



Earnings Presentation

Quarter Ended September 30, 2022

November 14, 2022



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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2022 Third Quarter Financial Highlights

Financial Results

in million USD except per share figures

		Q3 2022	
	Net Revenues	46.0	
	Net Income Attributable to Common Shareholders	25.2	3.50/ share ⁽²⁾
	Adj. Net Income	20.9	2.90/ share ⁽²⁾
	Attributable to Common Shareholders ⁽¹⁾		
	Adj. EBITDA ⁽¹⁾	26.2	

1) See press release of Nov 14, 2022 for reconciliation of Adj. Net Income Attributable to Common Shareholders and Adjusted EBITDA

2) Basic and Diluted

Dividend Declaration & Repurchase Program

- Declared a quarterly dividend of \$0.50 per common share payable on or about December 16, 2022 to shareholders of record on December 09, 2022.
- As of November 14, 2022, we had repurchased 138,936 of our common stock in the open market for about \$3.0 million, under our share repurchase plan of up to \$20 million announced in May 2022.

Recent S&P, Chartering & Operational Highlights

- S&P
 - None this quarter
- Chartering
 - None this quarter
- Idle period/commercial off-hire
 - None this quarter
- Drydockings / Repairs / Other incidents
 - **Hydra:** 45.59 days of which 5.59 days in 2022Q2 and 40 days in 2022Q3
 - **Kea:** 50.91 days of which 40.91 days in 2022Q3 and 10 days in 2022Q4
 - **Rena P:** 33.26 days
 - **Akinada Bridge:** Entered drydock (Oct-2022)
 - Tailshaft system damage found while the ship was in drydock. Hull & Machinery and Loss of Hire underwriters have been notified and the managers are presently working to evaluate necessary repair options
 - **Aegean Express:** Entered drydock (Nov-2022)

Current Fleet Profile

Current fleet is comprised of 18 vessels with an average age of 17⁽¹⁾ years and a carrying capacity of 58.9k TEU



10x Feeder
Avg. Age: 19.2 years⁽¹⁾
Carrying Capacity: 21.4k TEU



8x Intermediate
Avg. Age: 15.7years⁽¹⁾
Carrying Capacity: 37.5k TEU

Name	Type	Size		Year
		DWT	TEU	Built
On the water fleet				
Marcos V	Intermediate	72,968	6,350	2005
Akinada Bridge	Intermediate	71,366	5,610	2001
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
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 P	Feeder	30,360	2,008	1998
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	18	737,404	58,871	17.0



Note:

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

Vessels Under Construction

Nine vessels with capacity of 22,200 teu to be delivered during 2023 & 2024



6x Feeders
Carrying Capacity: 2,800 teu each



3x Feeders
Carrying Capacity: 1,800 teu each

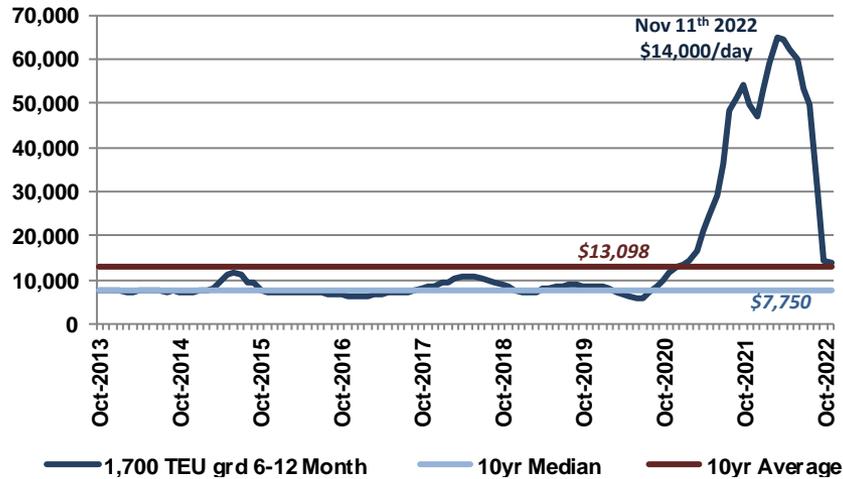
Name	Type	DWT	Size	TEU	To be Delivered
<i>Vessels under construction</i>					
Gregos (H4201)	Feeder	37,237		2,800	Q1 2023
Terataki (H4202)	Feeder	37,237		2,800	Q2 2023
Tender Soul (H4236)	Feeder	37,237		2,800	Q4 2023
Leonidas Z (H4237)	Feeder	37,237		2,800	Q1 2024
Monica (H4248)	Feeder	22,262		1,800	Q1 2024
Stephania K (H4249)	Feeder	22,262		1,800	Q2 2024
Pepi Star (H4250)	Feeder	22,262		1,800	Q2 2024
Dear Panel (H4251)	Feeder	37,237		2,800	Q4 2024
Symeon P (H4252)	Feeder	37,237		2,800	Q4 2024
On order vessels total	9	290,208		22,200	



