



## Earnings Presentation

Quarter Ended June 30, 2024

August 06, 2024



# 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.*

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# 2024 Second Quarter Financial Highlights

## Financial Results

*in million USD except per share figures*

Q2 2024			
Net Revenues	58.7		
Net Income	40.7	5.84/ share <sup>(2)</sup>	
Adj. Net Income <sup>(1)</sup>	34.3	4.92/ share <sup>(2)</sup>	
Adj. EBITDA <sup>(1)</sup>	42.3		

1) See press release of Aug 06, 2024 for reconciliation of Adj. Net Income and Adjusted EBITDA to Net Income

2) Diluted

## Dividend Declaration & Repurchase Program

- Declared a quarterly dividend of \$0.60 per share for the second quarter of 2024 payable on or about September 17, 2024 to shareholders of record on September 09, 2024, as part of the Company's common stock dividend plan.
- As of August 06, 2024, we have repurchased 400,705 shares of our common stock in open market transactions for \$8.2 million, since the initiation of our share repurchase plan of up to \$20 million approved in 2022 which was extended for a year during 2023 and has now been extended for another year.

# Recent S&P, Chartering & Operational Highlights

## ➤ S&P

- Sold M/V Astoria for a gross price of \$10.0m. The vessel was delivered to the new buyers, on June 26, 2024.

## ➤ Newbuilding deliveries

- **M/V Monica** was delivered on May 13, 2024. Following her delivery, she commenced a charter for a min 10 – max 12 months @ \$16,000/ day.
- **M/V Stephania K** was delivered on June 28, 2024. Following her delivery, she commenced a charter for a min 23 – max 25 months @ \$22,000/ day.
- **M/V Pepi Star** was delivered on July 19, 2024. Following her delivery, she commenced a charter for a min 23 – max 25 months @ \$24,250/ day.

## ➤ Upcoming deliveries

- **M/V Symeon P**, originally scheduled for delivery in December 2024, has been postponed to January 2025
- **M/V Dear Panel**, originally scheduled for delivery in November 2024, has been postponed to January 2025

## ➤ Chartering

- **M/V EM Hydra**: Extended for min 10 months - max 12 months @\$13,000/ day from May 01, 2024
- **M/V Joanna**: extended for min 1<sup>st</sup> Aug 2024 / max 23<sup>rd</sup> Aug 2024 @ \$13,500/ day from May 25, 2024, following that will ballast to the Far East for its scheduled drydock and then fixed for min 23 – max 25 months at the following rates: \$19,000/ day for first 17 months, then \$9,500/ day for the next 6 months with a rate of \$16,500/ day for the two-month redelivery period
- **M/V Spetses**: fixed for min 18 – max 20 months @ \$18,100/ day from Aug 15, 2024

## ➤ Idle period/commercial off-hire

- None

## ➤ Drydockings

- **M/V Synergy Keelung**: 19.53 days (5 May 2024 – 24 May 2024)

# Current Fleet Profile

*Current fleet is comprised of 23 vessels with an average age of 14.0<sup>(1)</sup> years and a carrying capacity of 67.1k TEU*



**16x Feeder**  
**Avg. Age: 11.48 years<sup>(1)</sup>**  
**Carrying Capacity: 35.2k TEU**



**7x Intermediate**  
**Avg. Age: 16.7years<sup>(1)</sup>**  
**Carrying Capacity: 31.9k TEU**

		Size		Year
Name	Type	DWT	TEU	Built
<i>On the water fleet</i>				
Marcos V	Intermediate	72,968	6,350	2005
Synergy Busan	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
Emmanuel P	Intermediate	50,796	4,250	2005
Rena P	Intermediate	50,796	4,250	2007
EM Kea	Feeder	42,165	3,100	2007
Tender Soul	Feeder	37,237	2,800	2024
Leonidas Z	Feeder	37,237	2,800	2024
Gregos	Feeder	37,237	2,800	2023
Terataki	Feeder	37,237	2,800	2023
EM Corfu	Feeder	34,654	2,556	2001
Evridiki G	Feeder	34,677	2,556	2001
Diamantis P	Feeder	30,360	2,008	1998
Monica	Feeder	22,262	1,800	2024
Stephania K	Feeder	22,262	1,800	2024
Pepi Star	Feeder	22,262	1,800	2024
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	23	846,172	67,073	14.0

