



Earnings Presentation

Quarter Ended September 30,

2020

November 20, 2020



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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2020 Third Quarter Financial Highlights

in million USD except per share figures

	Q3 2020	
Net Revenues	12.3	
Net Income	0.2	
Preferred Dividends	(0.2)	
Net Income Attributable to Common Shareholders	0.03	0.01 / share ⁽²⁾
Adjusted Net Loss Attributable to Common Shareholders ⁽¹⁾	(1.5)	(0.26) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	1.2	

- 1) *See press release of November 19, 2020 for reconciliation of Adj. Net Income Attributable to Common Shareholders and Adjusted EBITDA*
- 2) *Basic and diluted*

Recent Chartering, Operational & S&P Developments

➤ Chartering:

- **M/V EM Hydra:** Fixed for 3-7 months at \$7,200 per day
- **M/V Synergy Oakland:** 8-12 months option declared starting 22-Oct at Contex -10%. Current rate about \$15,400/day
- **M/V Evridiki G:** Fixed for a 40/70 day trip at \$8,250 per day

➤ No drydockings during the third quarter

➤ Other – (Idle/Commercial offhire):

- **EM Evridiki:** The vessel was idle for 30 days between charters
- **EM Hydra:** The vessel was idle for 2 days between charters

➤ S&P Highlights:

- **M/V Athens:**
 - Sold M/V Athens for ~\$4.9 million net proceeds
- **M/V Ninos:**
 - Sold for scrap at \$404/lwt resulting to ~ \$2.3 million in net proceeds

Current Fleet Profile

Current fleet is comprised of 14 vessels with an average age of 15.5⁽¹⁾ years and a carrying capacity of 42.3k TEU



9x Feeder
Avg. Age: 17.5 years⁽¹⁾
Carrying Capacity: 19.7k TEU



5x Intermediate
Avg. Age: 13.2 years⁽¹⁾
Carrying Capacity: 22.6k TEU

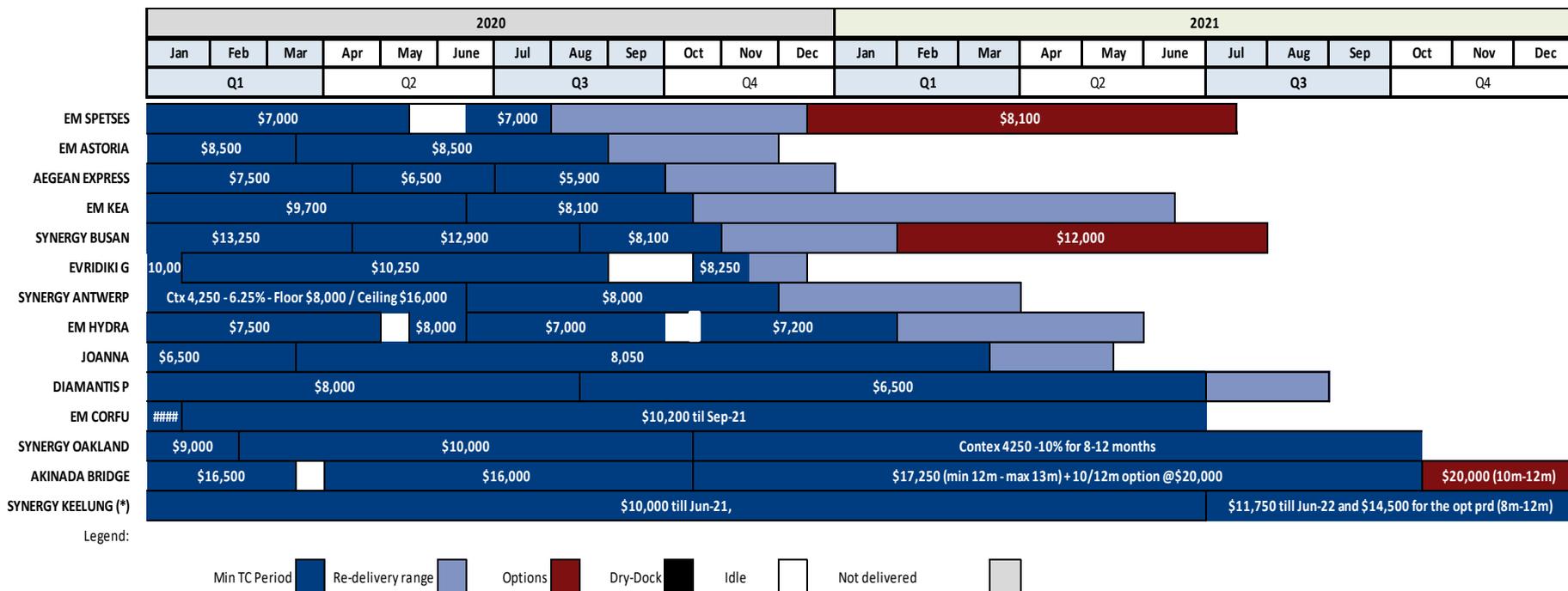
Name	Type	Size		Year Built
		DWT	TEU	
Akinada Bridge	Intermediate	71,366	5,610	2001
Synergy Bussan	Intermediate	50,726	4,253	2009
Synergy Oakland	Intermediate	50,787	4,253	2009
Synergy Keelung	Intermediate	50,969	4,253	2009
Synergy Antwerp	Intermediate	50,726	4,253	2008
EM Kea	Feeder	42,165	3,100	2007
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	14	539,487	42,281	15.5