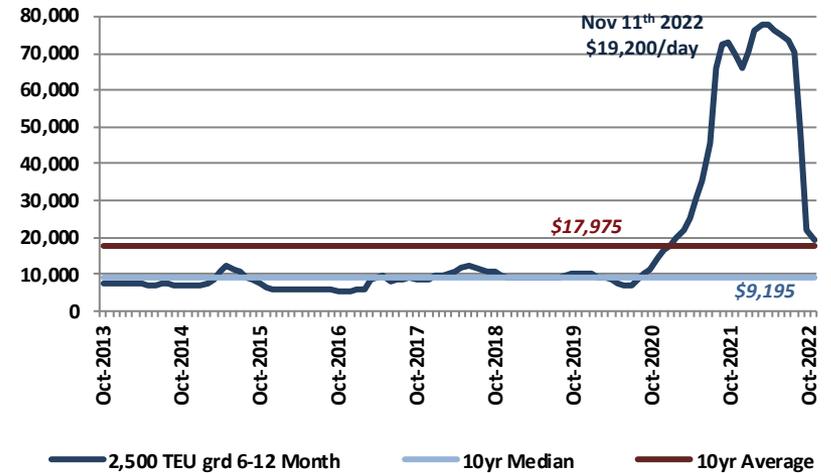
Market Overview

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

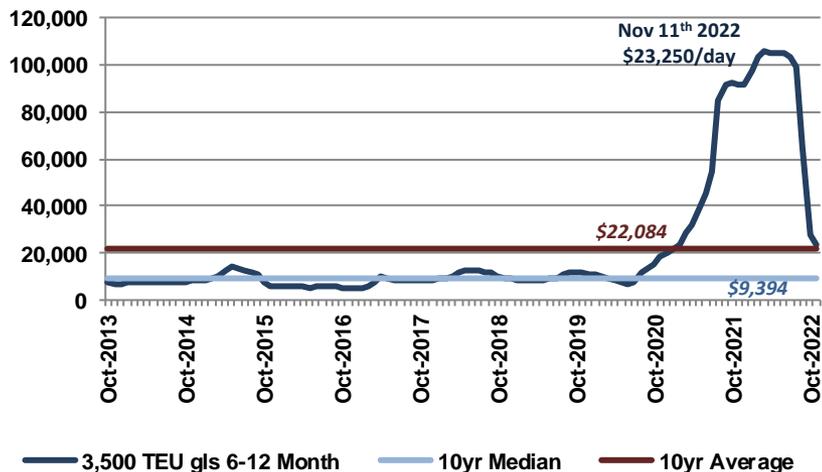
1,700 TEU grd



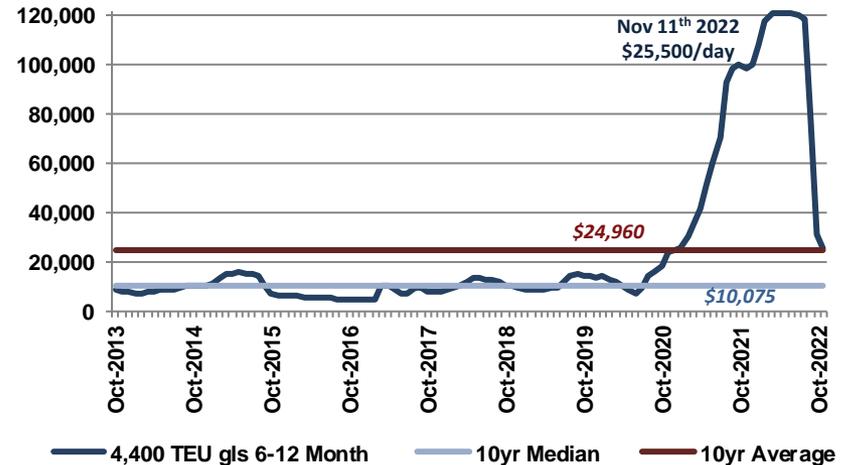
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q3 2022

