



Earnings Presentation

Full Year & Quarter Ended December 31,

2020

February 25, 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.

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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 Fourth Quarter and Year End Financial Highlights

in million USD except per share figures

	FY 2020		Q4 2020	
Net Revenues	53.3		12.0	
Net Income	4.0		0.6	
Preferred Dividends	(0.7)		(0.2)	
Net Income / (Loss) Attributable to Common Shareholders	3.3	0.58 / share ⁽²⁾	0.4	0.07 / share ⁽²⁾
Adj. Net Income / (Loss) Attributable to Common Shareholders ⁽¹⁾	(0.1)	(0.02) / share ⁽²⁾	(1.0)	(0.16) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	11.8		2.1	

1) See press release of February 24, 2021 for reconciliation of Adj. Net Income Attributable to Common Shareholders and Adjusted EBITDA

2) Basic and diluted

Recent Chartering, Operational & S&P Developments

Chartering:

- **Synergy Busan:** option declared for 4-6 months at \$12,000/day as from February 2021
- **Synergy Antwerp:** extended for up to December 2023 at \$18,000/day as from January 2021
- **EM Astoria:** extended for up to February 2022 at \$18,650 as from December 2020
- **Evridiki G:** fixed for up to December 2021 at 15,500/day as from December 2020
- **EM Spetses:** option declared for 5-7 months at \$8,100/day as from December 2020
- **EM Hydra:** fixed for 3-7 months at 7,200/day as from October 2020
- **Aegean Express:** fixed for up to April 2022 at 11,500/day as from December 2020

Operations:

- **EM Corfu:** EM Corfu suffered damage on its tail-shaft and has been idle since early December 2020 for two months

Drydockings:

- None this quarter

S&P Highlights:

- Sold EM Athens to its current charterer for further trading

Current Fleet Profile

Current fleet is comprised of 14 vessels with an average age of 15.8⁽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

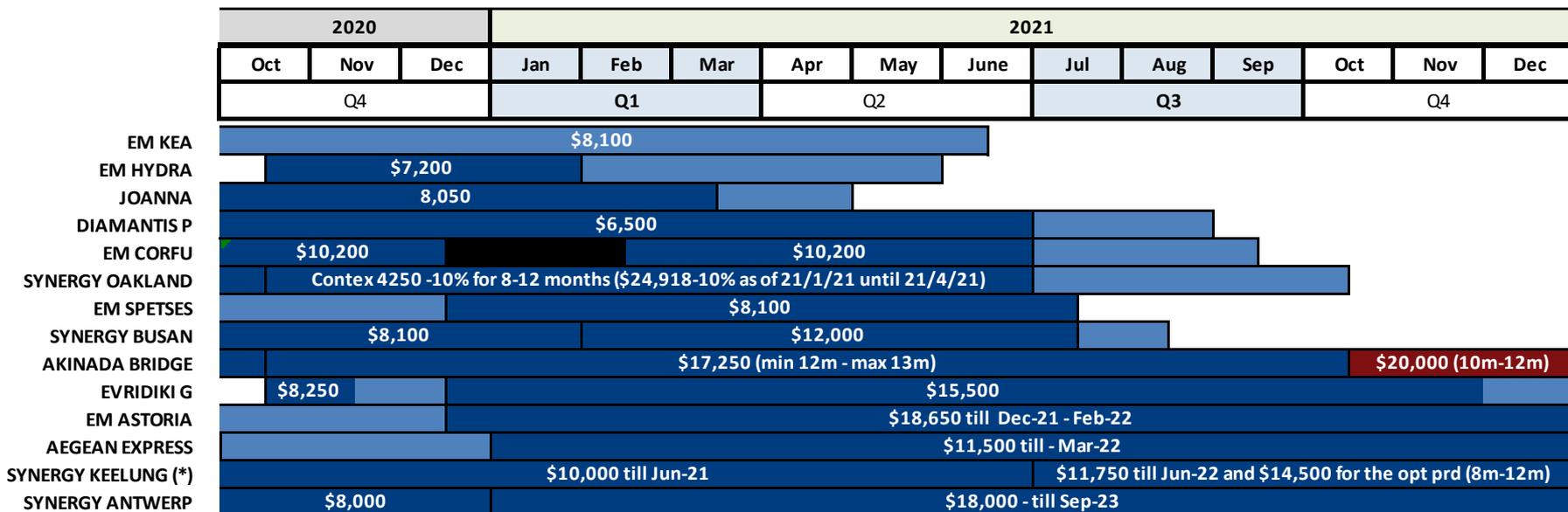
Name	Type	Size		Year
		DWT	TEU	Built
Akinada Bridge	Intermediate	71,366	5,610	2001
Synergy Bussan	Intermediate	50,726	4,253	2009
Synergy Oakland	Intermediate	50,787	4,253	2009
Synergy Keelung	Intermediate	50,969	4,253	2009
Synergy Antwerp	Intermediate	50,726	4,253	2008
EM Kea	Feeder	42,165	3,100	2007
EM Astoria	Feeder	35,600	2,788	2004
EM Corfu	Feeder	34,654	2,556	2001
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	15.8