**Note:**

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

# Vessels Under Construction

*Two vessels with capacity of 5,600 teu to be delivered in January 2025*

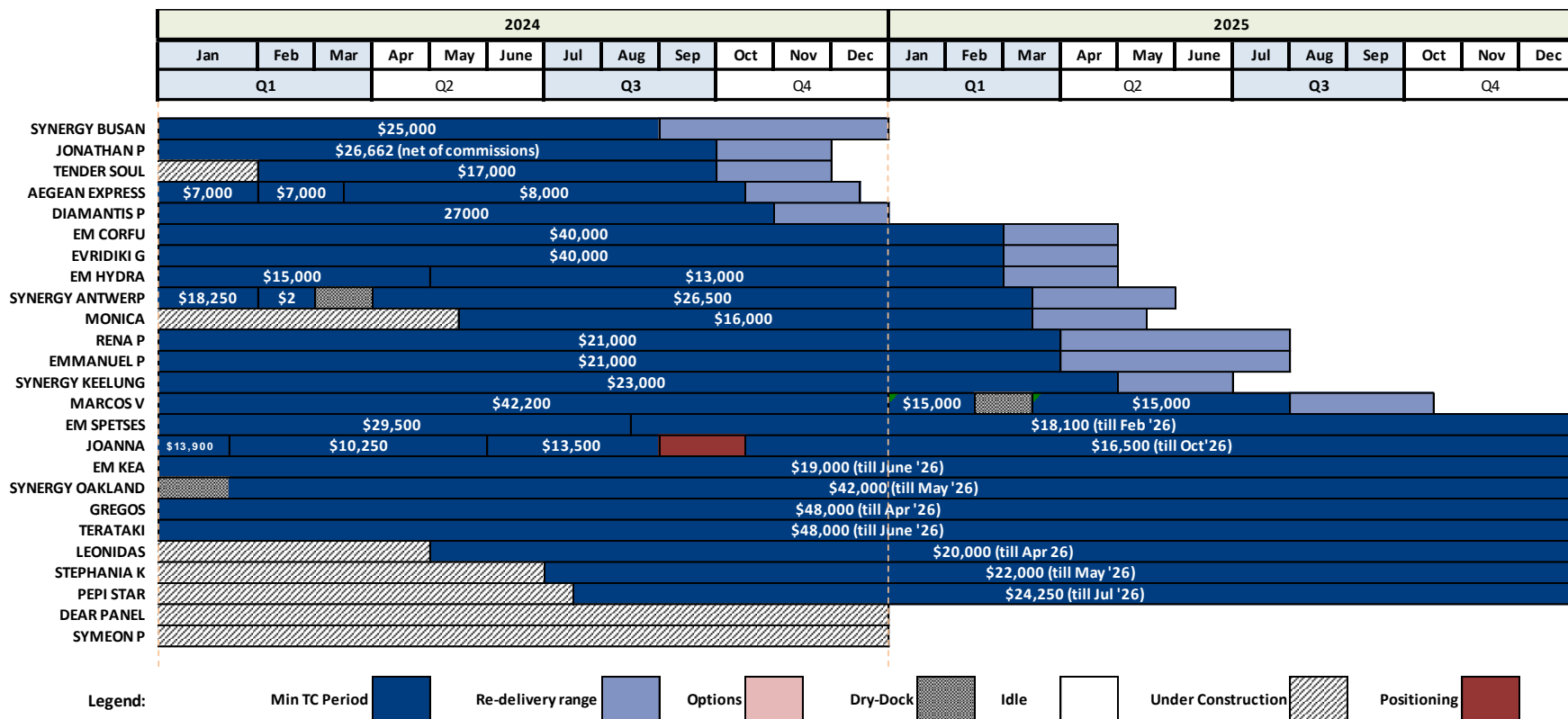


*2x Feeders  
Carrying Capacity: 2,800 teu each*

			Size	To be
Name	Type	DWT	TEU	Delivered
Vessels under construction				
Dear Panel (H4251)	Feeder	37,237	2,800	Q1 2025
Symeon P (H4252)	Feeder	37,237	2,800	Q1 2025
On order vessels total	2	74,474	5,600	

# Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



Charter coverage is approximately 94.9% for 2024 and almost 44.4% for 2025

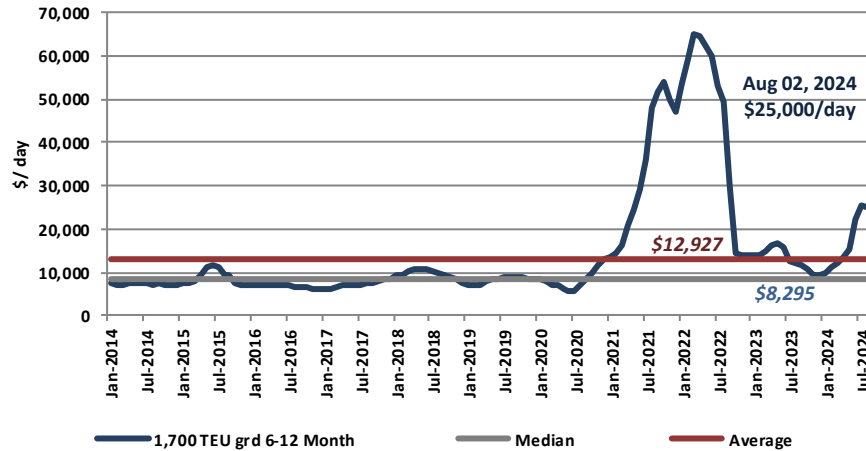


## Market Overview

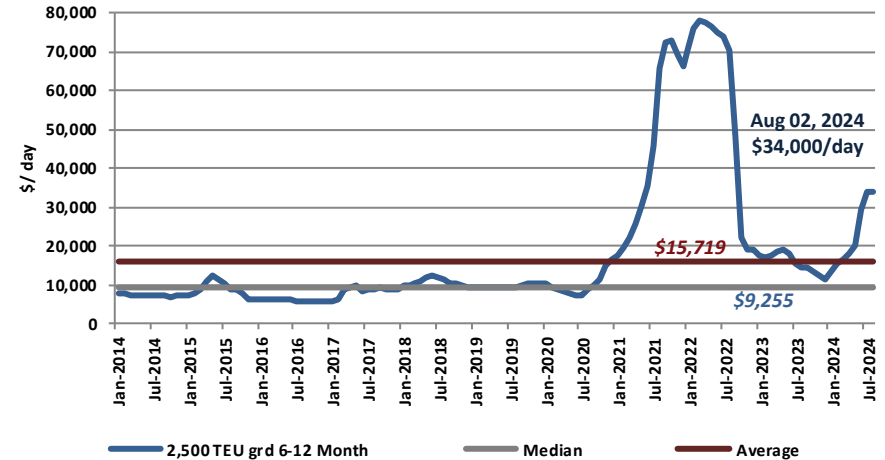


# Last 10 year 6-12m TC rate (\$/day)

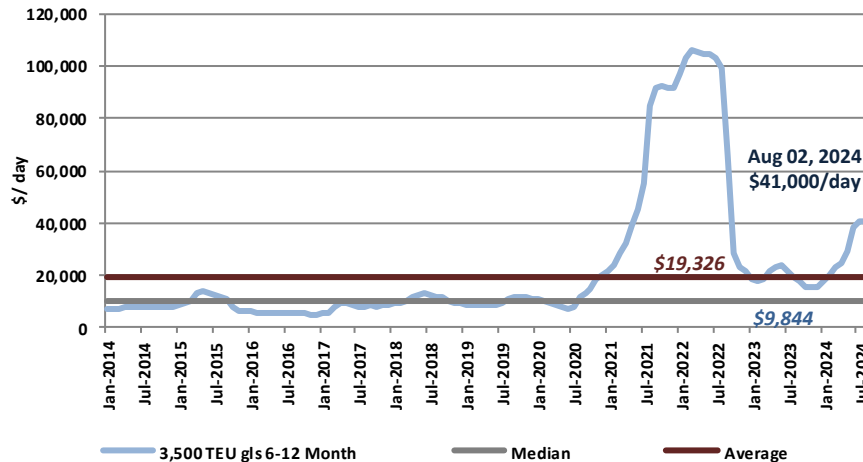
1,700 TEU grd



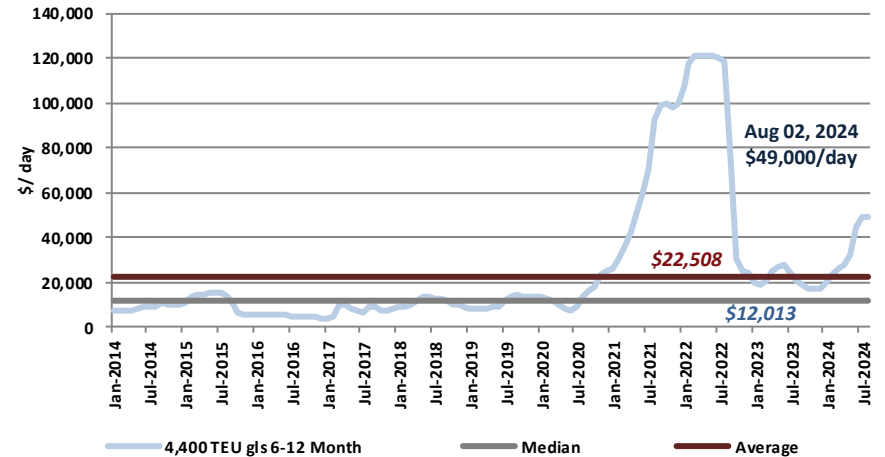
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



# Containership Market Highlights – Q2 2024

- In 2024Q2, one-year time charter rates increased across all segments, and they have risen further in the first week of July; the market appears to have “taken a breather” though in the last four weeks

- 2024Q2 averages were up by 48% compared to 2024Q1 (see table):

Size (teu) / Type	24Q1 average	24Q2 average	End Q2 - 2024 (Jun 28)	Aug '24
1,700 geared	\$11,088	\$16,996	\$25,000	\$21,930
2,500 geared	\$15,104	\$22,135	\$32,000	\$30,700
4,400 g'less	\$23,250	\$34,635	\$47,500	\$45,161
6,800 g'less	\$34,173	\$49,577	\$62,000	\$65,369

- The up-to-the-end of June increase is mainly due to continuation of the Red Sea disruptions, strong increase in freight rates, increase post congestion and an early peak season with unexpectedly high volumes from Asia to developing economies resulting in a tight market.
- Average secondhand price index increased on average by about 15.4% in 24Q2 over 24Q1.
  - Prices increased and are now close to, but slightly below, the peak levels of 2022.
- Newbuilding price index increased by about 1.4% in 24Q2 over 24Q1.
  - Newbuilding prices remain at elevated levels due to cost inflation and extended yard forward cover. While newbuild contracting has eased from the extremely firm levels seen during Covid-19, it remains relatively firm amid continued appetite from “cash-rich” liner companies renewing their fleets with alternative fuel capable vessels focused mainly on the larger sizes.
- Idle fleet excluding vessels under repair stands at 0.17m teu as of Jul 15, 2024 (0.6% of the fleet)
  - It peaked at 0.8m teu in February 2023, trending downwards since.
- Recycling activity: 41 vessels accounting for 56,000teu were sent to scrapyard YTD
  - Recycling volumes are projected to increase moderately in 2024 after a number of quieter years, though ongoing Red Sea disruption is limiting scrapping amid elevated freight rates.
  - Scrapping prices have softened slightly in 2024Q2 at ~\$545/lwt, still, though, ~33% above the 2019 average
- The fleet has grown by 6.5% YTD (without accounting for idle vessels reactivation/idling)

# World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024p	2025p
USA	2.6	1.5	2.	2.9	2.3	-3.5	5.9	1.9(2.1)	2.5(2.5)	2.6(2.7)	1.9(1.9)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.3	3.4(3.5)	0.5(0.4)	0.9(0.8)	1.5(1.5)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.2	1.0(1.0)	1.9(1.9)	0.7(0.9)	1.0(1.0)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.4	3.0(3.0)	5.2(5.2)	5.0(4.6)	4.5(4.1)
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.1	7.2(7.2)	8.2(7.8)	7.0(6.8)	6.5(6.5)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	5.6	-1.2(-2.1)	3.6(3.6)	3.2(3.2)	1.5(1.8)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.0	3.0(2.9)	2.9(2.9)	2.1(2.2)	2.4(2.1)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	4.0	5.5(5.5)	4.1(4.1)	4.5(4.5)	4.6(4.6)
<b>World</b>	<b>3.4</b>	<b>3.2</b>	<b>3.7</b>	<b>3.6</b>	<b>2.9</b>	<b>-3.3</b>	<b>6.3</b>	<b>3.5(3.5)</b>	<b>3.3(3.2)</b>	<b>3.2(3.2)</b>	<b>3.3(3.2)</b>

Containerized Trade (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024p	2025p
<b>TEU/miles</b>	1.5	4.0	5.6	3.6	2.3	-1.8	6.6	-5.2	2.0(1.8)	16.7(9.2)	-7.8%(-2.4)

- *Risks to the outlook remain more balanced, however there are upside risks to inflation and price pressures stemming from renewed trade or geopolitical tensions.*
  - *Any escalation of trade tensions could further raise near-term risks to inflation by increasing the cost of imported goods along the supply chain. Bumpiness along the remaining disinflation path could destabilize the return to price stability if short-term expectations spike upward as a result of disappointing inflation data.*