- One-Year time charter rates across all segments have generally seen the most pronounced drop over the past 3 months but are still higher than at the end of 2020 and well above (~2x) the 12-year historical median.
 - Average rates (\$/day) during Q3 were down by 10-30% compared to Q2 and have since fallen by about 70%
- Average secondhand price index decreased on average by about 12% in 22Q3 over 22Q2; prices fell even more in October 2022
 - The containership secondhand sales activity was quieter in 22Q3 as major macroeconomic uncertainties and weaker demand trends diminished any appetite for new investments.
- Newbuilding price index increased by circa 0.3% in 22Q3 over 22Q2.
 - Newbuilding prices remain firm despite the growing negative market sentiment.
- Idle fleet: 0.46m teu as of October 24, 2022, or 1.8% of the fleet, the number has increased gradually since last year.
- Recycling Activity: It is expected that ZERO teu will be scrapped in 2022
 - Nine consecutive months in which no containerships were reported sold for scrap, the longest period on record. Containership recycling is projected to pick up from 2023, potentially as markets cool further, older tonnage is replaced with more modern ships, and increasing environmental regulations come into effect.
 - Scrap prices softened a little in 2022Q3 at ~\$600/lwt but still ~40% above the 2019 average as currency depreciations and softening steel markets locally, had a clear impact
- The fleet has grown by 3.4 % 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
USA	2.6	1.5	2.	2.9	2.3	-3.5	5.7(5.7)	1.6(2.3)	1.0(1.0)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.2(5.4)	3.1(2.6)	0.5(1.2)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	1.7(1.7)	1.7(1.7)	1.6(1.7)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.1(8.1)	3.2(3.3)	4.4(4.6)
India	7.6	7.1	6.7	7.1	4.2	-8.0	8.7(8.9)	6.8(7.4)	6.1(6.1)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.7(4.7)	-3.4(-6.0)	-2.3(-3.5)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	4.6(4.6)	2.8(1.7)	1.0(1.1)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	3.4(3.4)	5.3(5.3)	5.1(5.9)
World	3.4	3.2	3.7	3.6	2.9	-3.3	6.0(6.1)	3.2(3.2)	2.7(2.9)

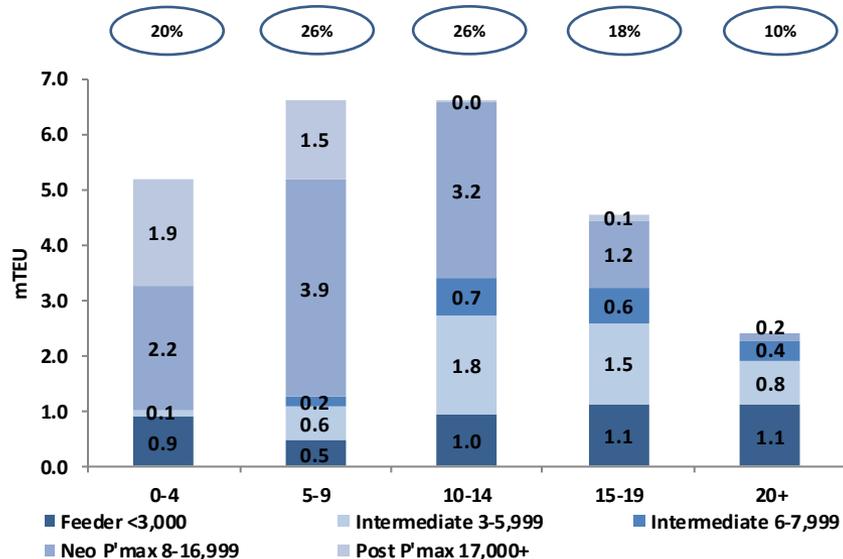
Containerized Trade (% p.a.)

Tonmiles	1.5	4.0	5.6	3.6	2.3	-1.6	6.8(6.5)	-1.6(0.0)	1.7(2.3)
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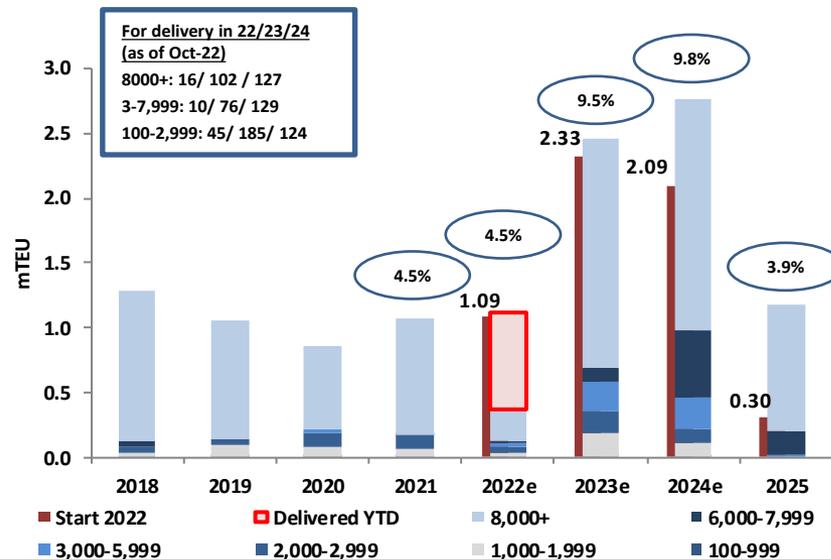
Trade and growth projections are being continuously revised as the effects of geopolitical tensions between Russia and Ukraine on world growth and trade are being assessed.