Note:

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

Vessel Employment

Coverage (as of Oct 30, 2020): About 93% for the remaining 2020 & 40% for 2021 (based on max⁽¹⁾ durations)



Source: Company

Note:

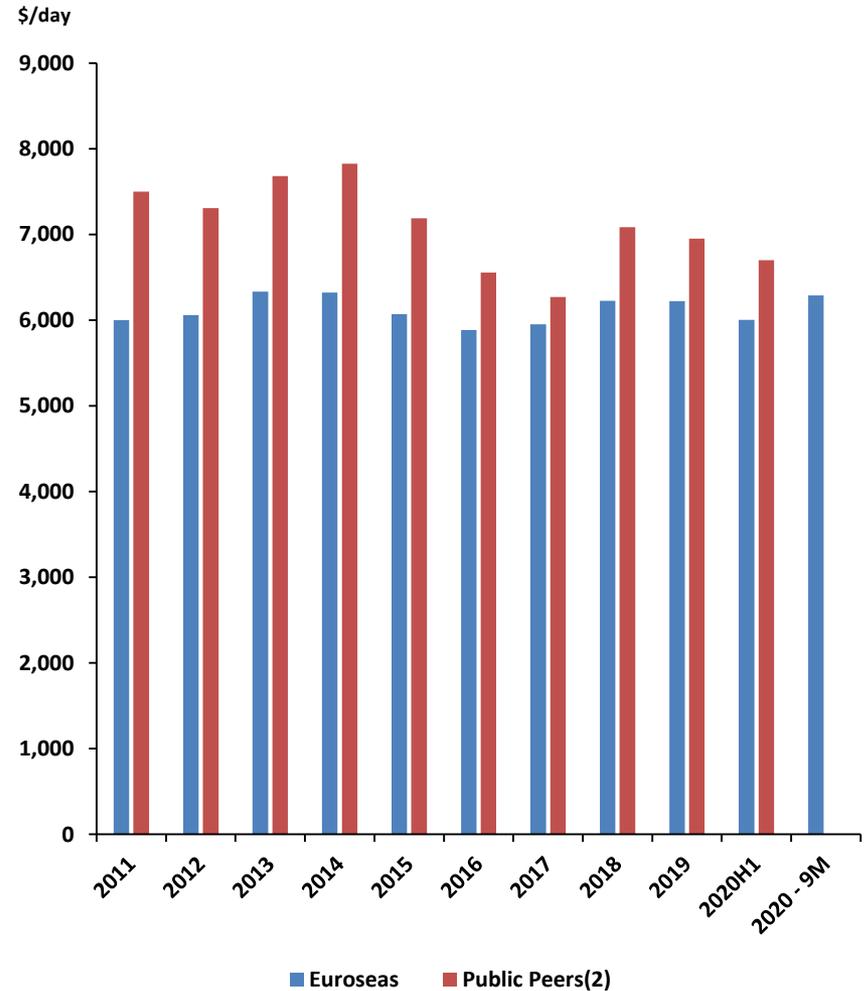
1. Given the strength of the current charter market, it is assumed that the existing charters will run to their maximum duration

Fleet Management & Operational Performance

ESEA Highlights

- Operational fleet utilization rate in excess of 98.8% over last 5 years
 - Outstanding safety and environmental record
 - For 2020Q3, operational fleet utilization 99.9% and commercial 97.9%
 - Overall costs achieved are amongst the lowest of the public shipping companies

Daily costs per vessel⁽¹⁾



Notes:

1. Includes running cost, management fees and G&A expenses (not drydocking expenses)
2. Peer group currently includes NMCI, GSL, CMRE & DAC

