



Earnings Presentation

Full Year & Quarter Ended December 31,

2019

February 19, 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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2019 Fourth Quarter Financial Highlights

in \$m, unless otherwise indicated

	Q4 2019	
Net Revenues	13.3	
Net Loss	(0.8)	
Preferred Dividends	(0.2)	
Adj. Net Loss Available to Common Shareholders ⁽¹⁾	(1.6)	\$(0.32) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	1.2	

1) See press release of February 19th, 2020 for reconciliation of Adj. Net Loss Available to Common Shareholders and Adjusted EBITDA to Net Loss.

2) Basic and diluted

Fleet Expansion

- The Company remains focused on its strategy of providing a public consolidation platform and effected two such transformational transactions in Q3 and Q4 2019

August 2019

- Acquisition of four feeder vessels from affiliates, EM Hydra (1,740 teu), EM Spetses (1,740 teu), EM Kea (3,100 teu) and M/V Diamantis P (2,008 teu) with an average age of 14 years. The transaction was approved by a committee of disinterested independent members of the board.
 - Vessels were bought through a combination of cash and shares (issued at \$5.68 per share as adjusted for the reverse split of 1 to 8)
 - Acquisition of these vessels reduced the overall average age of the fleet by more than a year and increased fleet size by more than 35%

November 2019

- Acquisition of four panamax (intermediate) size vessels of 4,253 teu with an average age of 10 years
 - Vessels were bought through a combination of cash and shares (issued at \$5.68 per share as adjusted for the reverse split of 1 to 8)
 - Acquisition of these vessels reduced the overall average age of the fleet by almost 2 years and increased fleet size by more than 25% in terms of number of vessels and about 50% in terms of carrying capacity

Current Fleet Profile

Current fleet is comprised of 19 vessels with an average age of 15.8⁽¹⁾ years and a carrying capacity of 51.1k TEU



14x Feeder
Avg. Age: 18.5 years⁽¹⁾
Carrying Capacity: 28.5k TEU



5x Intermediate
Avg. Age: 12.4 years⁽¹⁾
Carrying Capacity: 22.6k TEU

Name	Type	DWT	TEU	Built
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
Evidiki G	Feeder	34,677	2,556	2001
EM Oinousses	Feeder	32,350	2,506	2000
EM Athens	Feeder	32,350	2,506	2000
Diamantis P	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
Manolis P.	Feeder	20,346	1,452	1995
Kuo Hsiung	Feeder	18,154	1,169	1993
Ninos	Feeder	18,253	1,169	1990
Total Fleet	19 vessels	660,940	51,083	Avg. Age: 15.8 yrs⁽¹⁾

Note:

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

Chartering, Operational and Drydockings

Chartering:

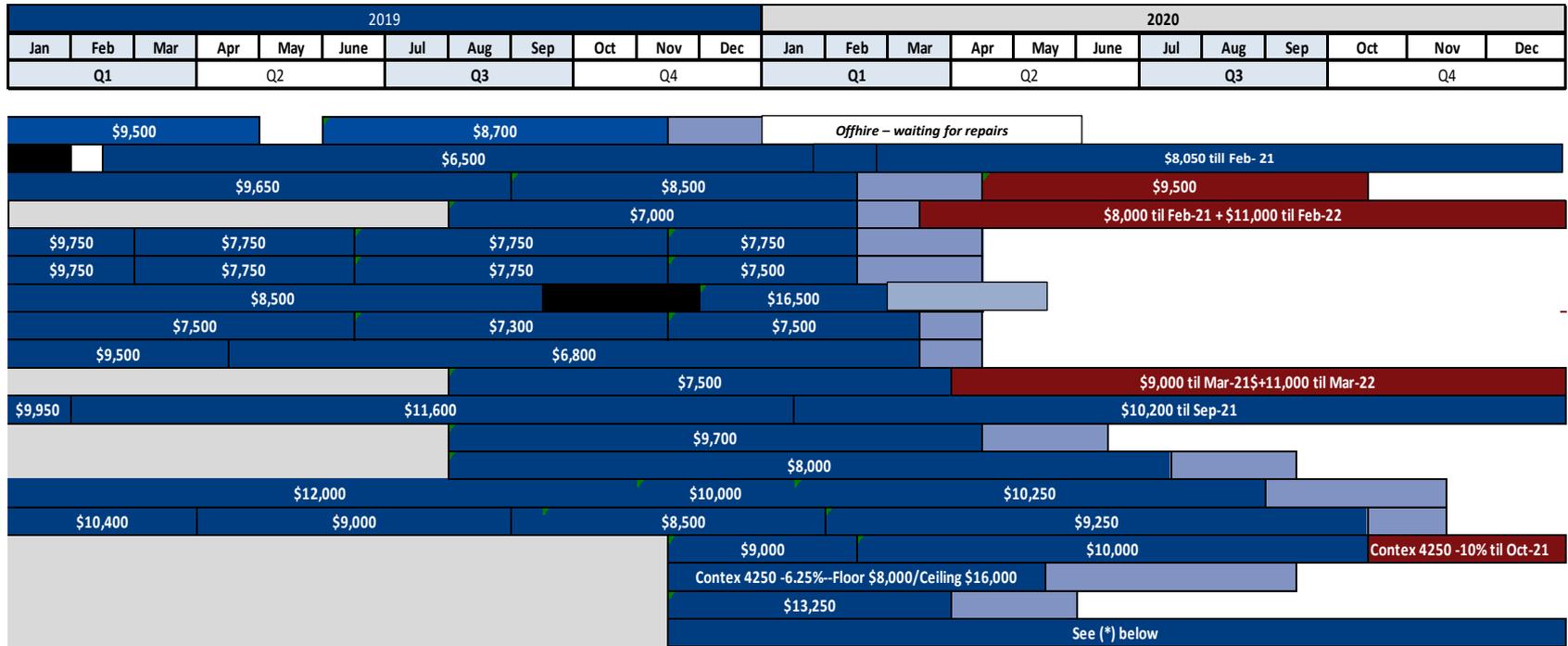
- Akinada Bridge: fixed for min 10th February 2020 - max 20th May 2020 @ \$16,500/day. We received charterers redelivery notice for February 29th and are seeking a new employment.
- Evidiki G: extended for min 1st September 2020-max 15th November 2020 @ \$10,250 as of 1/10/20
- EM Athens: new Charter @ \$9,250 until 10/15-11/15/2020
- Aegean Express: extended for the period min 140days – max 179 days @ \$7,500 as of 11/11/19
- Ninos: fixed for 3-5 months @ \$7,750 as of 11/19/19
- Kuo Hsiung: fixed for 3-5 months @ \$7,500 as of 11/26/19
- EM Corfu: extended until min 11/15/2021 @ \$10,250 as of 1/17/20
- EM Joanna: extended for 12-14 months @ \$8,050 as of 2/28/20

Operations / Repairs / DD:

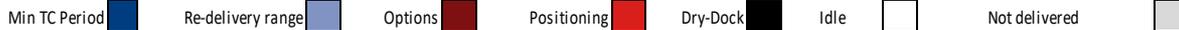
- Akinada Bridge drydocking & repairs: 65 days in drydock (9/24-11/28)
 - After redelivery from her charterers and en route to the shipyard to perform her scheduled DD and WBT installation the ship suffered a stern tube bearing damage which caused a delay of about 30 days to her initial schedule. The cost of the repairs of about 600k is fully recoverable under the company's H&M insurance policy
- EM Oinousses engine room fire incident:
 - On January 19, 2020, there was an engine room fire while sailing off Mozambique carrying empty containers. The fire was extinguished but the vessel lost power and was towed to Nacala. General average was declared. Surveyors from various insurers boarded the vessel to assess the extent of the damage. We are waiting for their reports to take the appropriate course of action. We expect insurance to cover the majority of the costs.