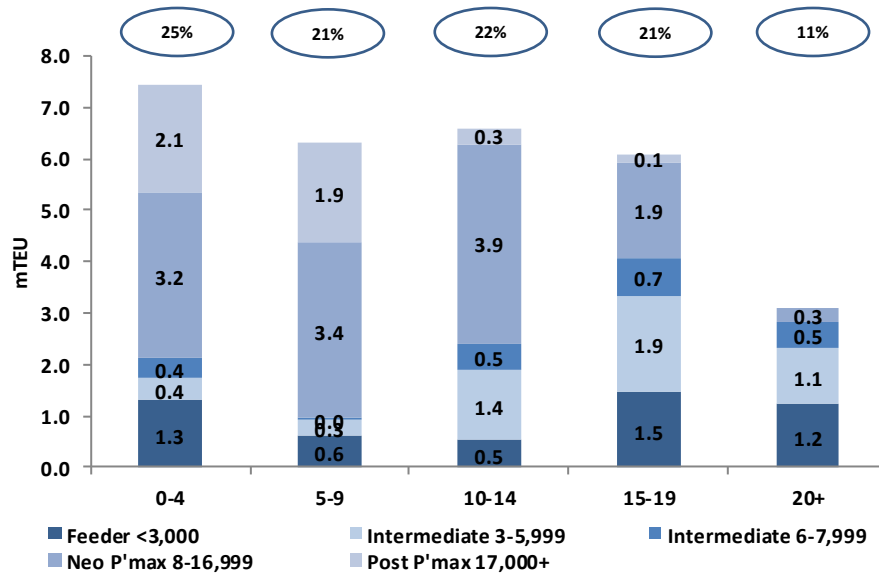
## Sources:

GDP - International Monetary Fund: 2015-2022: start of respective year estimates in parentheses; 2023-25 IMF actual/estimates & Projections (Jul-24). In parentheses, previous actual/estimates & projections for 2023-25 as of Apr-24.

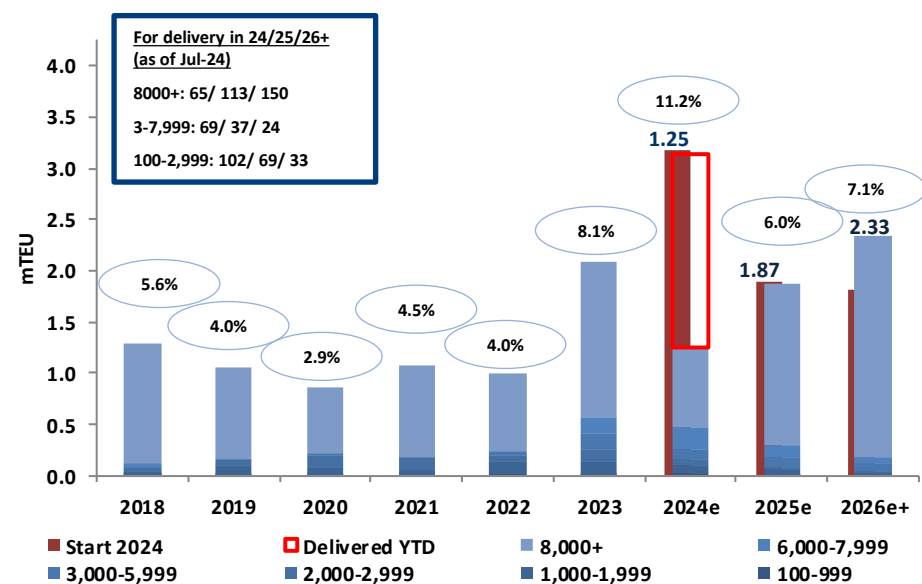
Trade – 2021-25: Updated Clarkson figures (Jul-24), 2015-2022: Figures in parentheses indicate beginning of respective year estimates from Clarkson; 2023-25 Previous estimates in parenthesis from Clarkson (Apr-24).