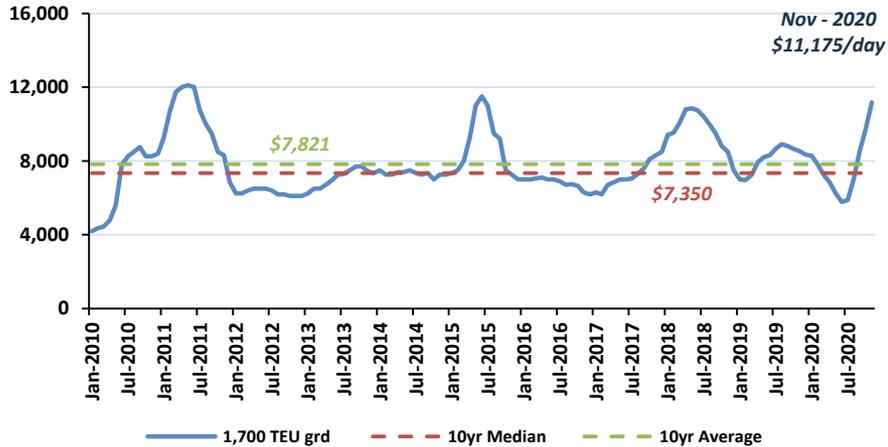


Market Overview

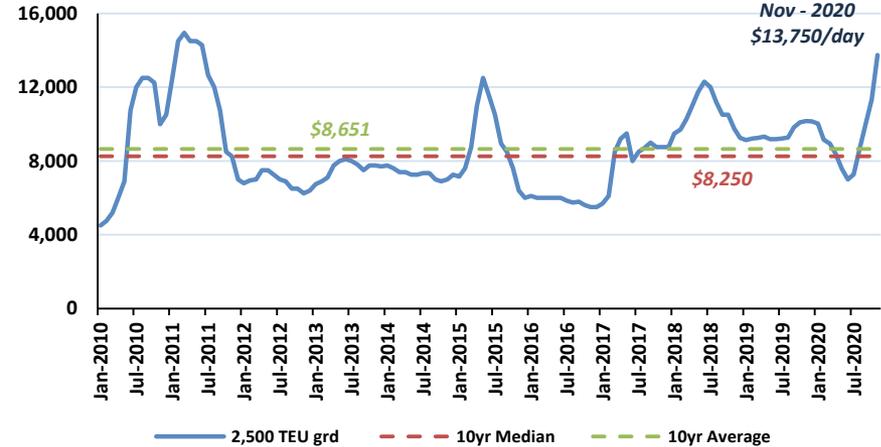


Last 10 year 6-12m TC rate (\$/day)

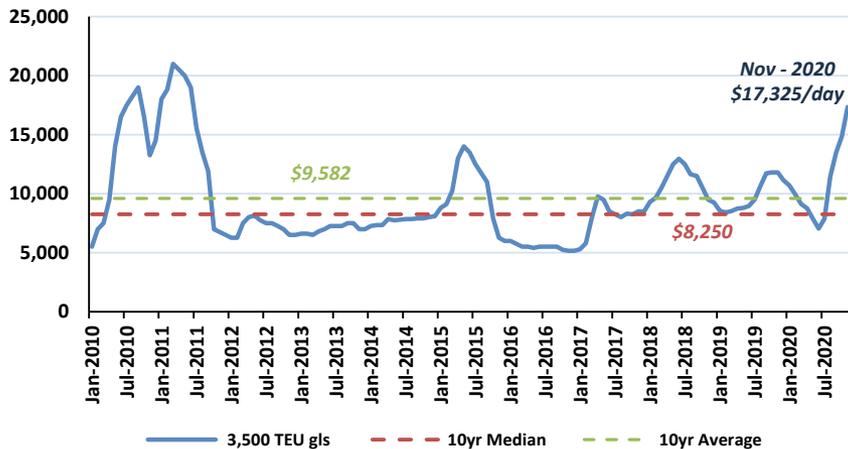
1,700 TEU grd



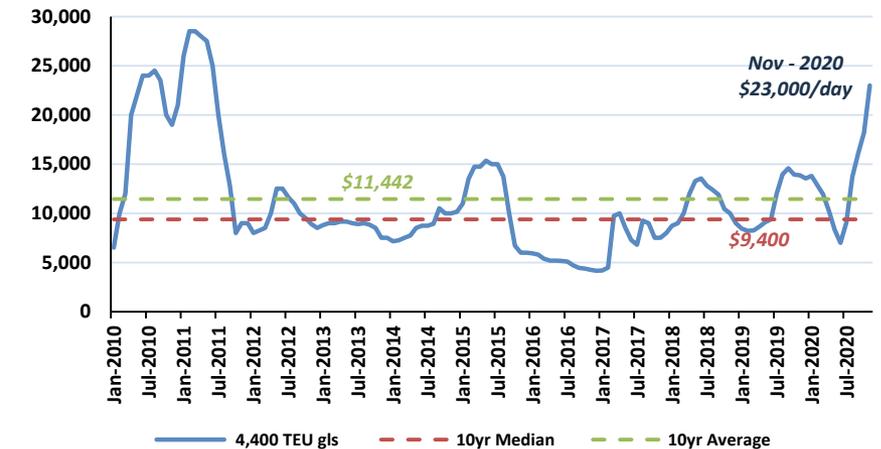
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q3 2020