Vessel Employment

Coverage (as of February 18, 2020): Abt 40% for the remaining 2020 - (based on min durations)



Legend:



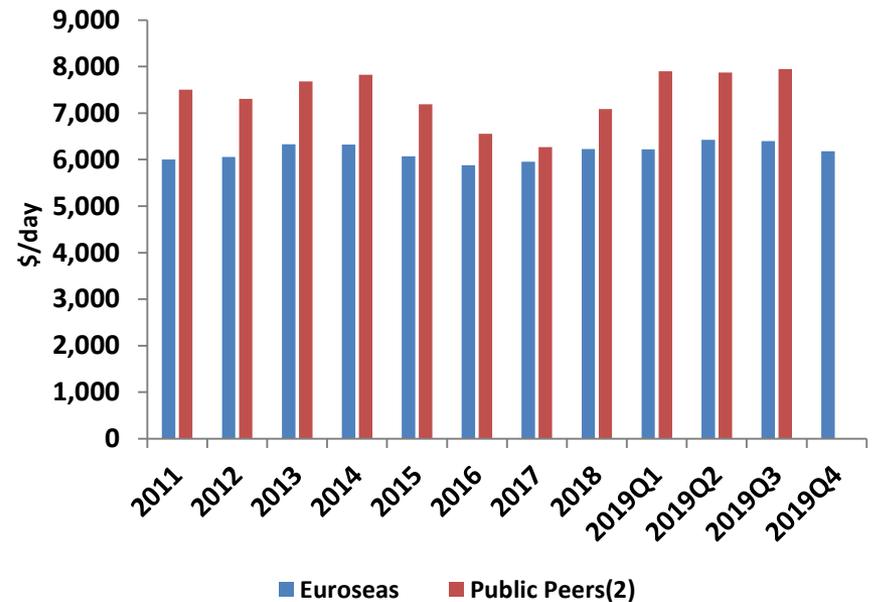
(*) TC till Dec-20/Jun-22 plus 8-12 months Option earning \$10,000 till Jun-21, \$11,750 till Jun-22 and \$14,500 for the optional period

Fleet Management & Operational Performance

ESEA Highlights

- Operational Fleet utilization rate in excess of 98.9% over last 5 years
 - Outstanding safety and environmental record
 - For 2019Q4, operational fleet utilization 99.7% and commercial 100.0%
 - For 2018Q4, operational fleet utilization 99.9% and commercial 90.8%
- 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 DCIX, GSL, SSW, CMRE & DAC



Market Overview



Containership Market Highlights – Q4 2019

- Time charter rates in Q4 for feeder and intermediate size vessels ranging from 1,000-5,600 teu had a mixed picture as the 1700 teus fell abt 3% while the bigger ships rose from 7%-18%
 - The 1,700 teu geared vessel fell from an average of \$8,795 in Q3 to \$8,510 in Q4 and currently stands at \$7,600
 - The 2,500 teu geared vessel rose from an average of \$9,432 in Q3 to \$10,136 in Q4 and currently stands at \$9,000
 - The 4,250 teu gless vessel rose from an average of \$13,517 in Q3 to \$13,782 in Q4 and currently stand at \$13,000
 - The 5,600 teu gless vessel rose from an average of \$15,000 in Q3 to \$19,000 in Q4 and currently stand at same levels
- Average secondhand prices for older than 20-yr old vessels remained around their scrap prices in Q4, however, for younger vessels of about 10yrs old there was a rise circa 5% for the 1,700 teu ships and a drop of 5% for the 2,500 teus
- 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: 1,43m teu as of February 3, 2020 (i.e. 6.2% of the fleet)
 - This includes idle due to scrubber retrofitting (mostly larger vessels of abt 1m teu total)
- Scrapping remained at the same levels as Q3 relatively low for the current market.
 - Total of abt 180k teus scrapped in 2019 (i.e. 0.8% of the fleet)
- The fleet grew by 4.0 % in 2019 (without accounting for idle vessels reactivation/idling)