Note:

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

Vessel Employment

Coverage (as of February 22, 2021): About 62% for the remaining 2021
 (based on max durations and assuming declaration of all options)



Legend:



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

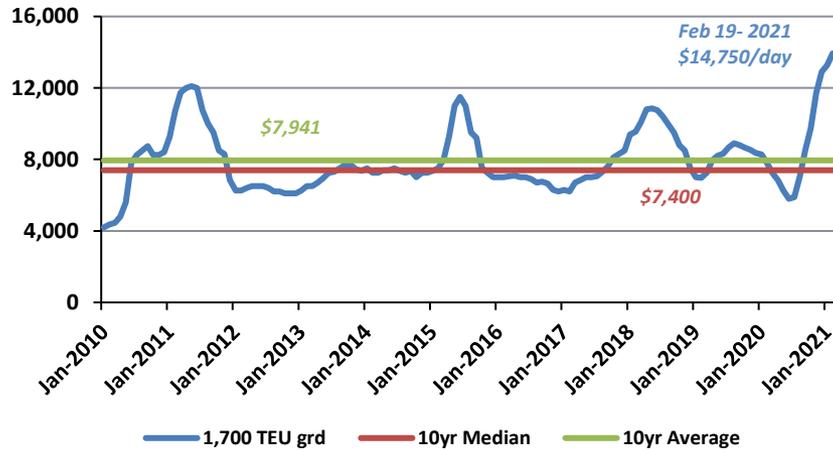


Market Overview

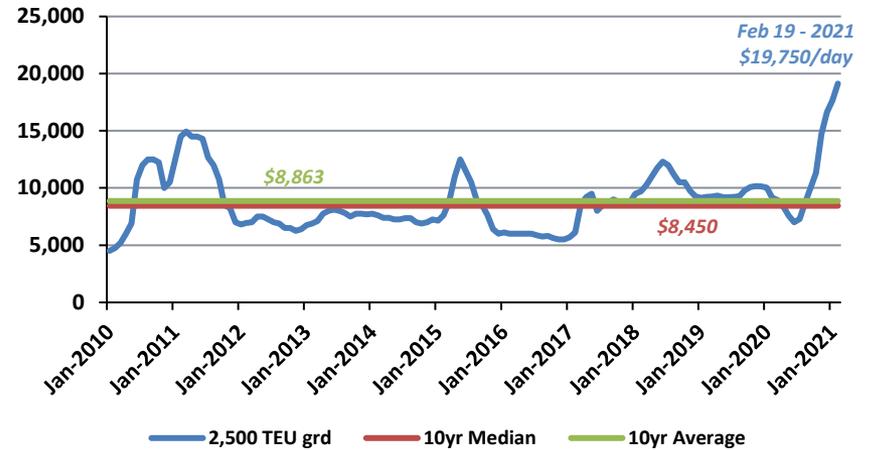


Last 10 year 6-12m TC rate (\$/day)