- Time charter rates in Q3 for feeder and intermediate size vessels ranging from 1,000-5,600 teu drew a positive picture and in October & November 2020 they increased significantly more exceeding historical median levels by a good margin
 - The 1,700 teu geared vessel increased from an average of \$6,288 in Q2 to \$7,046 in Q3 and currently stands at \$11,364⁽¹⁾
 - The 2,500 teu geared vessel increased from an average of \$7,654 in Q2 to \$8,550 in Q3 and currently stands at \$14,038⁽¹⁾
 - The 4,250 teu g'less vessel increased from an average of \$8,508 in Q2 to \$12,654 in Q3 and currently stand at \$22,558⁽¹⁾
 - The 5,600 teu g'less vessel fell from an average of \$18,000 in Q1 to \$12,916 in Q2 and currently stand at \$27,700⁽¹⁾
- Secondhand prices increased substantially since October 2020, following the increase in charter rates, amongst renewed interest for acquisitions
 - During the third quarter of 2020, average secondhand prices for older than 20-yr old vessels remained around their scrap prices which are circa 20% greater vs Q2. For younger vessels of about 5-15 yrs old, there was an increase of about 10% for vessels larger than 3,500 teu whereas smaller vessels remained flat.
 - Newbuilding prices (no scrubber/China built) were stable with downward pressures, but the absence of transactions except for a few larger vessels indicates the lack of interest at current asking prices
- Idle fleet: 0.35m teu as of Nov 9, 2020 (i.e. 1.5% of the fleet)
 - Includes idle due to scrubber retrofiting
 - This is down from 0.43m teu as of Oct 12, 2020
 - The ship capacity kept inactive for scrubber retrofit reached its lowest level since mid-2019 and is now close to zero
- Scrapping was increased in Q3 following the market developments
 - Total of abt 183k teu scrapped in 2020 so far
 - The lockdown in India, Pakistan and Bangladesh did NOT allow more ships to be scrapped during Q1/2 when the market was depressed
- The fleet has grown by 2.4 % in 2020 so far (without accounting for idle vessels reactivation/idling)

World GDP & Shipping Demand Growth

COVID-19 Pandemic has dramatically and negatively changed the economic & world trade environment for 2020

<i>Real GDP (% p.a. - IMF)</i>	2015	2016	2017	2018	2019	2020e	2021e	2022e
USA	2.6	1.5	2.3	2.9	2.3	-4.3(8.0)	3.1(4.5)	2.9
Eurozone	2.0	1.8	2.4	1.8	1.2	-8.3(-10.2)	5.2(6.0)	3.1
Japan	0.5	1.0	1.8	1.0	0.7	-5.3(-5.8)	2.3(2.4)	1.7
China	6.9	6.7	6.8	6.6	6.1	1.9(1.0)	8.2(8.2)	5.8
India	7.6	7.1	6.7	7.1	4.2	-10.3(-4.5)	8.8(6.0)	8.0
Russia	-3.7	-0.2	1.8	2.3	1.3	-4.1(-6.6)	2.8(4.1)	2.3
Brazil	-3.8	-3.6	1.1	1.1	1.1	-5.8(-9.1)	2.8(3.6)	2.3
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4(-2.6)	6.2(6.2)	5.7
World	3.4	3.2	3.7	3.6	2.9	-4.4(-4.9)	5.2(5.4)	4.2

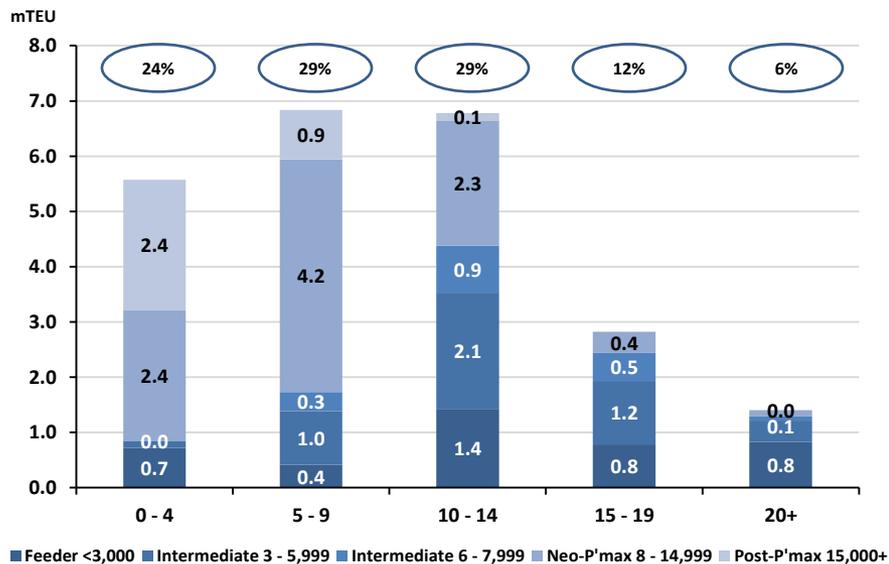
Containerized Trade (% p.a.)