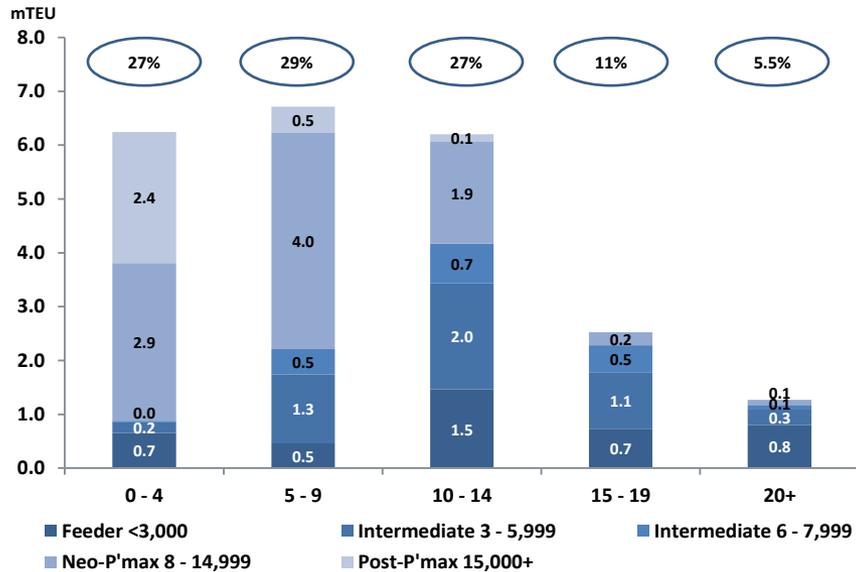
World GDP & Shipping Demand Growth

<i>Real GDP (% p.a. - IMF)</i>	2015	2016	2017	2018	2019	2020e	2021e
USA	2.6	1.5	2.3	2.9	2.3(2.4)	2.0(2.1)	1.7(1.7)
Eurozone	2.0	1.8	2.4	1.8	1.2(1.2)	1.3(1.4)	1.4(1.4)
Japan	0.5	1.0	1.8	1.0	1.0(0.9)	0.7(0.5)	0.5(0.5)
China	6.9	6.7	6.8	6.6	6.1(6.1)	6.0(5.8)	5.8(5.9)
India	7.6	7.1	6.7	7.1	4.8(6.1)	5.8(7.0)	6.5(7.4)
Russia	-3.7	-0.2	1.8	2.3	1.1(1.1)	1.9(1.9)	2.0(2.0)
Brazil	-3.8	-3.6	1.1	1.1	1.2(0.9)	2.2(2.0)	2.3(2.4)
ASEAN-5	4.8	4.9	5.3	5.2	4.7(4.8)	4.8(4.9)	5.1(5.2)
World	3.4	3.2	3.7	3.6	2.9(3.0)	3.3(3.4)	3.4(3.6)
Containerized Trade (% p.a.)							
TEU-miles	1.6	4.0	5.6	3.5	1.7(3.4)	2.4(3.5)	3.1

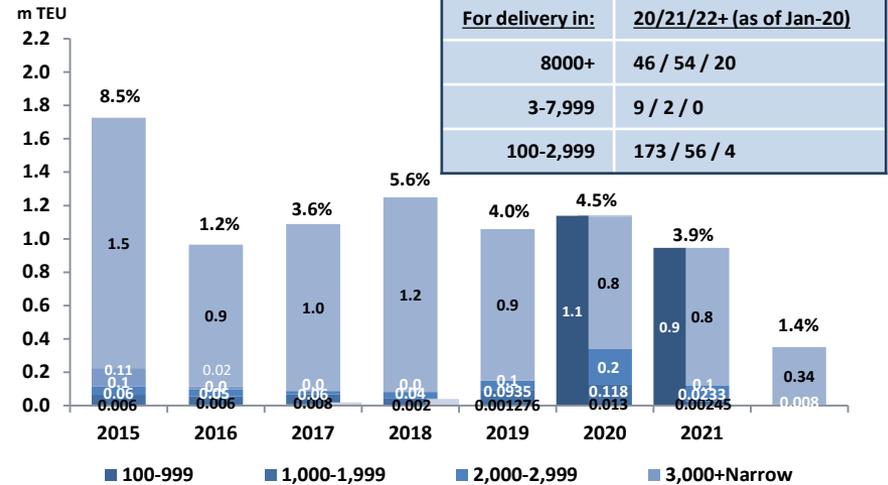
Trade and growth projections will likely be affected, especially in the case of China, due to the Coronavirus (Covid-19) situation as its effects on world growth and trade are yet to be fully assessed.

