMF, Company

GDP: Figures in parentheses for 2021 and 2022 indicate IMF Forecasts as of (Apr-2021). Updated 2021/2022 figures based on Jul – 21 publication. For 2023 Figures in parentheses indicate IMF Forecasts as of (Jan-2021). Updated 2023 figures based on Apr– 21 publication

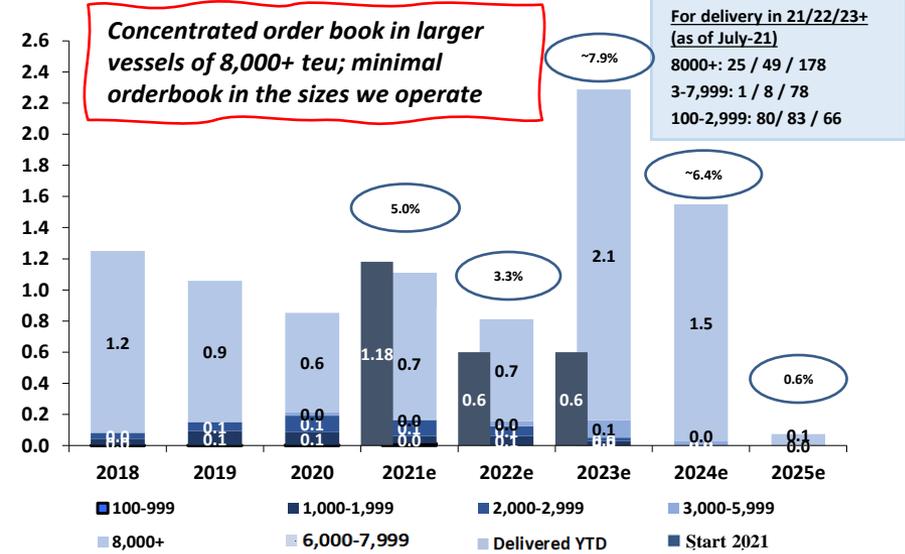
Trade: 2021/2022: Clarkson (Jul-21), 2023:Preliminary company estimates