TEU-miles	1.2	4.0	5.6	3.5	1.7	-4.5(-9.4)	5.9(8.1)	3.5
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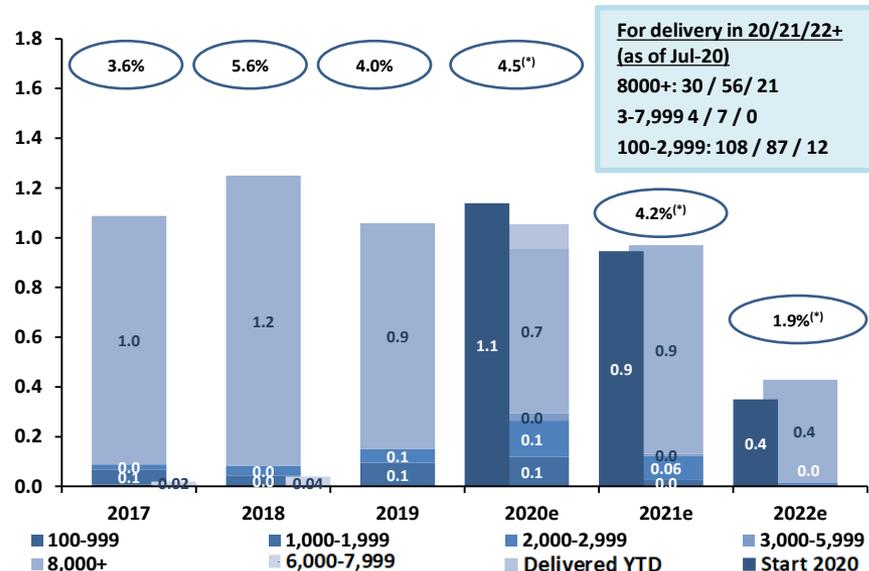
Trade and growth projections are being continuously revised as the Coronavirus (Covid-19) effects on world growth and trade are being assessed.

Age Profile and Orderbook

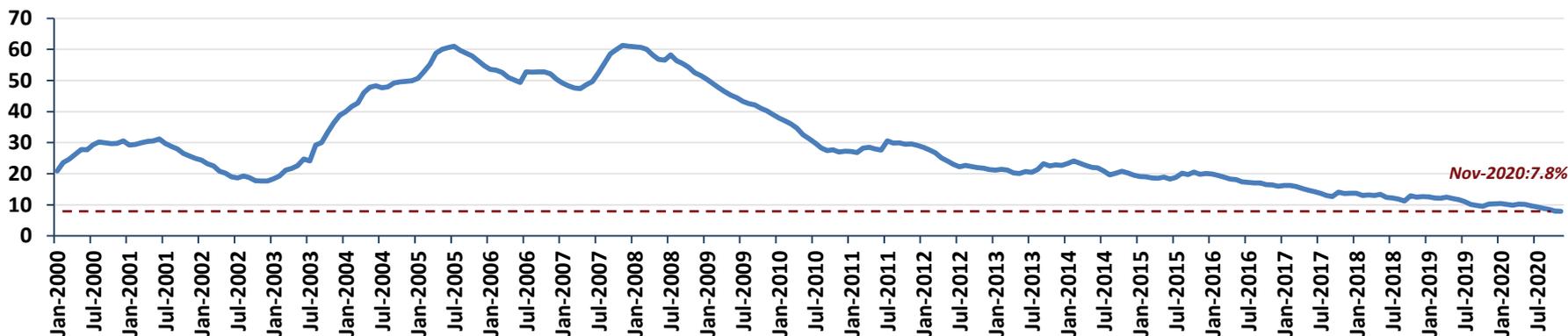
Age Profile



Containership Orderbook



Orderbook as % of fleet



Source: Clarksons Research

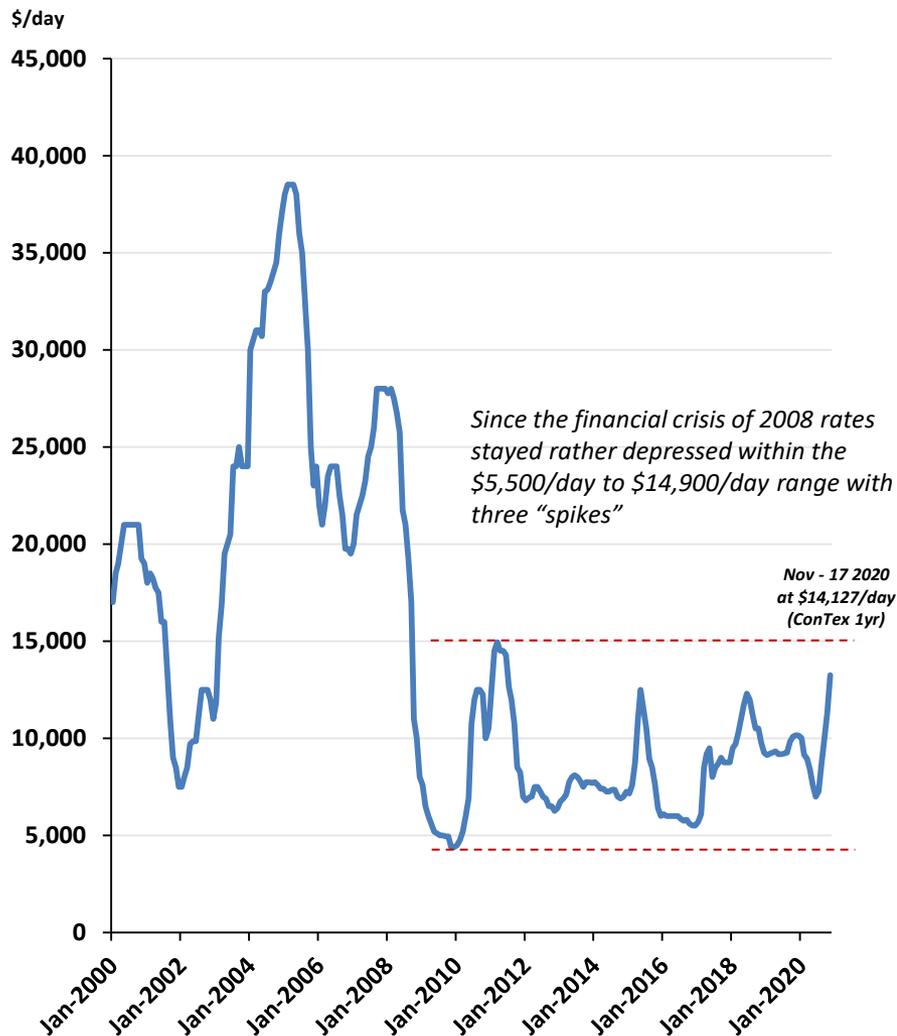
(*) Percentage figures in red characters (for years 2020, 2021 and 2022) indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Outlook Summary