Age Profile and Orderbook

Age Profile

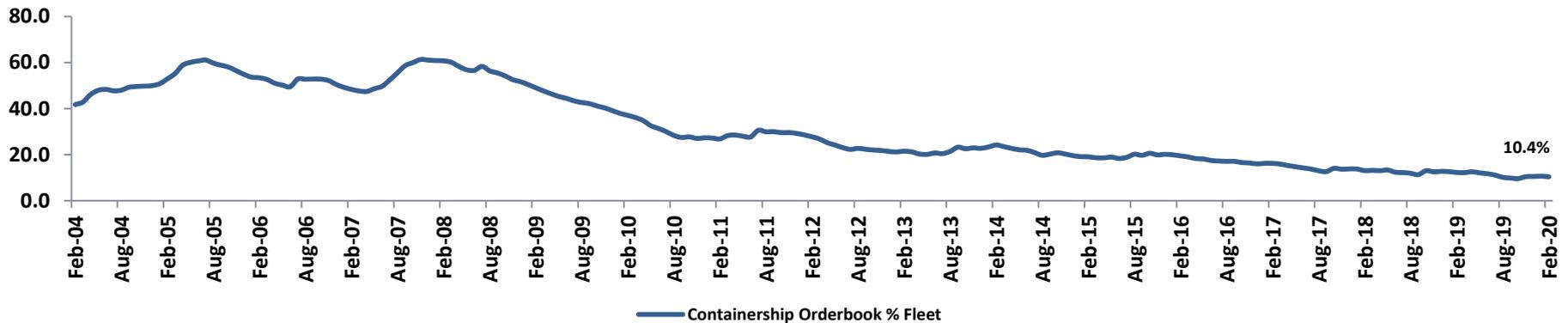


Containership Orderbook



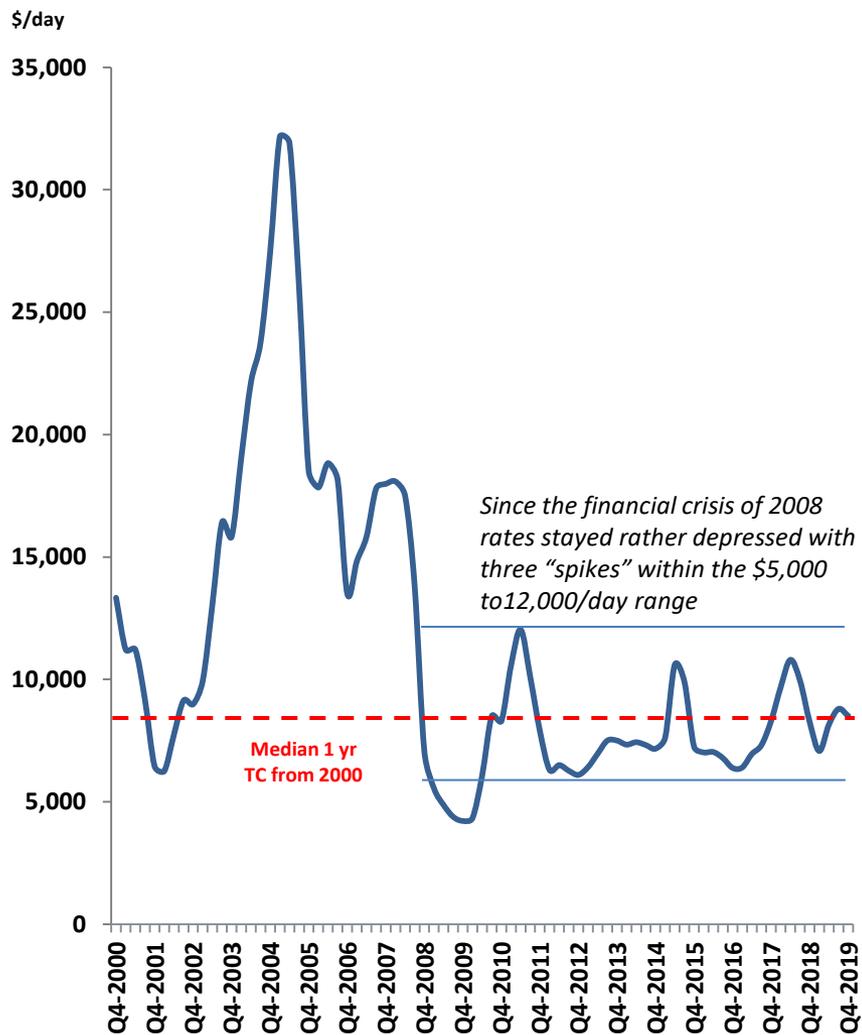
Fleet growth of feeder fleet expected to be around 4% in 2020 (taking scrapping trends into account)