Age Profile and Orderbook, Total Fleet

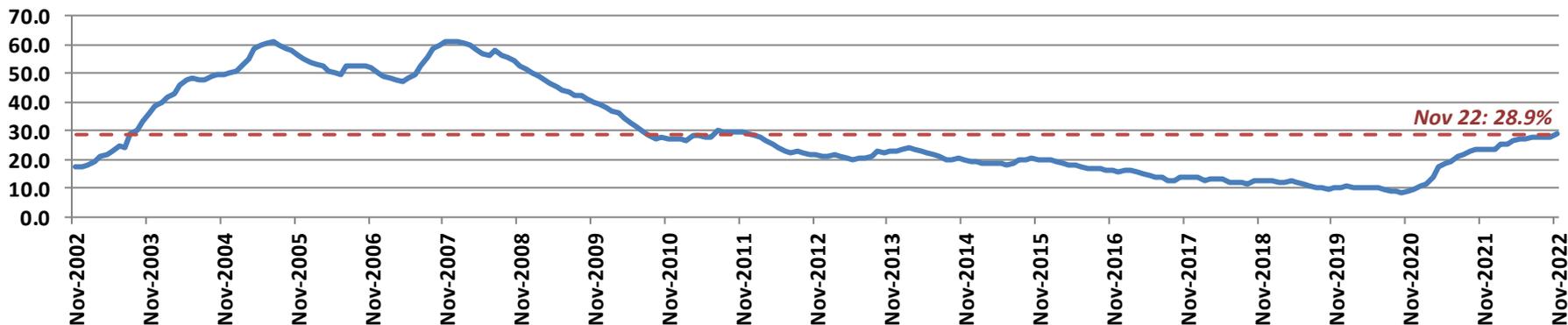
Age Profile



Containership Orderbook



Orderbook as % of fleet

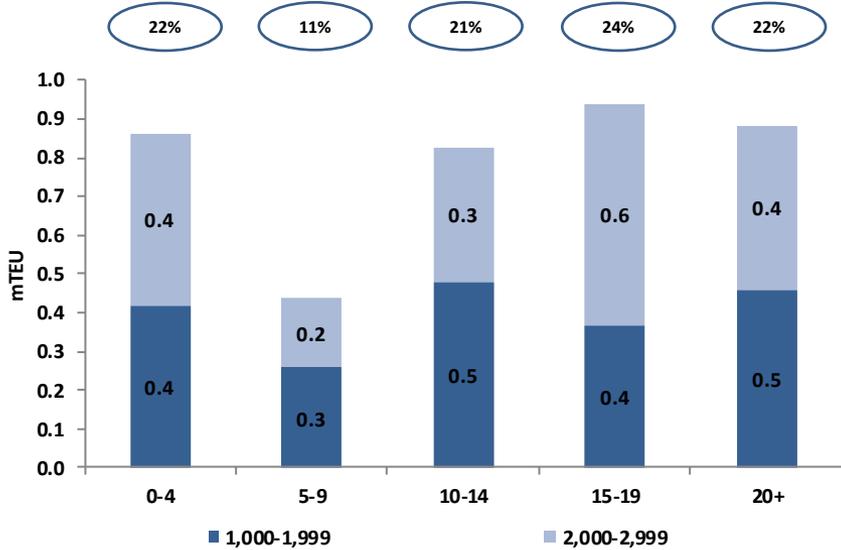


Source: Clarksons Research

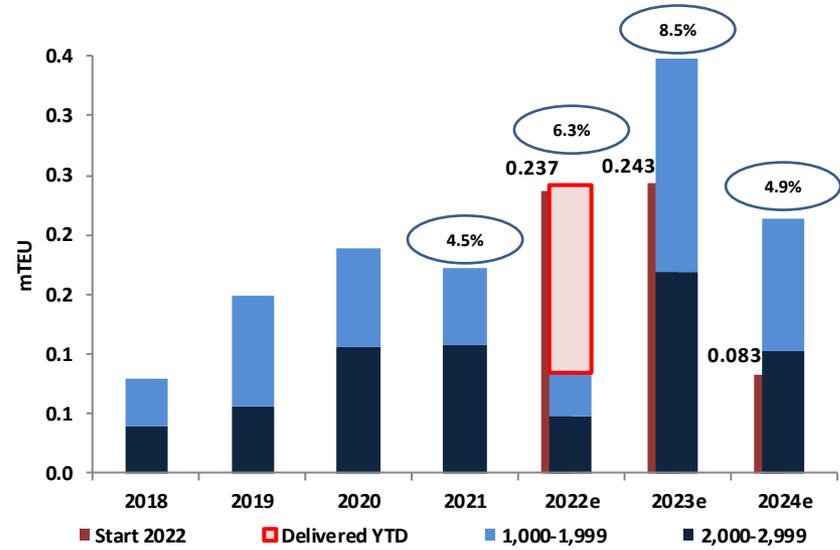
(*) Percentage figures for years 2022-2025 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Fleet Age Profile and Orderbook, 1000-3000 TEU