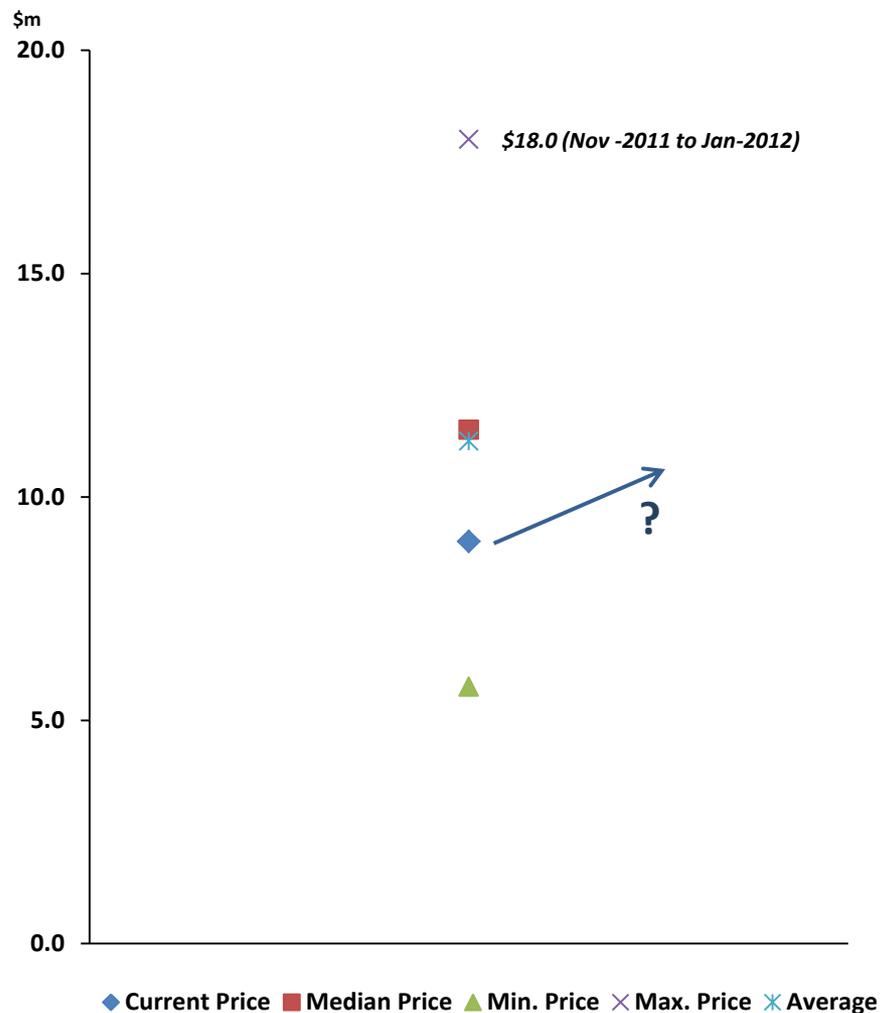
- The unknown duration of the pandemic and its financial consequences continue to render any type of modeling very difficult
- Recently revised projections by analysts estimate that the 2020 container front-haul demand will end up at around 0%, a dramatic improvement of previous forecasts that projected a significant decline
 - However, recent surge in Covid-19 cases resulting in lockdowns in Europe and increased restrictions elsewhere (including the U.S.) might dampen the pace of recovery and even possibly reverse the trend again for the near term
 - With the progress recently achieved in vaccines we expect the second half of 2021 to strongly improve
- In parallel, ordering of new ships is expected to continue being contained in the midst of the still uncertain developments and the lack of clarity of the “fuel of the future” as not knowing the optimal ship for even 5 years out makes the placing of any new order speculative and risky
- For 2021 and 2022, the expected improvement in demand and the low orderbook could be a catalyst for a continuing booming market provided Covid-19 related negative disruptions cease to exist and trade wars do not flare up again

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: Third Quarter and Nine Months 2019/20