Order book as % of fleet

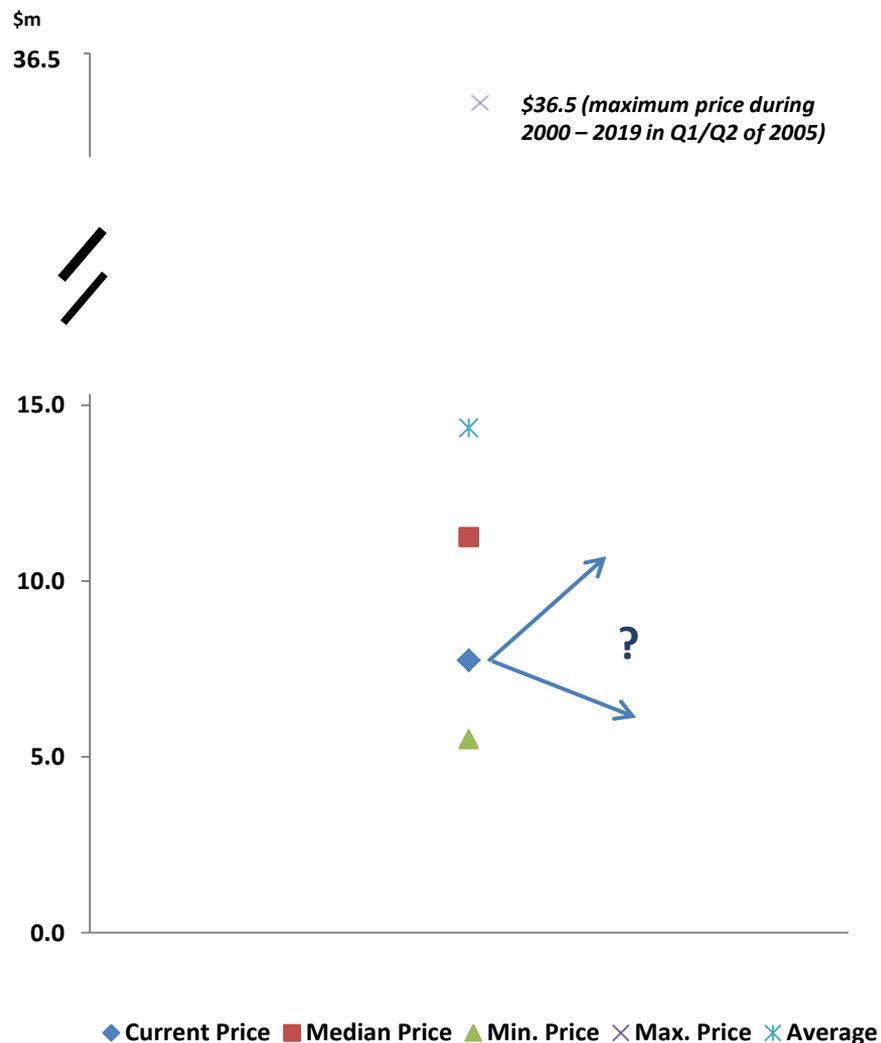


Market Snapshot

1700 teu One-Year Time Charter Rate



Cont 1,700 TEU – 10 Year Old Historical Price Range⁽¹⁾





Financial Overview



Financial Highlights: 4th Quarter and Full Year of 2018 and 2019

Euroseas Continuing Operations <i>In million USD except per share amounts</i>	Fourth Quarter		Change	Twelve Months		Change
	2018	2019	%	2018	2019	%
Net Revenues	8.0	13.3	66%	34.4	40.0	16%
Net Loss	(0.5)	(0.8)		(0.7)	(1.7)	
Preferred & Preferred Deemed Dividends	(0.2)	(0.2)		(1.3)	(1.8)	
Net Income/(Loss) available to Common Shareholders	(0.8)	(0.9)		(2.0)	(3.5)	
Interest & Finance Costs net (incl. interest income)	1.0	1.1		3.0	3.7	
Vessel Depreciation	0.8	1.5		3.3	4.2	
Amortization of below market charter revenues	0.0	(0.7)		0.0	(0.9)	
Gain on Sale of Vessel	0.0	0.0		(1.3)	0.0	
Loss On Derivatives	0.0	0.0		0.0	0.0	
Adjusted EBITDA ⁽¹⁾	1.2	1.2		4.3	5.3	
Adj. Net Loss attributable to Common Shareholders	(0.8)	(1.6)		(3.5)	(4.4)	
Adj. Net (Loss) per share, basic & diluted ⁽²⁾	(0.55)	(0.32)		(2.51)	(1.52)	

Note: Full year 2018 provided exclude the vessels spun-off into EuroDry Ltd. in May 2018

Footnotes