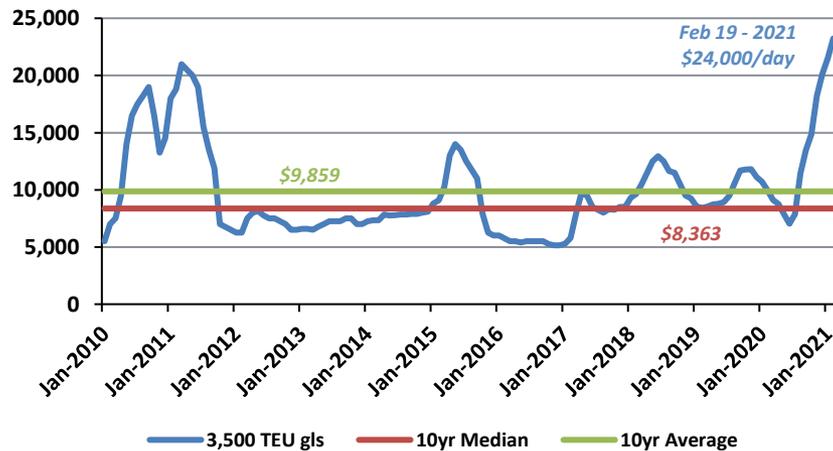
1,700 TEU grd



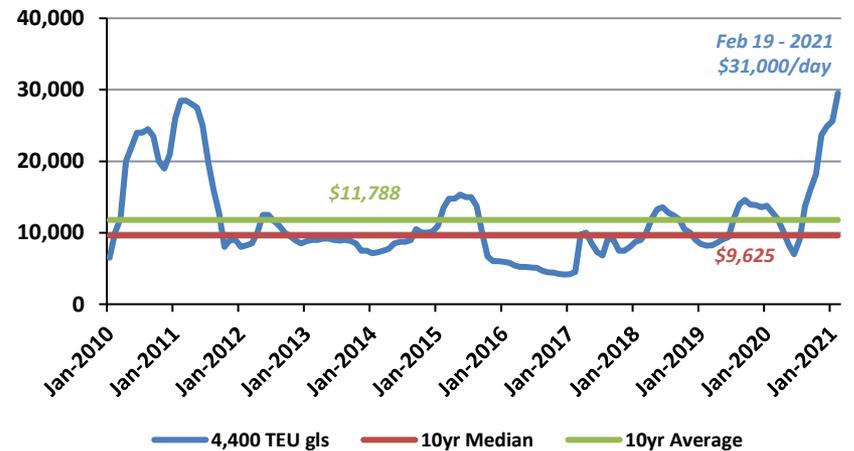
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Source: Clarksons

Containership Market Highlights – Q4 2020

- Time charter rates across all segments sky-rocketed in late 2020Q4, drawing a positive picture exceeding historical median levels and hitting last 12 year highs for certain sizes
 - The 1,700 teu geared vessel increased from an average of \$7,046 in Q3 to \$11,448 in Q4 and currently stands at \$14,750
 - The 2,500 teu geared vessel increased from an average of \$8,550 in Q3 to \$14,238 in Q4 and currently stands at \$19,750
 - The 4,250 teu g'less vessel increased from an average of \$12,654 in Q3 to \$22,254 in Q4 and currently stands at \$31,000
 - The 5,600 teu g'less vessel increased from an average of \$17,000 in Q3 to \$26,000 in Q4 and currently stands at \$34,670
- Average secondhand prices for vessels over 5 years old have increased by 40 to 70%
- Newbuilding prices (no scrubber/China built) were stable in Q4, but since the beginning of the year as steel prices have been on the rise and the container market has seen further increases, fresh interest for N/Bs has appeared leading to firming prices
- Idle fleet: ~0.27m teu as of February 2021 (i.e ~ 1.1% of the fleet)
 - This is down from 2.7m teu as of middle May 2020
 - The ship capacity kept inactive for scrubber retrofit reached its lowest level since mid-2019 and is now close to zero
- Scrapping decreased in Q4 to only 6 ships or 7,450 teu
 - Prices increased to over \$450/lwt due to high demand for steel
- The fleet has grown by 2.9 % in 2020 (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 however, global policy support and vaccine rollouts are expected to power a stronger global economic recovery in 2021 onwards

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	-3.4(-4.3)	5.1(3.1)	2.5(2.9)	2.3
Eurozone	2.0	1.8	2.4	1.8	1.2	-7.2(-8.3)	4.2(5.2)	3.6(3.1)	2.2
Japan	0.5	1.0	1.8	1.0	0.7	-5.1(-5.3)	3.1(2.3)	2.4(1.7)	1.2
China	6.9	6.7	6.8	6.6	6.1	2.3(1.9)	8.1(8.2)	5.6(5.8)	5.7
India	7.6	7.1	6.7	7.1	4.2	-8.0(-10.3)	11.8(8.8)	6.8(8.0)	7.6
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.6(-4.1)	3.0(2.8)	3.9(2.3)	2.1
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.5(-5.8)	3.6(2.8)	2.6(2.3)	2.2
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.7(-3.4)	5.2(6.2)	6.0(5.70)	5.6
World	3.4	3.2	3.7	3.6	2.9	-3.5(-4.4)	5.5(5.2)	4.2(4.2)	3.8