Age Profile and Orderbook

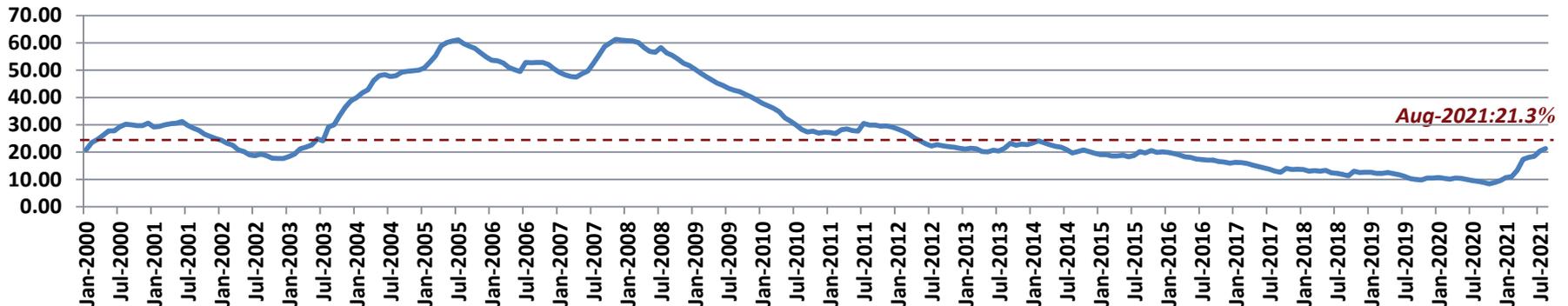
Age Profile



Containership Orderbook



Orderbook as % of fleet



Source: Clarksons Research

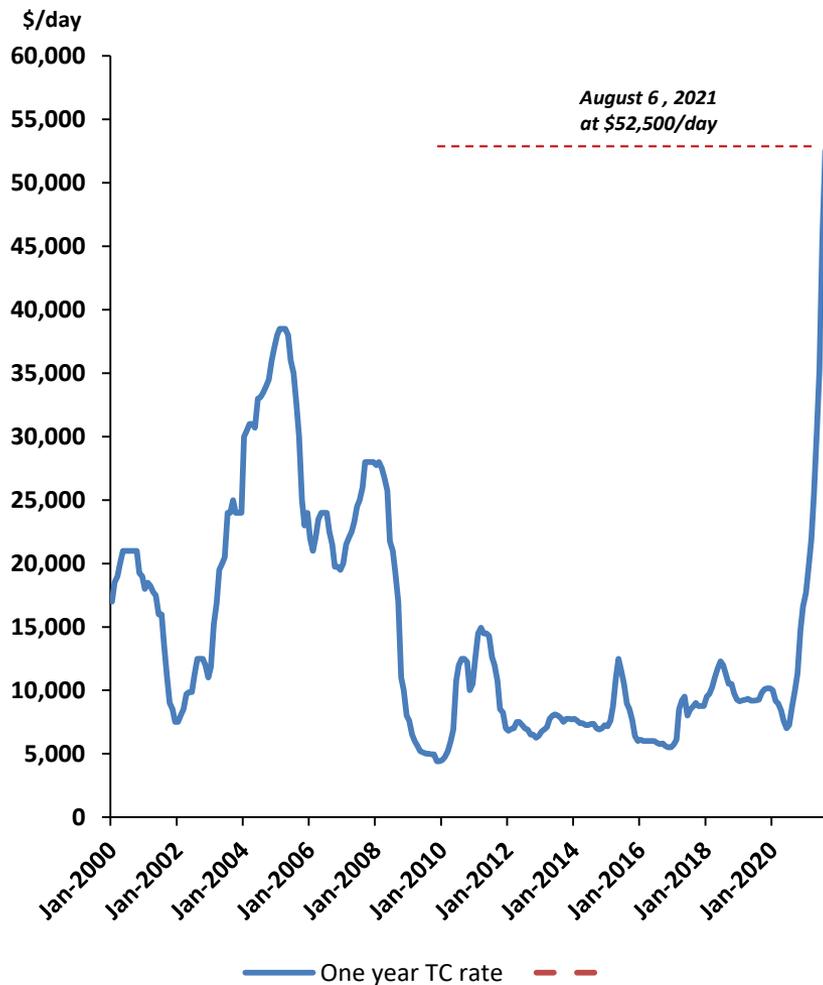
(*) Percentage figures for years 2021, 2022 and 2023 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Outlook Summary

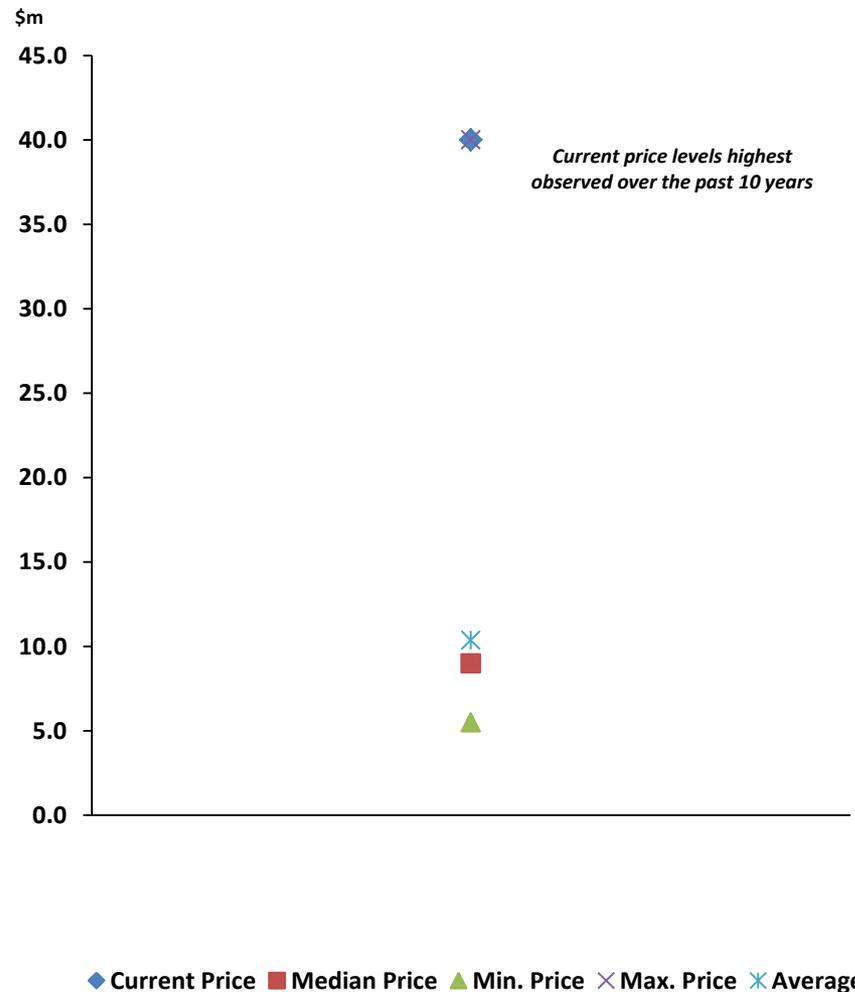
- Global recovery continues at a solid pace, despite new variants of COVID-19 emerging, which may delay, but will likely not stop, economic growth.
 - Inventory restocking and shifts in consumer spending towards goods, combined with adequate fiscal support and progress on vaccine rollouts, have enabled this economic growth
- Containership trade remains positive, with moderate supply growth in 2021 and 2022 (4.3% & 2.9%, respectively). However, the recent surge in ordering is likely to lead to accelerated supply growth in 2023
- 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 2H 2021
- The short to medium term outlook seems strongly optimistic, reinforced by logistical disruptions and firm trade demand. Additionally, limited supply growth in 2022 should provide some rate support before any possible excess delivered capacity in 2023
- The long term, beyond 2023, fundamentals are complex, with a range of factors likely to have an impact, including:
 - Uncertainty over a potential sharp drop in rates from today's record highs, if demand started trailing back once disruptions ease up;
 - Material supply pressure from 2023 onwards, which may overtake demand growth;
 - New environmental regulations will probably result in even slower steaming by 2023/24, effectively, removing capacity from the market