# Age Profile and Orderbook

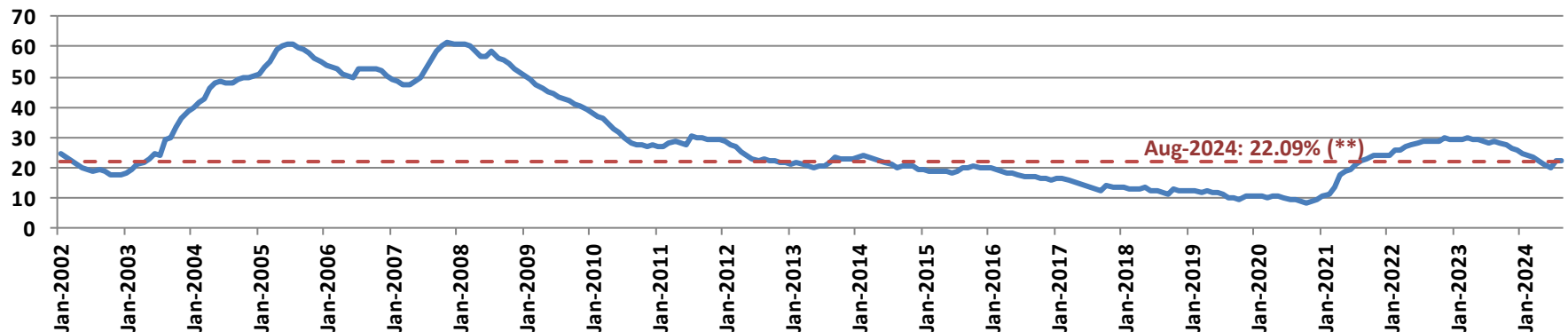
## Age Profile



## Containership Orderbook



## Orderbook as % of fleet



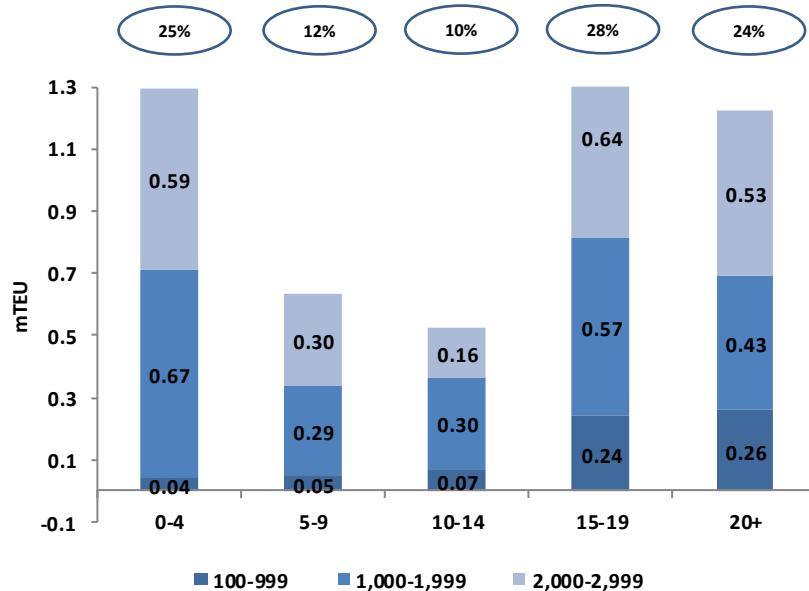
Source: Clarksons Research

(\*) Percentage figures for years 2024, 2025 and 2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

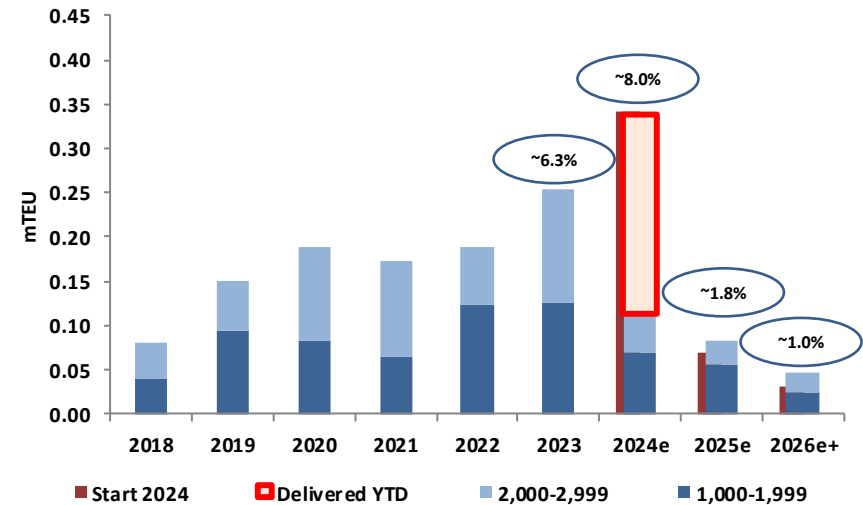
(\*\*) Orderbook % Fleet calculated in terms of TEU.