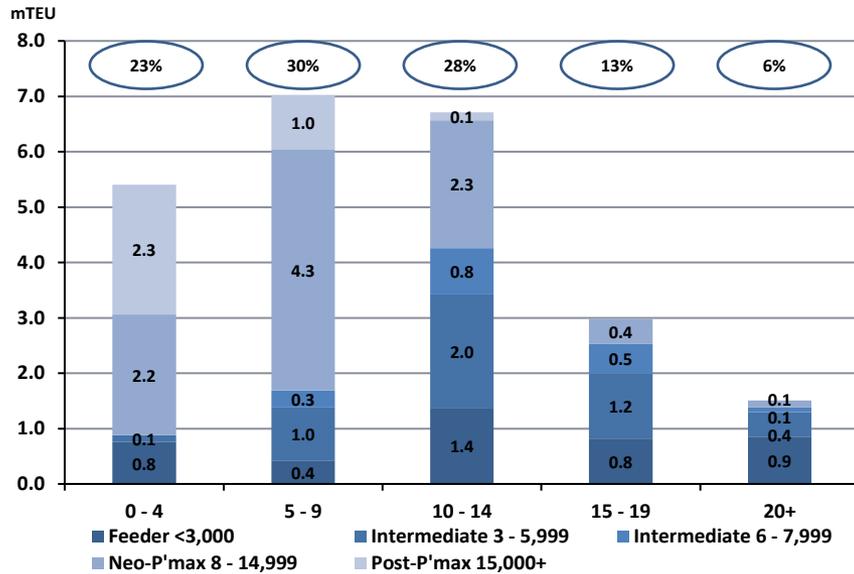
Containerized Trade (% p.a.)

TEU-miles	1.2	4.0	5.6	3.6	1.7	-1.1(-4.5)	5.4	3.2	3.5
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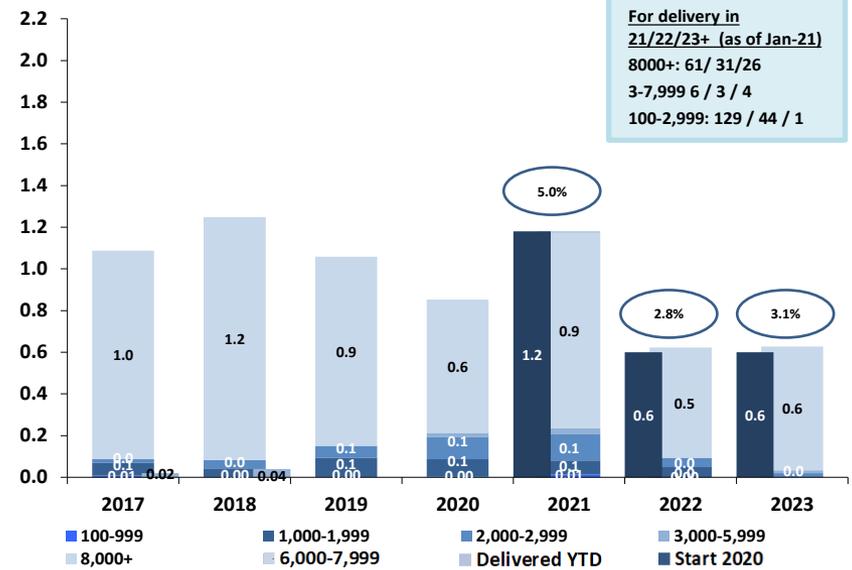
Trade and growth projections are being continuously revised as the Coronavirus (Covid-19) effects on world growth and trade are being assessed.