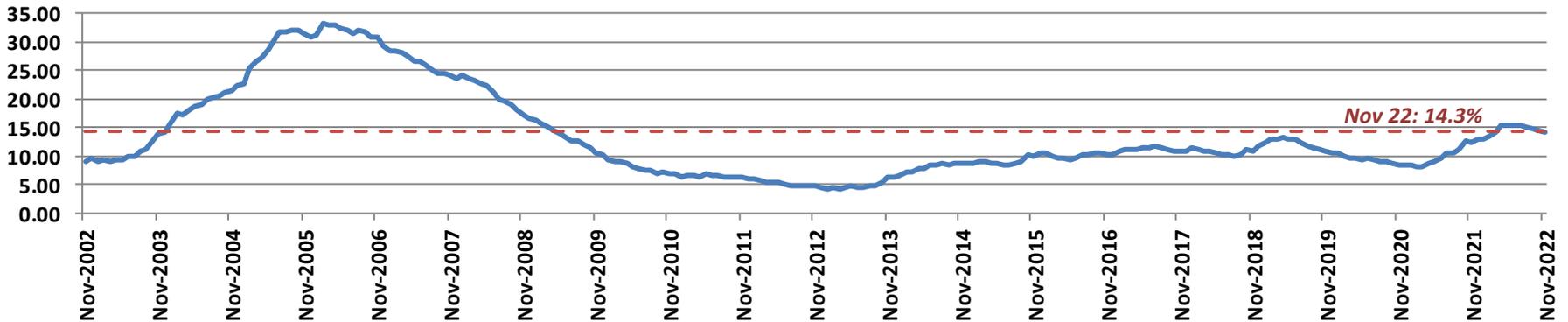
Age Profile



Containership Orderbook



<3,000 TEU Orderbook as % of fleet



Source: Clarksons Research

(*) Percentage figures for years 2022-2024 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