# Fleet Age Profile and Orderbook, 1000-3000 TEU

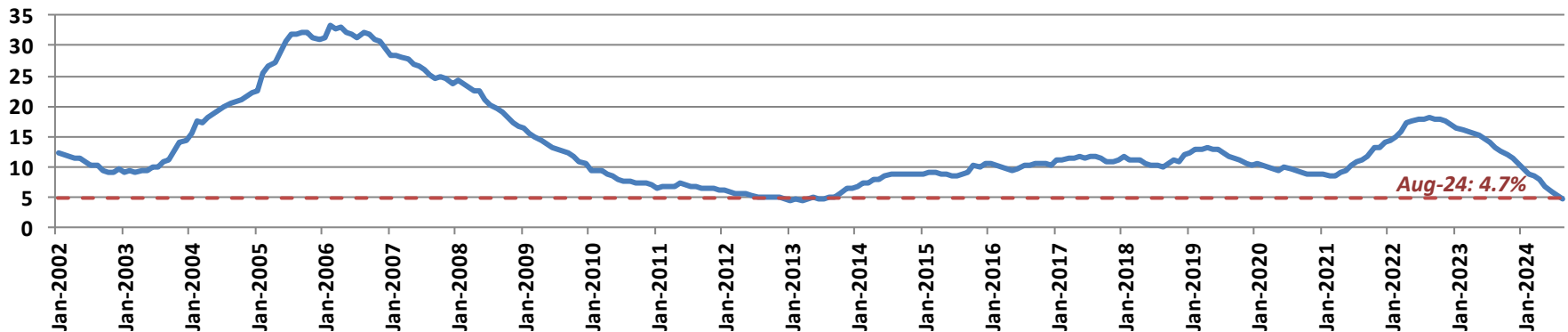
Age Profile



Containership Orderbook



<3,000 TEU Orderbook as % of fleet



Source: Clarksons Research

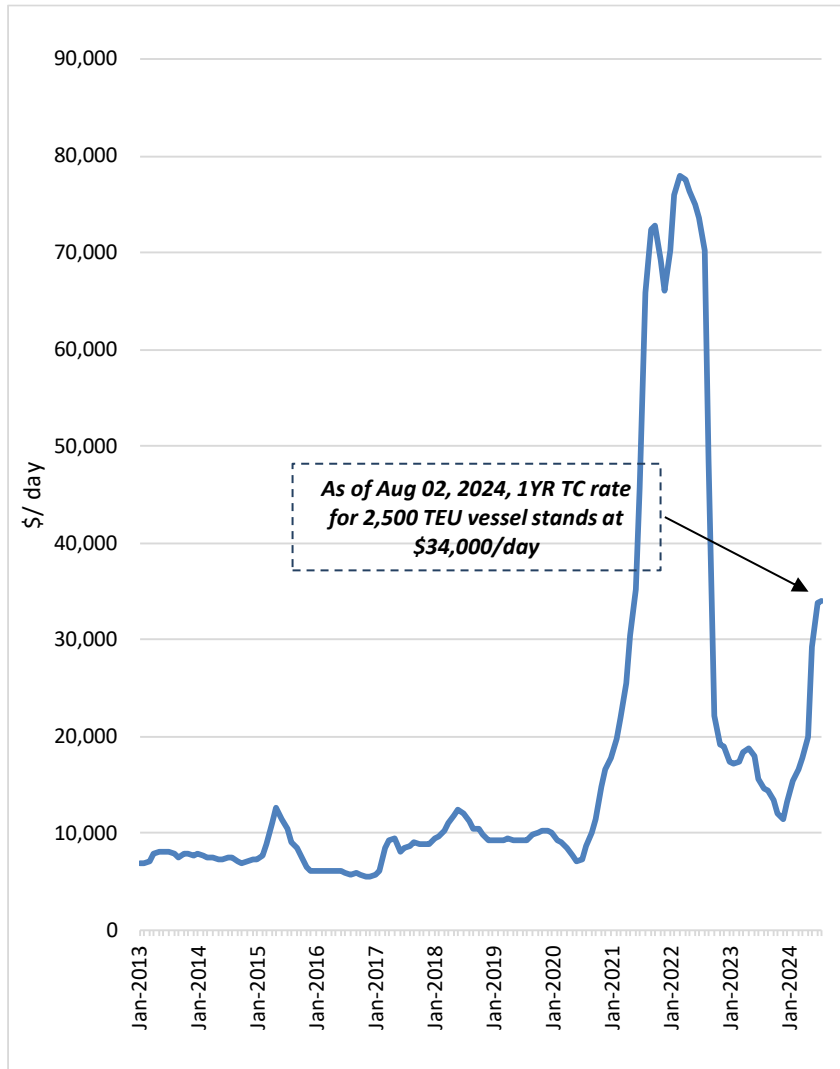
(\*) Percentage figures for years 2024-2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

# Outlook Summary

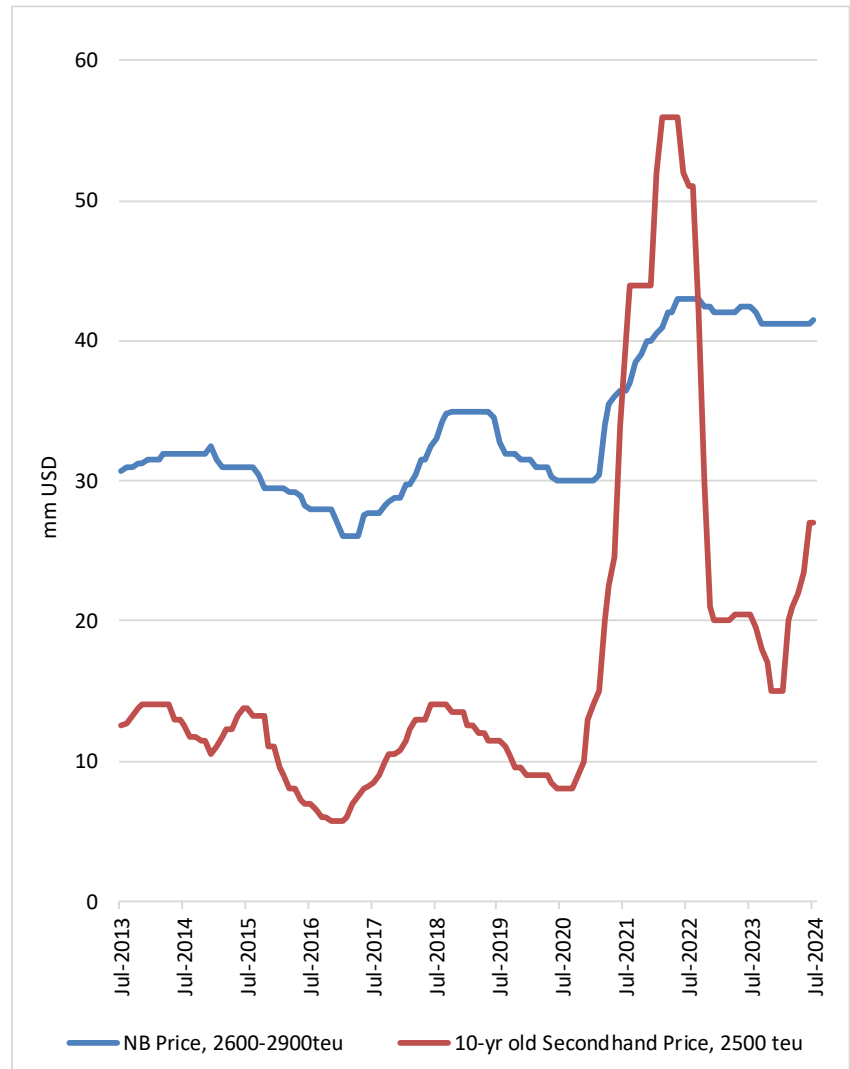
- Although in July the markets have stabilized, container shipping market has experienced significant gains in 2024, with freight rates climbing sharply to their highest levels outside of the COVID-19 period and charter rates steadily rising to historically robust levels. These strong market conditions are primarily driven by disruptions in the Red Sea and subsequent impacts, with vessels diverting around the Cape of Good Hope, resulting in increased vessel demand and port congestion. Also, healthy container volumes are supported by an ongoing rising world economy.
  - Freight rates have surged, and charter rates have significantly risen, doubling from mid-December levels and reaching their highest point outside of the Covid-19 pandemic and the strong markets in 2004-2005
  - The Contex index has increased by 164% since December 21, 2023.
- Looking into 2H 2024, the developments in the Red Sea will significantly influence the immediate sector outlook. The situation remains uncertain, and a resolution will depend on the political landscape. Even if conditions resolve, the disruption is expected to persist for several more months; however, in that scenario charterers will offer much shorter duration charters.
- In 2025, container shipping markets are expected to face challenges, assuming the easing of disruptions in the Red Sea. The fleet is expected to expand, posing challenges for capacity management due to significant cumulative supply growth. However, projections suggest a decent year for container trade volume growth. Furthermore, potential reductions in vessel speeds, driven by efforts to cut emissions and support green policies, may alleviate some supply pressures, potentially stabilizing markets.
- The energy transition has continued to gain traction in the containership sector. While it's evident that a shift is taking place, the speed in adopting new fuels is expected to progress more slowly than desired due to techno-economic challenges.
  - In the meantime, though, the spread with charter rates achieved by eco-vessels is expected to further increase as charterers and the industry as a whole become even more sensitive to greener transport.