<i>(in million USD except per share amounts)</i>	Third Quarter		Change	Nine Months		Change
	2019	2020	%	2019	2020	%
Net Revenues	10.3	12.3	19.4%	26.7	41.3	54.5%
Net (Loss) / Income	(0.2)	0.2		(0.9)	3.5	
Preferred & Preferred Deemed Dividends	(0.2)	(0.2)		(1.6)	(0.5)	
Net (Loss) / Income attributable to Common Shareholders	(0.3)	0.03		(2.5)	2.9	
Interest & Finance Costs net <i>(incl. interest income)</i>	(0.8)	(0.9)		(2.5)	(3.3)	
Depreciation	1.1	1.6		2.7	5.0	
Loss on Sale of Vessels	0.0	(1.3)		0.0	(1.2)	
Amortization of below market charters	(0.2)	(0.3)		(0.2)	(1.5)	
Unrealized Loss (Gain) On Derivatives	0.0	0.1		0.0	0.6	
Adjusted EBITDA ⁽¹⁾	1.6	1.2	-20%	4.1	9.7	137%
Adj. Net (Loss)/Income attributable to Common Shareholders	(0.5)	(1.5)		(2.8)	0.9	
Weighted average numbers of shares, basic and diluted	3,283,551	5,708,610		2,129,233	5,621,159	
Adj. Net (Loss)/Income per share, basic and diluted	(0.15)	(0.26)		(1.30)	0.15	

(1) See press release of November 19, 2020. for Adjusted EBITDA reconciliation to Net Income / (Loss)

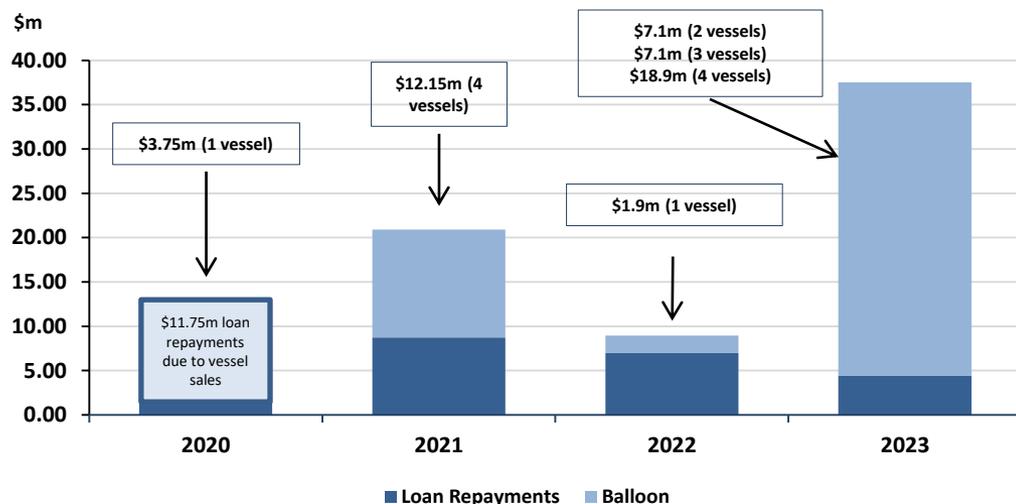
Fleet Data: Third Quarter and Nine Months 2019 and 2020

<i>(in million USD except per share amount)</i>	Third Quarter		Nine Months	
	2019	2020	2019	2020
Number of vessels	13.5	16.5	11.8	18.2
Utilization Rate⁽¹⁾				
Operational	99.9%	99.9%	100.0%	98.5%
Commercial	100.0%	97.9%	98.8%	97.2%
Overall	99.9%	97.8%	98.8%	95.7%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$8,554	\$8,403	\$8,638	\$9,171
Operating Expenses				
Vessel Oper. Exp.exlc. DD exp.	5,858	6,307	5,756	5,777
G&A Expenses	530	452	592	457
Total Operating Expenses	\$6,388	\$6,759	\$6,348	\$6,234
Interest Expense	652	612	843	665
Drydocking Expense	333	40	365	88
Loan Repayments without Balloons	1,027	513	1,215	1,313
Preferred dividend in cash	701	-	234	62
Breakeven/day	\$9,101	\$7,924	\$9,005	\$8,362

- (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 0 and 210.3 for the third quarter and the nine months of 2020, 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 Repayment Profile