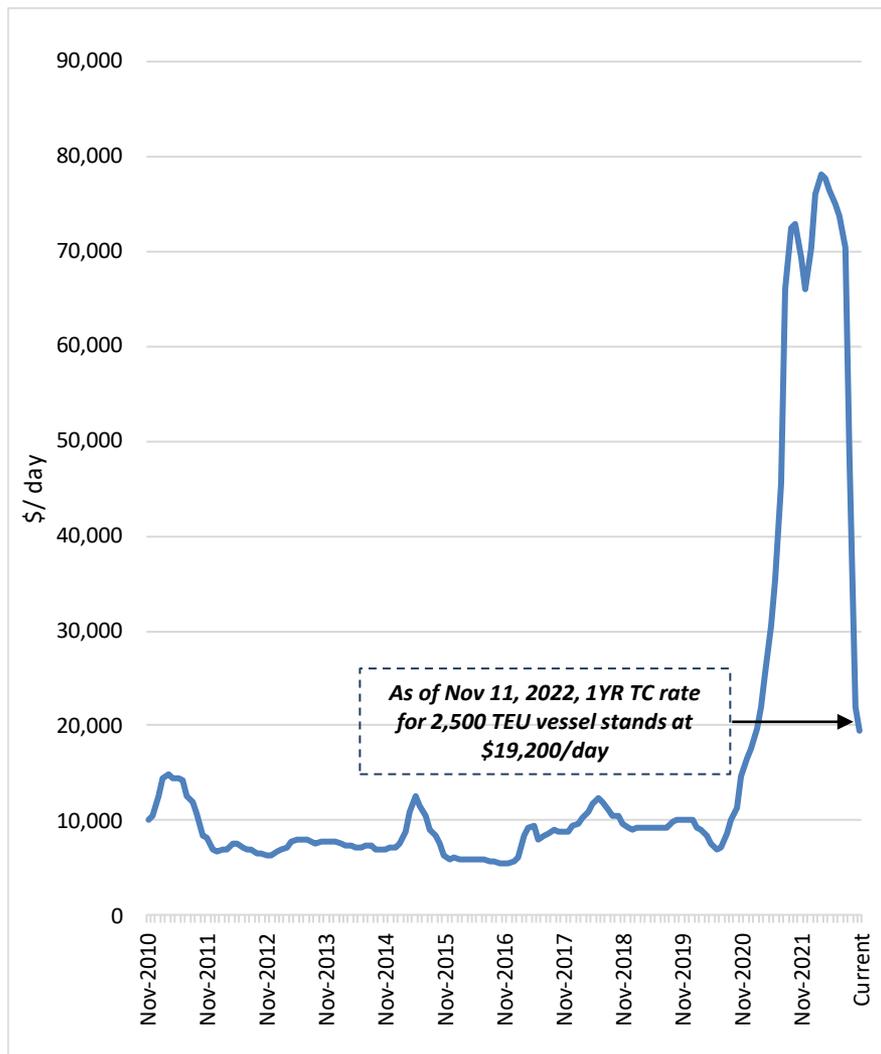


Outlook Summary

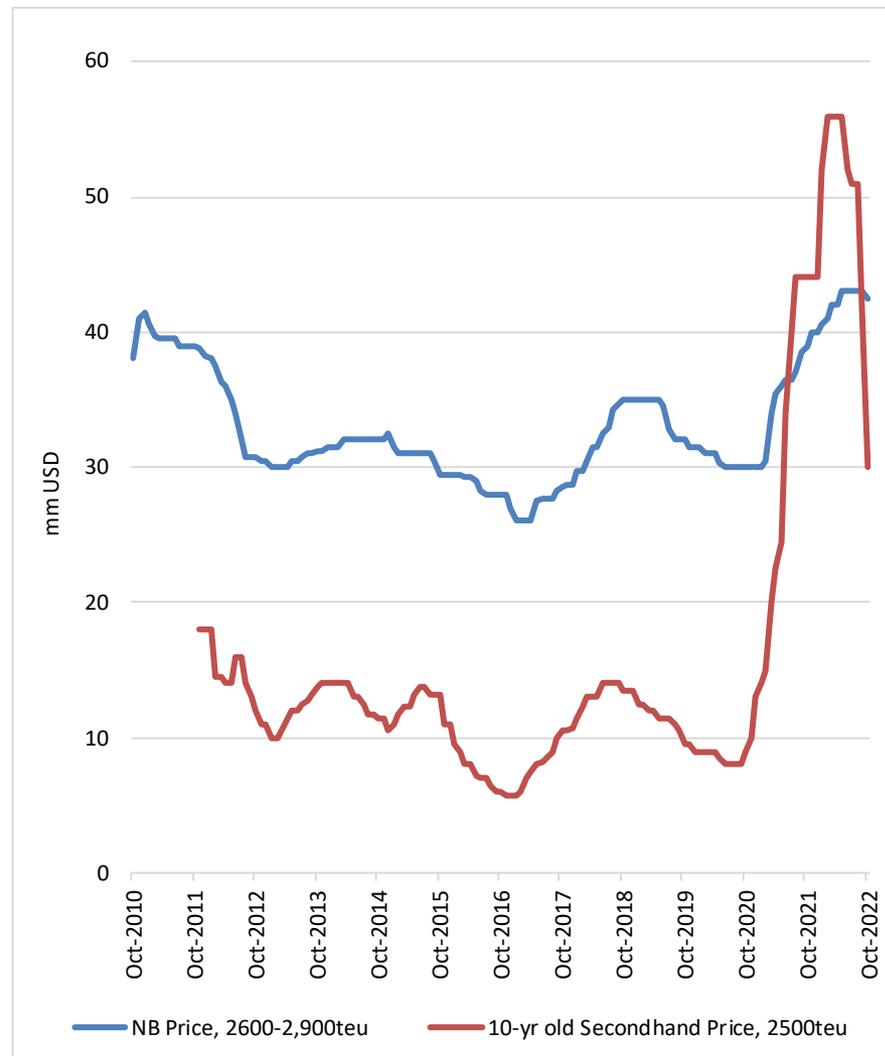
- Political and economic insecurity are affecting the fortunes of container shipping, with freight rates plunging over the past quarter. Declines in spot freight rates have started to be mirrored in time-charter rates with benchmark rates falling by about 70% last month.
 - While charter rates have also fallen due to the easing in supply chain disruptions that were built up over the pandemic, a lot of the slowdown in container and vessel demand has been due to weaker cargo movement.
 - Container shipping market is facing strong headwinds amid an increasingly pessimistic economic outlook, with the Russia-Ukraine conflict, inflationary pressure on consumers and a shift back towards services spending that have impacted volumes.
- Consequently, the outlook for the near future indicates a further softening market. Historically high orderbook expected to hit the water in the next 24-36 months will exert very big pressure on the supply of ships, and consequently TC rates.
- New environmental regulations will probably result in even slower steaming by 2023/24, effectively, removing capacity from the market, therefore moderating/improving any impact on the market.

Market Evolution

Cont 2,500 TEU One-Year Time Charter Rate



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





Financial Overview

Financial Highlights: Third Quarter and 9 months 2021 and 2022

<i>(in million USD except per share amounts)</i>	Third Quarter		Change %	Nine Months		Change %
	2021	2022		2021	2022	
Net Revenues	23.04	45.96	99.5%	55.64	139.81	151.3%
Net Income	8.46	25.22		20.20	85.91	
Preferred & Preferred Deemed Dividends	0.00	0.00		(0.60)	0.00	
Net Income attributable to Common Shareholders	8.46	25.22	198%	19.60	85.91	338%
Interest & Finance Costs, net ⁽¹⁾	0.62	1.31		2.00	3.46	
Depreciation	1.60	5.35		4.79	13.17	
(Gain) / Loss on Sale of Vessels	0.00	0.00		0.01	0.00	
Amortization of below market charters	0.00	(3.88)		0.00	(6.95)	
Unrealized Loss (Gain) On Derivatives	(0.03)	(1.81)		(0.42)	(4.12)	
Adjusted EBITDA ⁽²⁾	10.65	26.19	146%	26.58	91.48	244%
Adj. Net Income attributable to Common Shareholders	8.39	20.88	149%	19.06	77.29	306%
Weighted average numbers of shares, diluted	7,241,740	7,211,204		6,942,614	7,240,848	
Adj. earnings per share, diluted	1.16	2.90	150%	2.74	10.67	289%