# Market Evolution

Cont 2,500 TEU One-Year Time Charter Rate



Cont 2,500 TEU – NB & 10 Year Old Price





## Financial Overview



# Financial Highlights: Q2 and H1 of 2023 and 2024

(in million USD except per share amounts)	Second Quarter		Change	Six Months		Change
	2023	2024	%	2023	2024	%
Net Revenues	47.70	58.72	23.1%	89.63	105.44	17.6%
Net Income	28.88	40.75	41.1%	57.63	60.75	5.4%
Earnings per share, diluted	4.15	5.84	41%	8.25	8.71	5.6%
Interest & Finance Costs, net <sup>(1)</sup>	0.93	1.72		1.59	2.98	
Depreciation	5.62	6.82		10.89	12.26	
(Gain) / Loss on Sale of Vessels	0.00	(5.69)		(5.16)	(5.69)	
Amortization of below market charters	(3.84)	(1.23)		(7.64)	(2.46)	
Unrealized Loss/ (Gain) On Derivatives	(0.99)	(0.12)		(0.74)	(0.98)	
Adjusted EBITDA <sup>(2)</sup>	30.60	42.25	38.1%	56.57	66.85	18.2%
Adj. Net Income <sup>(2)</sup>	<b>29.02</b>	<b>34.30</b>	<b>18.2%</b>	<b>50.70</b>	<b>52.81</b>	<b>4.1%</b>
Adj. earnings per share, diluted	<b>4.17</b>	<b>4.92</b>	<b>17.8%</b>	<b>7.26</b>	<b>7.57</b>	<b>4.3%</b>
Weighted average numbers of shares, diluted	6,956,447	6,978,682		6,985,422	6,973,973	

## Notes:

1) Including interest income and imputed interest

2) See press release of Aug 06, 2024 for Adjusted EBITDA and Adj. Net Income reconciliation to Net Income

# Fleet Data for Q2 and H1 of 2023 and 2024

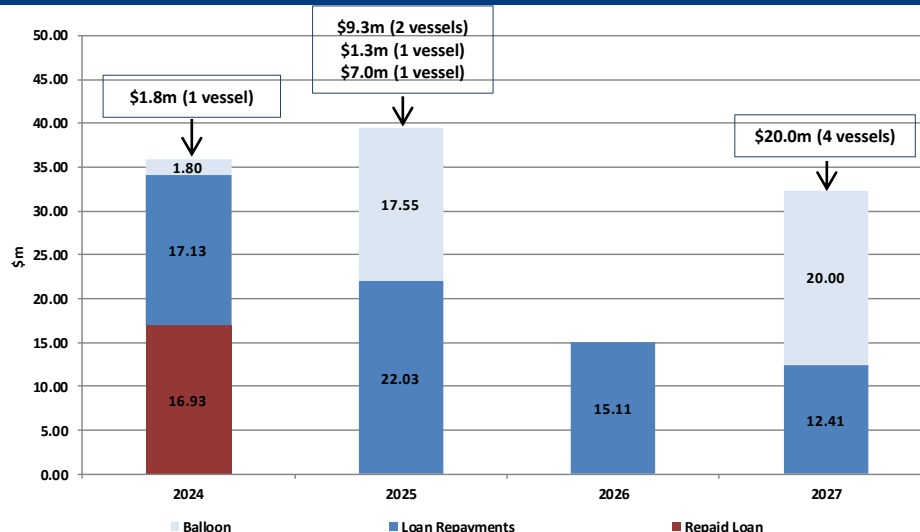
	Second Quarter		Six Months	
<i>(in million USD except per share amounts)</i>	2023	2024	2023	2024
<b>Number of vessels</b>	<b>18.0</b>	<b>21.3</b>	<b>17.5</b>	<b>20.4</b>
<b>Utilization Rate<sup>(1)</sup></b>				
Operational	99.8%	99.9%	98.7%	99.9%
Commercial	100.0%	100.0%	99.1%	99.9%
Overall	99.8%	99.9%	97.8%	99.8%
<i>(usd/day/vessel)</i>				
<b>Time Charter Equivalent (TCE)<sup>(2)</sup></b>	<b>\$30,151</b>	<b>\$31,639</b>	<b>\$29,714</b>	<b>\$29,836</b>
Operating Expenses				
Vessel Oper. Exp.exlc. DD exp.	7,114	6,612	7,220	6,926
G&A Expenses	715	581	728	637
<b>Total Operating Expenses</b>	<b>\$7,829</b>	<b>\$7,193</b>	<b>\$7,948</b>	<b>\$7,563</b>
Interest Expenses	1,456	1,773	1,373	1,776
Drydocking Expenses	249	819	316	1,943
Loan Repayments without Balloons	4,308	3,913	4,358	4,089
<b>Breakeven/day</b>	<b>\$13,841</b>	<b>\$13,698</b>	<b>\$13,996</b>	<b>\$15,372</b>
Common dividend	2,117	2,147	2,194	2,238

## Notes:

- 1) Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up if any. Scheduled off-hire amounted to 0.0 days for the second quarter and the first half of 2023 and 20.7 days and 99.3 days for the second quarter and the first half of 2024.
- 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 Repayment Profile