Age Profile and Orderbook

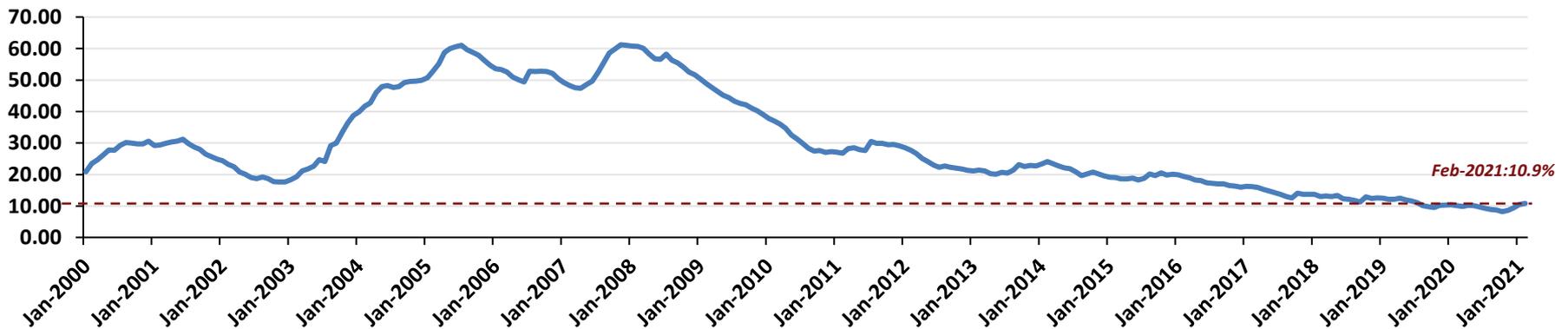
Age Profile



Containership Orderbook



Orderbook as % of fleet



Source: Clarksons Research

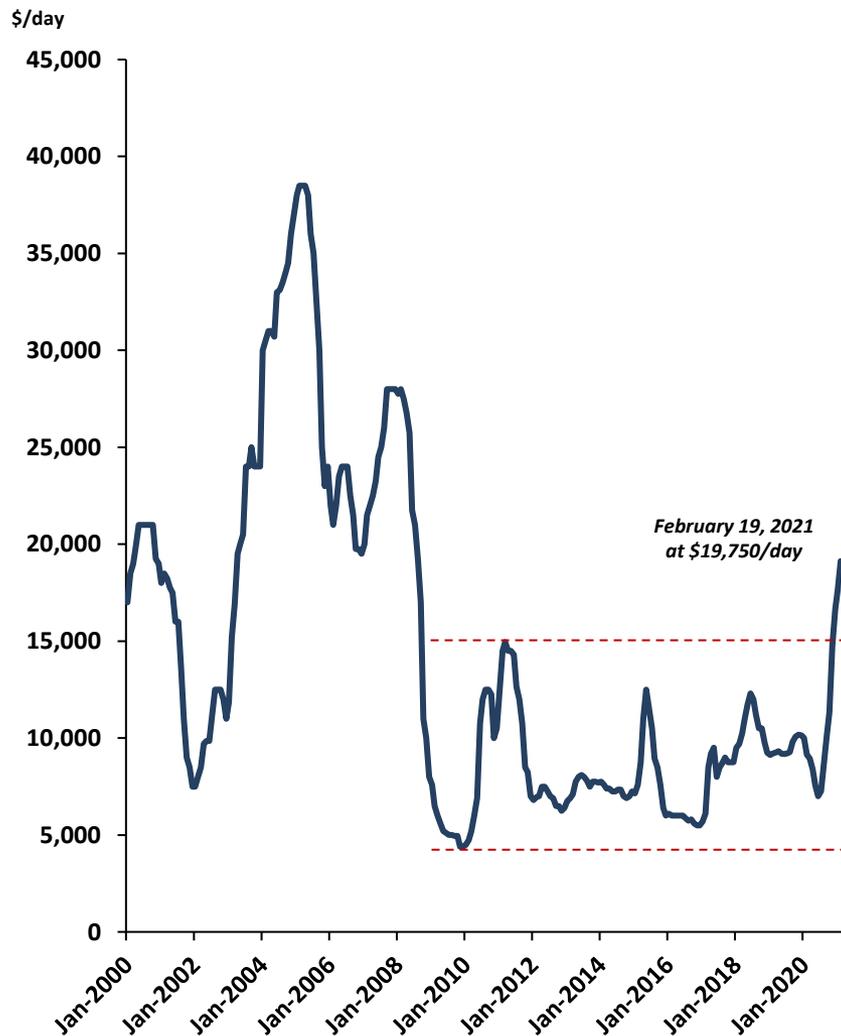
(*) Percentage figures for years 2021, 2022 and 2023 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Outlook Summary