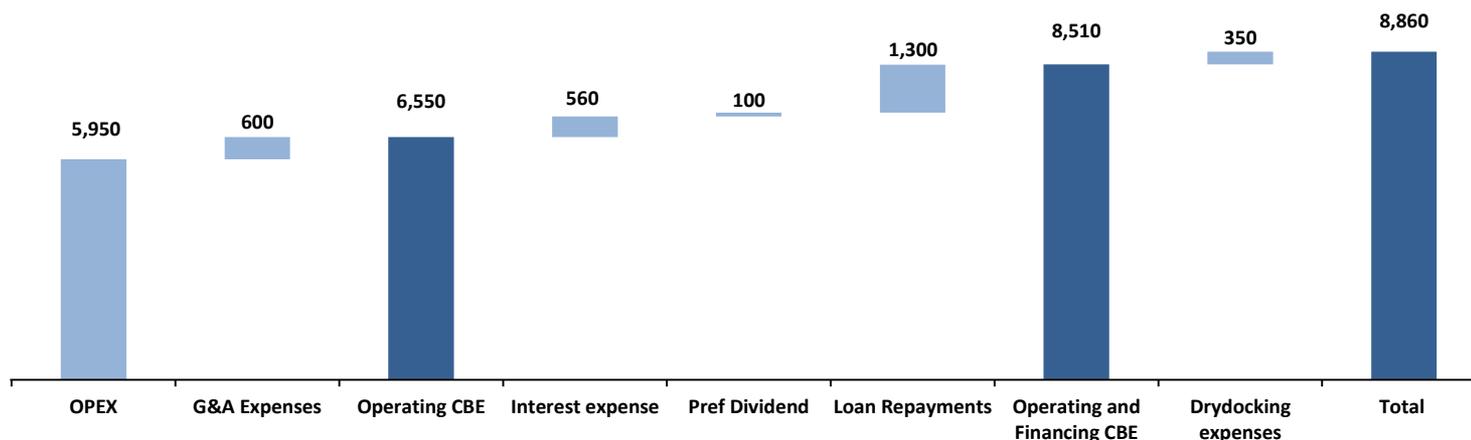
Debt Repayment Profile



Cost of funding:

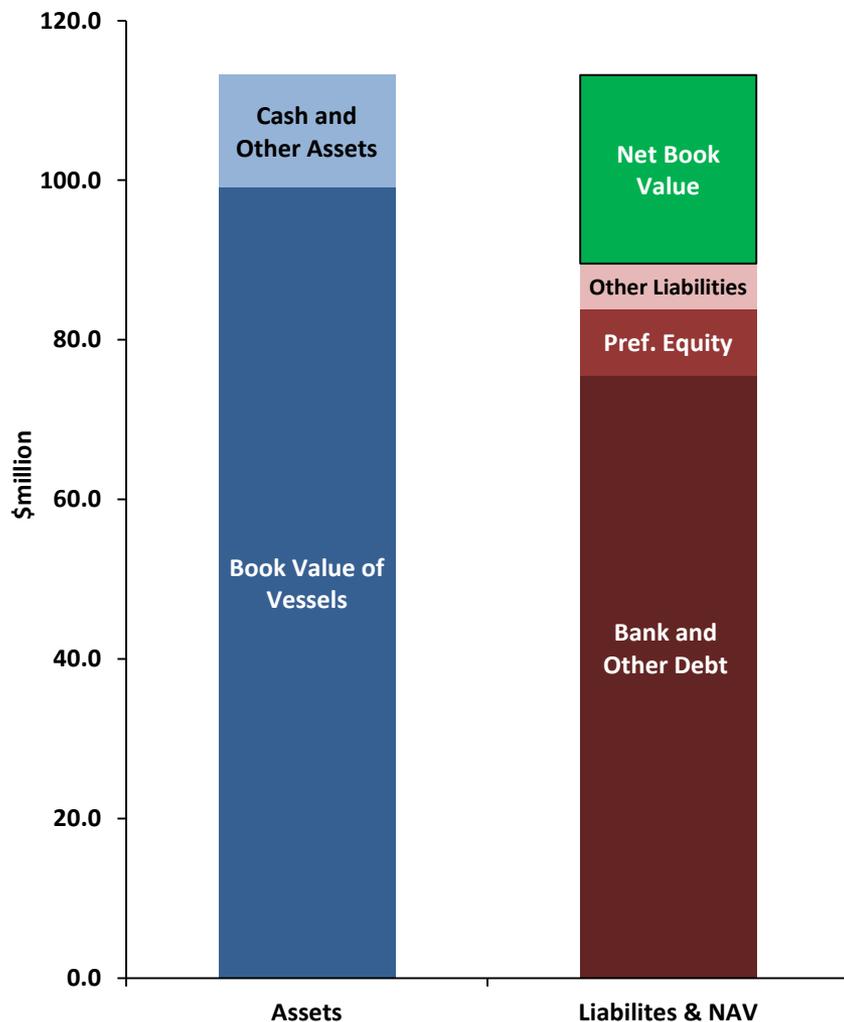
As of September 30, 2020, Euroseas has outstanding bank debt of \$75.5m with average margin of about 3.6%; assuming LIBOR of 0.3%, our cost of senior debt is 3.9%. Including a junior loan from an affiliate and the preferred stock, treated as (junior) debt, our combined cost of non-equity funding is around 4.5%

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



Balance Sheet Highlights

Euroseas Capital Structure (2020Q3)



Notes

Assets

- Cash & Other assets: \$10.0m
- Vessels book value: \$103.1m
- Total assets (at book value): \$113.1m

Liabilities

- Bank & other debt: \$75.5m
- Preferred Equity: \$8.4m
- Other liabilities: \$5.7m

Net Book Value

- Net Book Value: ~\$23.5m, or, ~\$4.0/share
- Adjusted Net Book Value for market value of vessels (charter-adjusted) of about \$111-112m^(*) as of end-October 2020
=> Net Asset Value ~\$32-33m, or, ~\$5.6/share
- Recent share price trading range of \$3.00-3.50/share represents a significant discount to the value of the company

() Based on Company estimates as of October 2020*

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