## Debt Repayment Profile of Existing Debt



### Cost of funding:

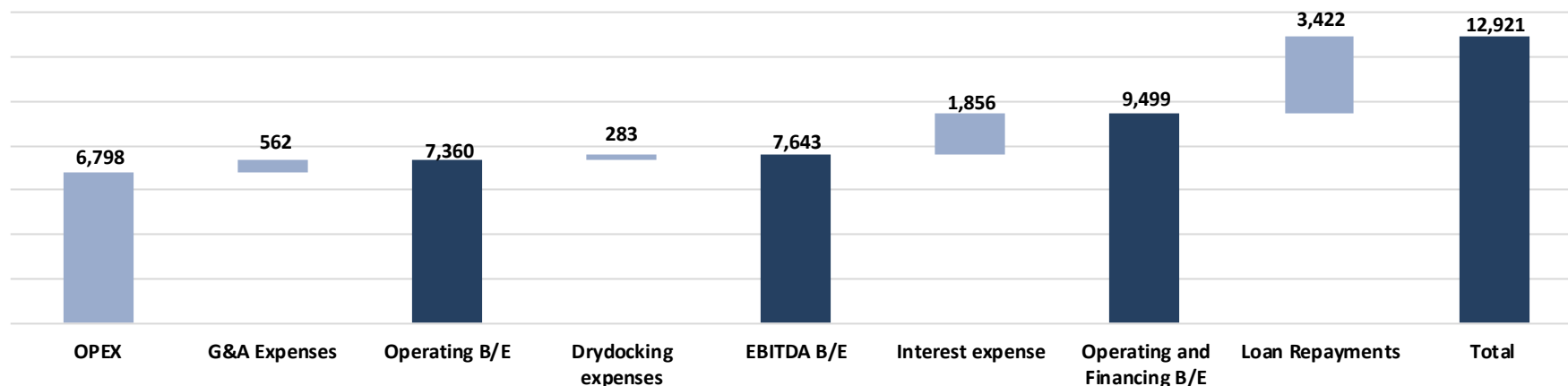
As of June 30, 2024, outstanding bank debt is \$208.1m with average margin of about 2.17%; assuming 3M SOFR<sup>(1)</sup> of 5.25%, our cost of senior debt is 7.42%

- Including the cost of interest rate swaps, the total cost of our debt is approximately 7.09% as about 10% of our debt is "hedged" at 3.41%

### Newbuilding financing:

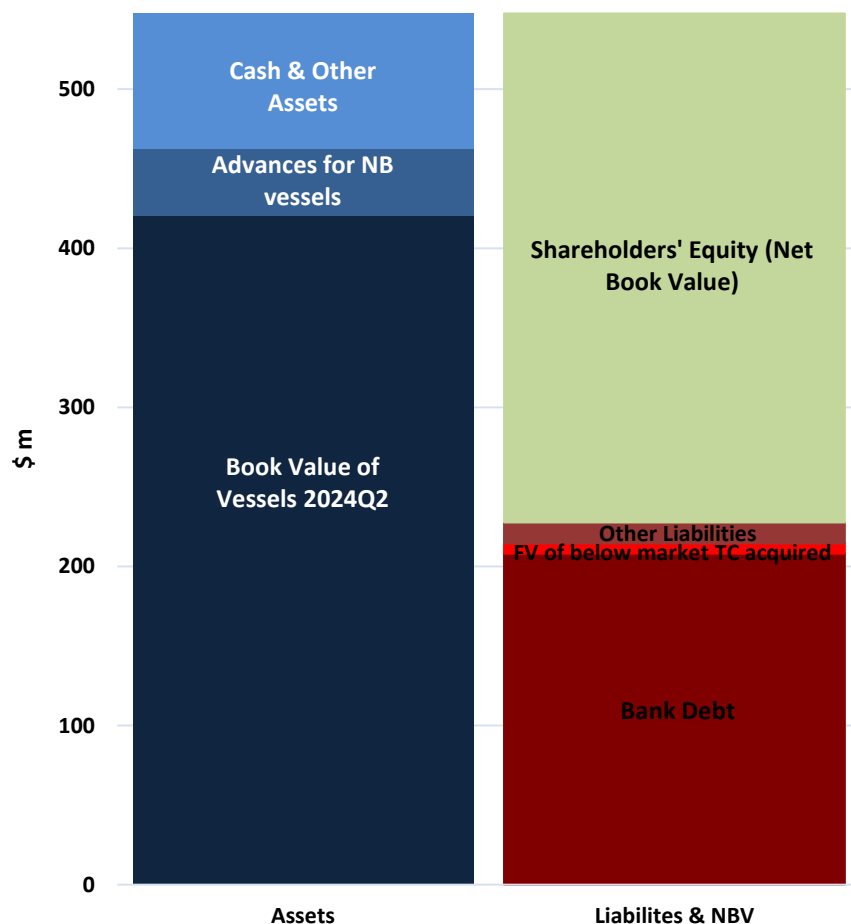
- Chart includes repayments for the loans drawn in 2024Q3 to finance M/V Pepi Star (\$20.4m)
- Additional debt – of about \$55m - will be assumed to finance the remaining four newbuilding vessels (repayments of which are not included in chart)

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



# Balance Sheet Highlights

## Euroseas Capital Structure (06/30/24)



## Notes

### Assets

- Cash & Other assets: \$85.5m
- Advances for NB vessels: \$41.5m
- Vessels book value: \$420.5m
- Total assets (at book value): \$547.5m

### Liabilities

- Bank & other debt (net of deferred charges): \$208.1m, i.e. ~38.0% of total book value of assets
- FV of below market TC acquired: ~\$5.1m, i.e. ~0.9% of total book value of assets
- Other liabilities: ~\$14.5m, i.e. ~2.6% of total book value of assets

### Shareholders Equity / Net Asset Value

- The charter-adjusted market value of vessels estimated about \$553.3m<sup>(1)</sup>  
=> Net Asset Value around \$457.8m, or around \$65.28/share
- Last closing share price of \$36.61/share represents a significant discount to the value of the company



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