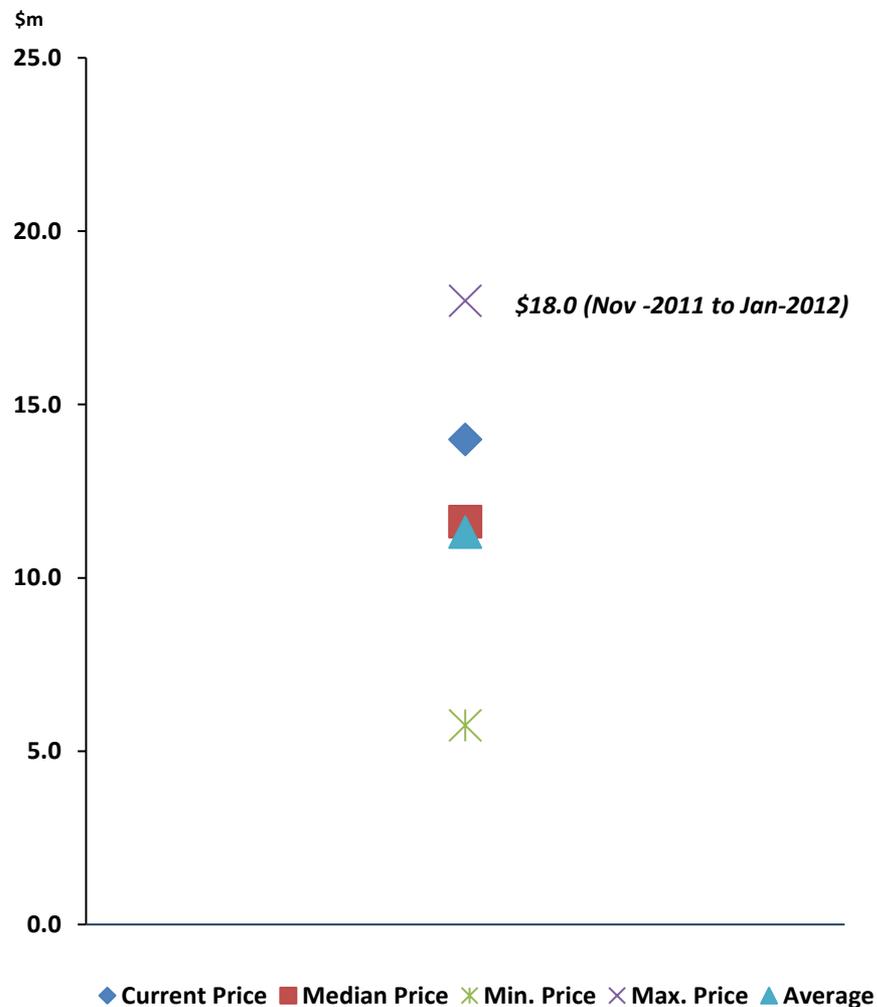
- The unknown duration of the pandemic and its financial consequences render any type of modeling very difficult; however, if the vaccines help provide a containment of COVID-19 in the developed world by H1 2021, as widely anticipated we can expect significant global demand growth
- In 2021, overall demand is expected to be significantly stronger than 2020 and higher than the supply growth. This, of course, supports optimism for even stronger rates; however, we have already seen significant rate appreciation over the last three months, surpassing the highest levels of the last decade, so a modest correction if and when logistical bottlenecks ease cannot be ruled out
- Longer term fundamentals are hard to predict and, as always, will depend a lot on the vessel ordering rate and the rate of growth of demand for containerships. Deliveries from the existing orderbook scheduled for 2022 remain extremely small (even smaller than 2023!) creating a positive environment which is likely to lead to a continuation of the good market and perhaps a further strengthening during 2022
- For 2023 onwards it is too early to make a call. New ordering has resumed in the last months, especially for bigger vessels, but still the orderbook remains at historically low levels. For vessels in the sub-5,000 teu segments it remains very small at about 4% of the fleet

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: Fourth Quarter and Twelve Months 2019 and 2020

<i>(in million USD except per share amounts)</i>	Fourth Quarter		Change	Twelve Months		Change
	2019	2020	%	2019	2020	%
Net Revenues	13.3	12.0	-9.6%	40.0	53.3	33.2%
Net (Loss) / Income	(0.8)	0.6		(1.7)	4.0	
Preferred & Preferred Deemed Dividends	(0.2)	(0.2)		(1.8)	(0.7)	
Net (Loss) / Income attributable to Common Shareholders	(0.9)	0.41		(3.5)	3.3	
Interest & Finance Costs, net ⁽¹⁾	(1.1)	(0.8)		(3.7)	(4.1)	
Loss on debt extinguishment	0.0	(0.5)		0.0	(0.5)	
Depreciation	1.5	1.6		4.2	6.6	
(Gain) / Loss on Sale of Vessels	0.0	(1.1)		0.0	(2.3)	
Amortization of below market charters	(0.7)	(0.2)		(0.9)	(1.7)	
Unrealized Loss (Gain) On Derivatives	0.0	0.0		(0.0)	0.6	
Adjusted EBITDA ⁽²⁾	1.2	2.1	76%	5.3	11.8	124%
Adj. Net (Loss)/Income attributable to Common Shareholders	(1.6)	(1.0)		(4.4)	(0.1)	
Weighted average numbers of shares, basic and diluted	5,036,122	6,149,300		2,861,928	5,753,917	
Adj. Net (Loss)/Income per share, basic and diluted	(0.32)	(0.16)		(1.52)	(0.02)	
Adj. Net (Loss)/Income includes "Loss on debt extinguishment" per share	0.00	(0.08)		0.00	(0.08)	