Notes:

1) Including interest income

2) See press release of Nov 14, 2022 for Adjusted EBITDA reconciliation to Net Income

Fleet Data for the Third Quarter and 9 months 2021 and 2022

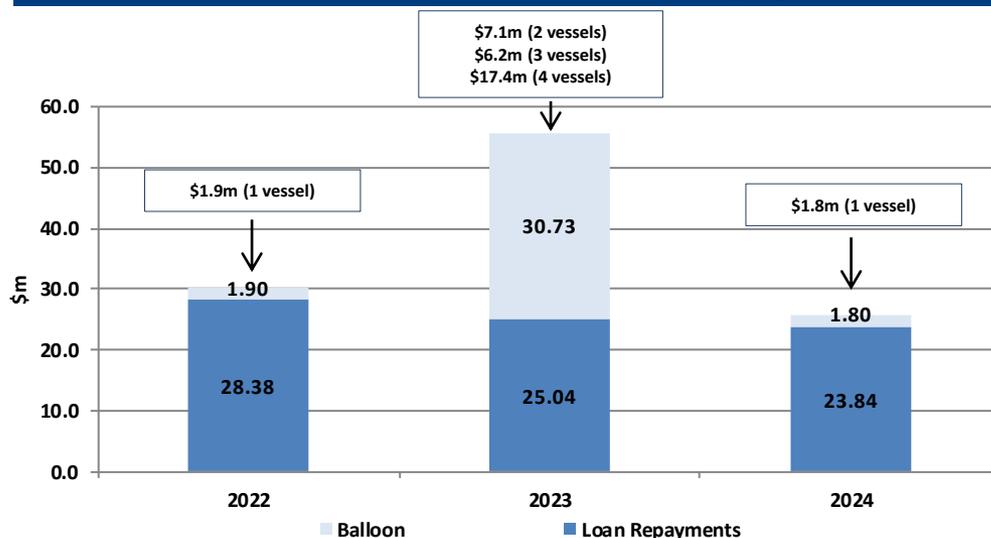
<i>(in million USD except per share amounts)</i>	Third Quarter		Nine Months	
	2021	2022	2021	2022
Number of vessels	14.0	18.0	14.0	16.8
Utilization Rate⁽¹⁾				
Operational	98.8%	99.5%	98.5%	99.6%
Commercial	100.0%	100.0%	100.0%	99.9%
Overall	98.8%	99.5%	98.5%	99.5%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$19,482	\$30,893	\$15,478	\$32,814
Operating Expenses				
Vessel Oper. Exp.exlc. DD exp.	6,741	6,601	6,445	6,771
G&A Expenses	580	579	588	635
Total Operating Expenses	\$7,321	\$7,180	\$7,033	\$7,406
Interest Expenses	482	803	524	754
Drydocking Expenses	2,073	2,223	758	1,346
Loan Repayments without Balloons	1,697	4,158	1,951	4,512
Preferred dividend in cash	258	0	110	0
Breakeven/day	\$11,831	\$14,364	\$10,377	\$14,018
Common dividend	0	2,177	0	1,530

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 57.3 days for the third quarter and the first nine months of 2021 and 114.4 days and 173 days for the third quarter and the first nine months of 2022 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 of Existing Debt



Cost of funding:

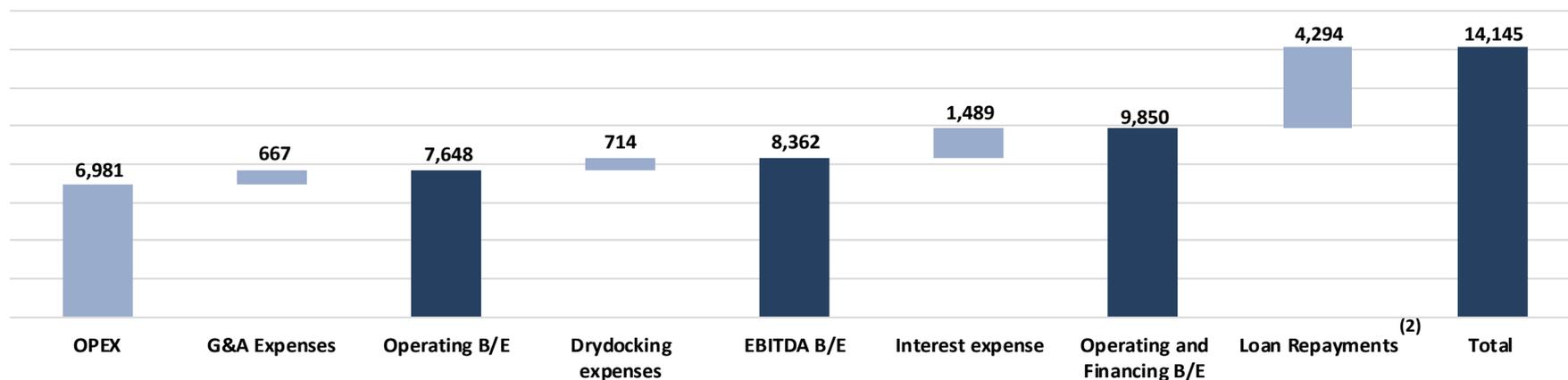
Outstanding bank debt of \$115.7m with average margin of about 2.85%; assuming 3M LIBOR ⁽¹⁾ of 4.56%, our cost of senior debt is 7.4% and including the cost of interest rate swaps the total cost of our debt is approximately 5.94%