Market Snapshot

Cont 2,500 TEU One-Year Time Charter Rate



Cont 2,500 TEU – 10 Year Old Historical Price Range⁽¹⁾





Financial Overview

Financial Highlights: Second Quarter and First half 2020 and 2021

<i>(in million USD except per share amounts)</i>	Second Quarter		Change	Six months		Change
	2020	2021	%	2020	2021	%
Net Revenues	13.5	18.3	35.4%	28.9	32.6	12.6%
Net Income	1.3	7.9	515.9%	3.2	11.7	261.4%
Preferred & Preferred Deemed Dividends	(0.2)	(0.4)		(0.3)	(0.6)	
Net Income attributable to Common Shareholders	1.1	7.6		2.9	11.1	
Interest & Finance Costs net <i>(incl. interest income)</i>	(1.1)	(0.7)		(2.4)	(1.4)	
Depreciation	1.7	1.6		3.4	3.2	
Gain/(loss) on Sale of Vessel	(0.1)	-		(0.1)	(0.01)	
Amortisation of below market charters	0.3	-		1.2	-	
Unrealized Loss (Gain) On Derivatives	(0.5)	(0.1)		(0.5)	0.4	
Adjusted EBITDA ⁽¹⁾	4.4	10.3	137%	8.4	15.9	89%
Adj. Net Income attributable to Common Shareholders	1.4	7.6		2.3	10.7	
Adj. Net Income per share, basic	0.25	1.12		0.42	1.58	
Adj. Net Income per share, diluted	0.25	1.12	348%	0.42	1.57	274%

Notes:

1) See press release of Aug. 11, 2021 for Adjusted EBITDA reconciliation to Net Income / (Loss)

Fleet Data for the Second Quarter and First half 2020 and 2021

<i>(in million USD except per share amounts)</i>	Second Quarter		Six months	
	2020	2021	2020	2021
Number of vessels	19.0	14.0	19.0	14.0
Utilization Rate (%)				
	Operational ⁽¹⁾	99.7%	99.9%	97.9%
	Commercial ⁽¹⁾	94.6%	100.0%	96.9%
	Overall ⁽¹⁾	94.4%	99.9%	94.8%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$9,458	\$14,853	\$9,541	\$13,523
Operating Expenses				
	Vessel Oper. Exp.exlc. DD exp.	5,665	6,279	5,544
	G&A Expenses	455	581	459
Total Operating Expenses	\$6,120	\$6,860	\$6,003	\$6,887
	Interest Expense	658	540	691
	Drydocking Expense	210	116	109
	Loan Repayments without Balloons	1,524	2,422	1,712
	Preferred dividend in cash ⁽³⁾	-	92	43
Breakeven/day	\$8,512	\$10,030	\$8,558	\$9,702

Notes:

- 1) Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up if any. Scheduled off-hire days including vessels laid-up amounted to 210.3 for the second quarter and first half of 2020 and 0 days for the second quarter and first half of 2021 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
- 3) Preferred dividend in cash is presented as of the period the obligation to pay in cash was generated (previous presentations shown period when the actual payment took place)