- (1) See press release of February 19, 2020 for Adjusted EBITDA reconciliation to Net (Loss)/Income.
- (2) Available to Common Shareholders; calculated on 1,476,918 & 5,036,122 for Q4 of 2018 and 2019 respectively and on 1,414,775 & 2,861,928 for the full year 2018 and 2019, respectively. See press release of February 19, 2020 for Adjusted Net Loss attributable to common shareholders reconciliation to Net Loss.

Fleet Data: 4th Quarter and Full Year of 2018 and 2019

<u>Fleet Statistics</u>	Fourth Quarter		Twelve Months	
	2018	2019	2018	2019
Number of vessels	11.00	16.84	11.49	13.10
Utilization Rate (%)				
Overall ⁽¹⁾	90.7%	99.7%	92.7%	99.1%
Commercial ⁽¹⁾	90.8%	100.0%	96.7%	99.2%
Operational ⁽¹⁾	99.9%	99.7%	96.0%	100.0%
Time Charter Equivalent (TCE)⁽²⁾	\$8,577	\$9,085	\$9,179	\$8,762
Operating Expenses				
Vessel Oper. Exp. excl. drydockings	\$5,275	\$5,839	\$5,613	\$5,783
G&A Expenses	\$507	\$343	\$612	\$511
Total Operating Expenses	\$5,782	\$6,182	\$6,225	\$6,294
Interest Expense	\$832	\$744	\$617	\$802
Drydocking Expense	\$332	\$990	\$662	\$568
Loan Repayments without Balloons	\$892	\$1,217	\$961	\$1,206
Total Cash Breakeven w/o Balloons	\$7,838	\$9,133	\$8,465	\$8,870