Notes:

1) Including interest income

2) See press release of February 24, 2021 for Adjusted EBITDA reconciliation to Net Income / (Loss)

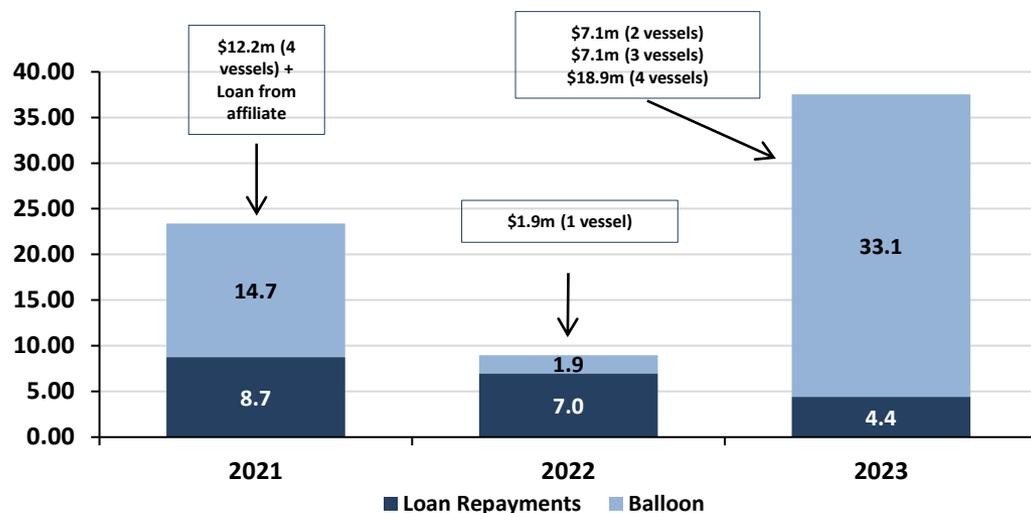
Fleet Data: Fourth Quarter and Twelve Months 2019 and 2020

<i>(in million USD except per share amounts)</i>	Fourth Quarter		Twelve Months	
	2019	2020	2019	2020
Number of vessels	16.8	14.4	13.1	17.2
Utilization Rate⁽¹⁾				
Operational	99.7%	96.3%	99.9%	98.0%
Commercial	100.0%	98.5%	99.2%	97.5%
Overall	99.7%	94.8%	99.1%	95.5%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$9,086	\$10,497	\$8,762	\$9,445
Operating Expenses				
Vessel Oper. Exp.exlc. DD exp.	5,839	6,586	5,783	5,949
G&A Expenses	343	578	511	482
Total Operating Expenses	\$6,182	\$7,164	\$6,294	\$6,431
Interest Expense	744	976	802	732
Drydocking Expense	990	75	568	85
Loan Repayments without Balloons	1,217	0	1,206	1,063
Preferred dividend in cash	104	-	201	46
Breakeven/day	\$9,237	\$8,215	\$9,071	\$8,357

- (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 59.5 and 73.1 and 102.3 and 283.4 for the fourth quarter and twelve months of 2019 and 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