2021 EBITDA Calculator

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 2023	2021H2 Actual	2021Q3E	2021Q4E	2021E	2022E	2023E
Calendar Days	2,534	1,288	1,288	5,110	5,110	5,571
Available days for hire	2,492	1,266	1,263	5,021	5,020	5,546
Contracted Days	2,492	1,235	1,089	4,816	3,128	1,810
Coverage (%)	98%	98%	86%	96%	62%	33%
Average TC rate Contracted (\$/day)	13,523	19,535	20,638	16,674	21,226	24,356
(A) Contracted EBITDA	15.9	14.4	13.8	44.2	41.5	29.4
Open Days	0	31	174	205	1,892	3,736
Indicative EBITDA Contribution assuming same rates as of current contracted rates						
Assumed Average TC rate of open days		19,535	20,638	16,674	21,226	24,356
(B) EBITDA Contribution, Open Days		0.4	2.2	2.6	25.1	60.7
(A+B) Total EBITDA	15.9	14.8	16.0	46.7	66.6	90.1

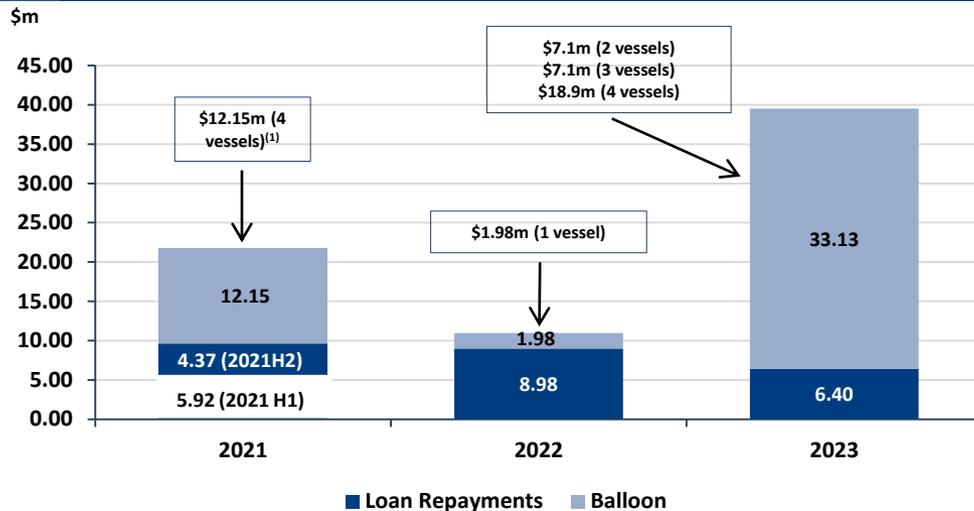
- Indicatively, Open Days in 2021 to 2023 are shown as earning the average of currently contracted TC rates
- However, at current market rates, the average daily earnings for Open Days would be about twice as high compared to the rates shown in the table, resulting in significantly higher EBITDA expectation

EBITDA Calculation Assumptions (Q2-Q3-Q4 2021/2022/2023)

1. "Available days for hire" reflects assumptions about schedule 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 \$6,900 for future periods; commissions of **5.00%** on market rates

Debt Repayment Profile

Debt Repayment Profile



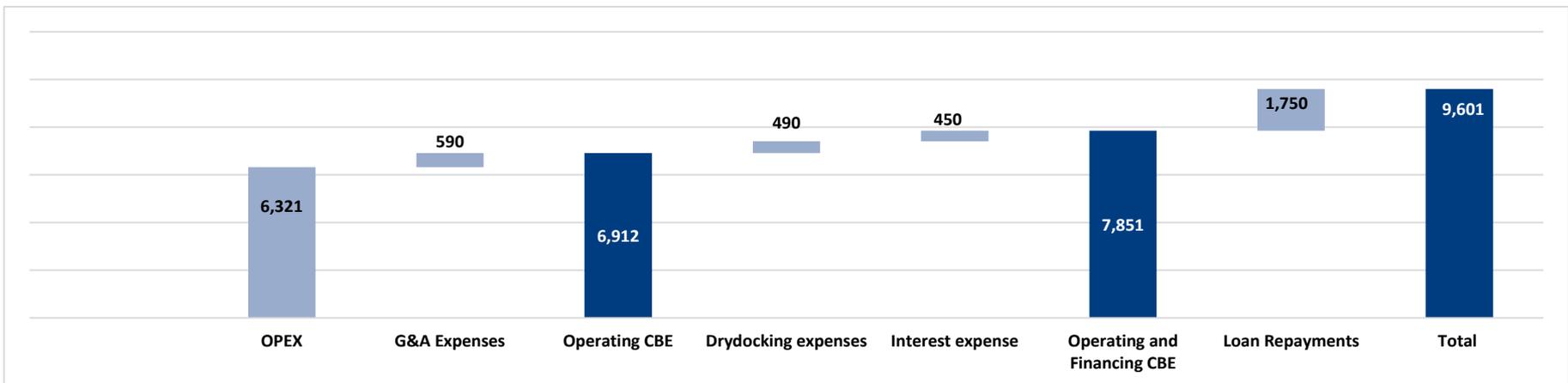
Cost of funding:

Outstanding bank debt of \$62.0m with average margin of about 3.6%; assuming LIBOR of 0.3%, our cost of senior debt is 3.9%.

Note:

1) In final stages of documentation of a new loan in the amount of \$10m with a 4 year profile secured by two of the four vessels (leaving one vessel unencumbered post payment and the other one with ~\$2.1m outstanding)

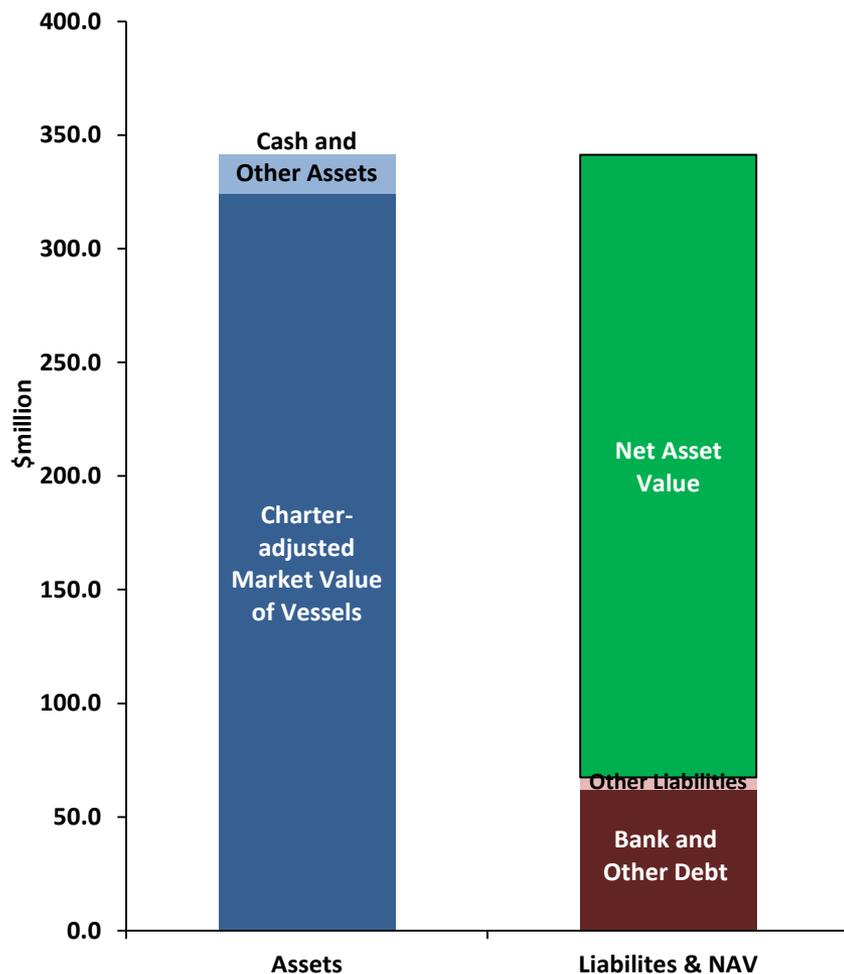
Cash Flow Break Even Estimate for the Next 12 months (\$/day)



Balance Sheet Highlights

Euroseas Capital Structure (6/30/21)

Pro forma July-21 Market Values



Notes

Assets

- Cash & Other assets: \$17.4m
- Vessels book value: \$95.6m
- Total assets (at book value): \$113.0m

Liabilities

- Bank & other debt: \$62.0m
- Other liabilities: \$5.3m

Net Asset Value

- Using the charter-adjusted market value of vessels estimated about \$324m^(*)
=> Net Asset Value around \$274m, or, around \$37.5/share
- Recent share price trading range of \$19-\$22/share represents a significant discount to the value of the company

() Based on Company estimates as of end July 2021*

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