- as about 50% of our debt is "hedged" at an average of 1.7%

Newbuilding financing:

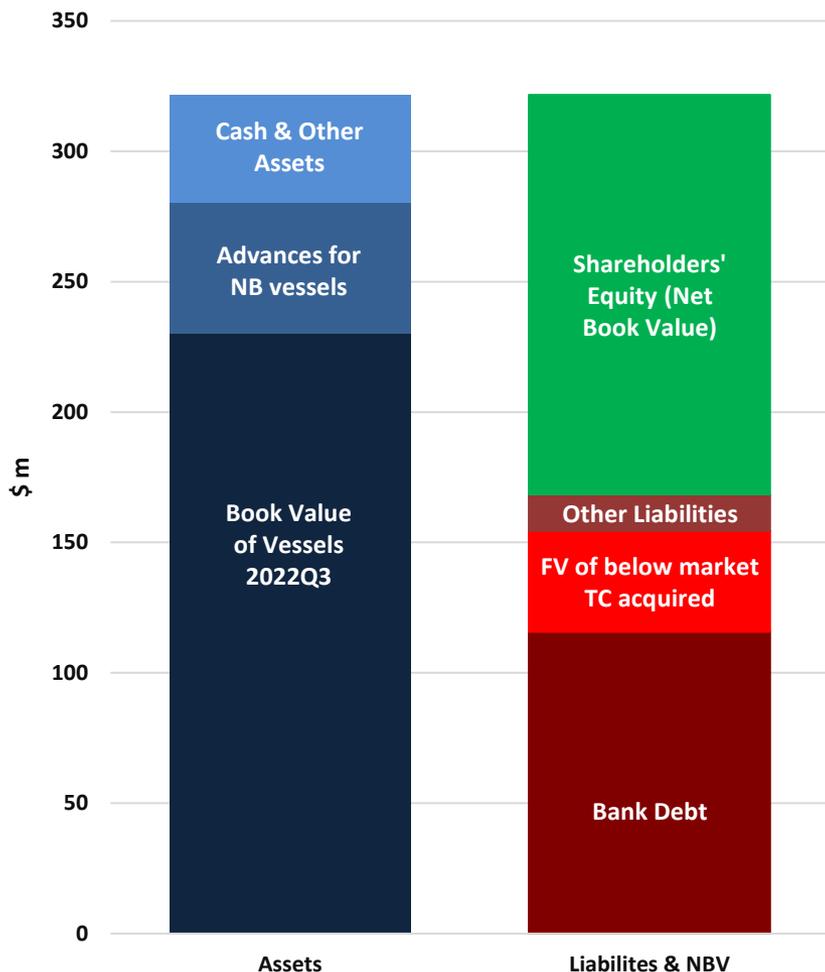
Additional debt - estimated around \$200-220m - will be assumed to finance the newbuilding program

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



Balance Sheet Highlights

Euroseas Capital Structure (9/30/22)



Notes

Assets

- Cash & Other assets: \$41.1m
- Advances for NB vessels: \$50.5m
- Vessels book value: \$230.1m
- Total assets (at book value): \$321.7m

Liabilities

- Bank & other debt: \$115.7m, i.e.~36.0% of total book value of assets
- FV of below market TC acquired: ~\$38.8m, i.e.~12.1% of total book value of assets
- Other liabilities: ~\$13.9m, i.e.~4.3% of total book value of assets

Net Asset Value

- Using the charter-adjusted market value of vessels and newbuilding contracts estimated about \$432.6m⁽¹⁾
=> Net Asset Value around \$394.6m, or around \$55/share⁽²⁾
- Recent share price trading around \$20/share represents a discount to the value of the company

Euroseas Contacts

**Euroseas Ltd.
c/o Eurobulk Ltd**

**4, Messogiou & Evropis Street
151 24 Maroussi, Greece
www.euroseas.gr
euroseas@euroseas.gr
Tel. +30-211-1804005
Fax.+30-211-1804097**

**Tasos Aslidis
Chief Financial Officer**

**Euroseas Ltd.
11 Canterbury Lane
Watchung, NJ 07069
aha@euroseas.gr
Tel: 908-3019091
Fax: 908-3019747**

**Nicolas Bornozis / Markella Kara
\Investor Relations**

**Capital Link, Inc.
230 Park Avenue, Suite 1536
New York, NY 10169
euroseas@capitallink.com
Tel: 212- 6617566
Fax: 212-6617526**