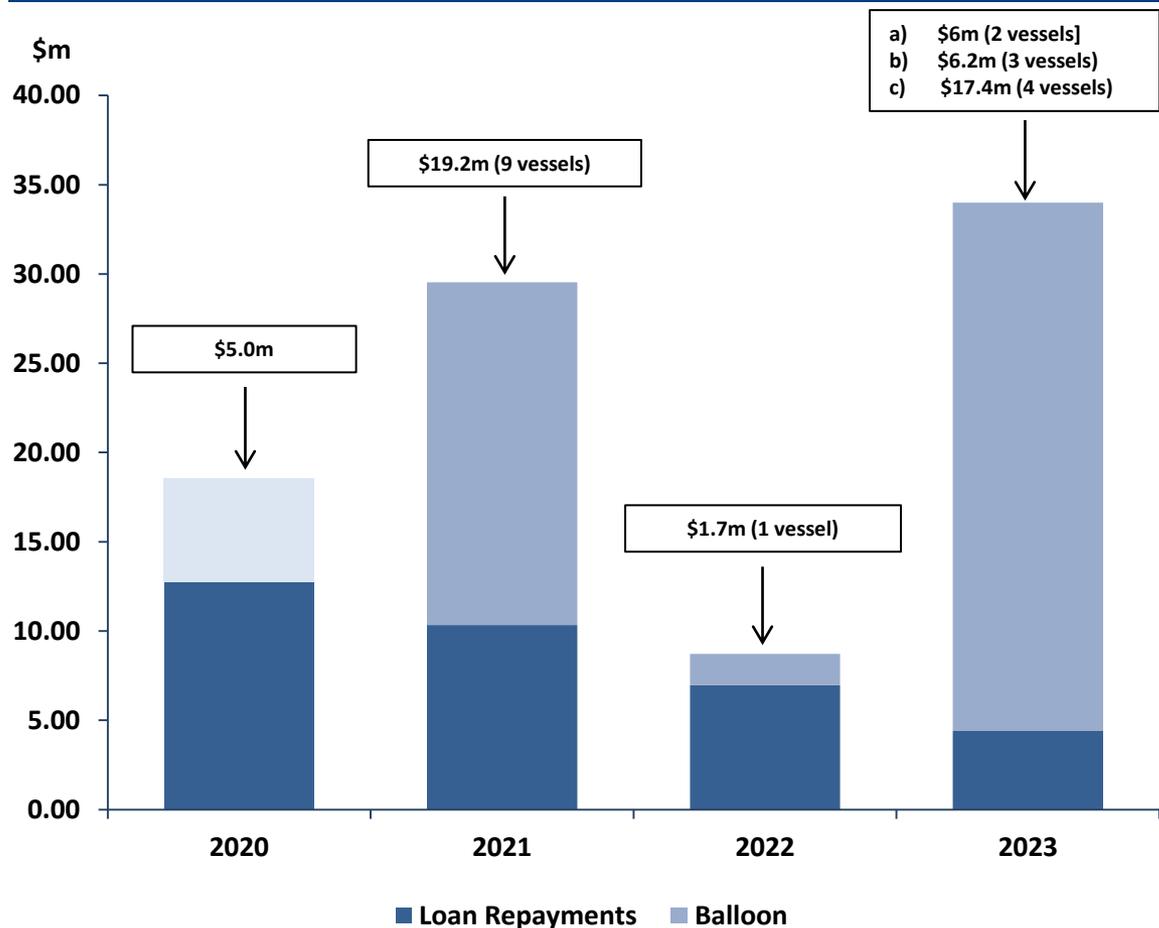
Note: Figures referring to full year 2018 exclude vessels spun-off to EuroDry Ltd in May 2018 (see press release of February 19, 2020)

Footnotes

- (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 7.6 and 59.5 for the fourth quarter and to 76.5 and 102.3 for the twelve 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 & Cash Flow Breakeven

Debt Repayment Profile



- a) \$6m (2 vessels)
- b) \$6.2m (3 vessels)
- c) \$17.4m (4 vessels)

Cash Flow Breakeven

Budget estimate for next 12 months:

	<u>\$/vessel/day</u>
OPEX	\$ 5,800
G&A	\$ 500
Interest	\$ 700
Drydock	\$ 100
Pref. Dividend	\$ 100
Sub-total	\$ 7,200
<u>Loan Principal</u>	<u>\$ 1,850⁽¹⁾</u>
TOTAL	\$ 9,050

Note:

1) Not including \$5m loan repayment to affiliate that could be paid in shares under certain conditions

- As of December 31, 2019, Euroseas has outstanding debt of \$90.2 m with average margin of about 3.6%. Assuming LIBOR of 2%, our cost of senior debt is 5.6%; including the dividend on the preferred equity, the cost of the non-equity financing becomes about 5.9% for 2020.

Balance Sheet Highlights

Euroseas Capital Structure



Notes

Assets

- Cash & Other assets: \$10.6m
- Vessels book value: about \$116.2 approximately 15% below December 2019 valuations
- Total assets (@ book value) ~ \$126.9m

Liabilities

- Bank & other debt: \$90.2m
- Preferred Equity: \$8.0m
- Other liabilities: \$7.5m

Net Book Value

- Net Book Value: ~\$21m
- Adjusted Net Book Value for market value of vessels => Net Asset Value ~\$38m, or, \$6.75/share
- Recent share price trading range of around \$3.25/ share level represents a significant discount to the book value of the company

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