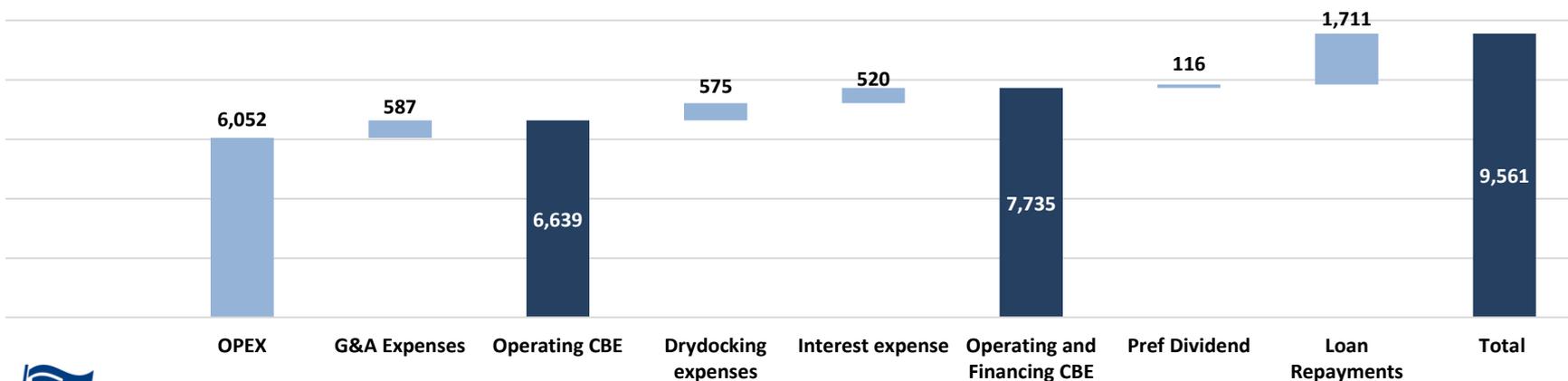
Debt Repayment Profile



Cost of funding:

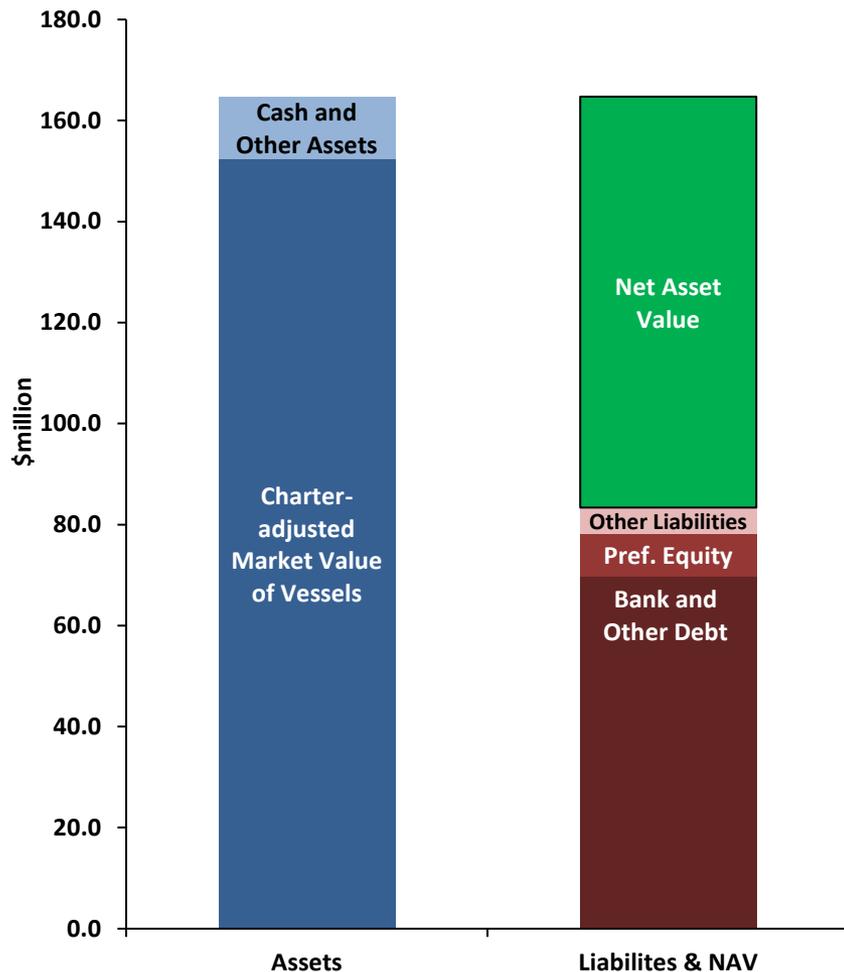
As of December 31, 2020, Euroseas has outstanding bank debt of \$69.8m with average margin of about 3.4%; assuming LIBOR of 0.3%, our cost of senior debt is 3.7%. Including a junior loan from an affiliate and the preferred stock, treated as (junior) debt, our combined cost of non-equity funding is around 4.5%

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



Balance Sheet Highlights

Euroseas Capital Structure (12/31/20) Proforma Feb-21 Market Values



Notes

Assets

- Cash & Other assets: \$12.2m
- Vessels book value: \$98.5m
- Total assets (at book value): \$110.7m

Liabilities

- Bank & other debt: \$69.8m
- Preferred Equity: \$8.4m
- Other liabilities: \$5.2m

Net Asset Value

- Using the charter-adjusted market value of vessels estimated in the range of \$150-155m^(*)
=> Net Asset Value around \$80m, or, around \$12/share
- Recent share price trading range of \$8 to \$11/share represents a discount to the value of the company

() Based on Company estimates as of mid- February 2021*

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