



Earnings Presentation

Quarter Ended December 31, 2022

February 15, 2023



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

		Q4 2022
	Net Revenues	42.9
	Net Income Attributable to Common Shareholders	20.3
	Adj. Net Income	2.86/ share ⁽²⁾
	Attributable to Common Shareholders ⁽¹⁾	17.7
	Adj. EBITDA ⁽¹⁾	22.9

1) See press release of Feb 15, 2023 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 March 16, 2023 to shareholders of record on March 09, 2023.
- As of February 14, 2023, we had repurchased 251,685 of our common stock in the open market for about \$5.3 million, under our share repurchase plan of up to \$20 million announced in May 2022.

Recent S&P, Chartering & Operational Highlights

➤ S&P:

- Sold M/V Akinada Bridge for \$14.2 million. The vessel was delivered to the cash buyers, on January 09, 2023.

➤ Chartering:

- **Joanna:** fixed for 5-7 months @ \$14,500
- **Aegean Express:** Around the completion of the vessel's drydock, the charterers repudiated the vessel's charter. The Company is pursuing legal action and has entered into negotiations seeking a replacement charter.

➤ Idle period/commercial off-hire:

- None this quarter

➤ Drydockings and Repairs:

- **Spetses:** 28.91 days
- **Aegean Express:** 114 days (Oct 15, 2022 – Feb 06, 2023)

Current Fleet Profile

Current fleet is comprised of 17 vessels with an average age of 17.5⁽¹⁾ years and a carrying capacity of 53.3k TEU



10x Feeder
Avg. Age: 20.2 years⁽¹⁾
Carrying Capacity: 21.4k TEU



7x Intermediate
Avg. Age: 15.7 years⁽¹⁾
Carrying Capacity: 31.9k TEU

Name	Type	DWT	Size		Year
			TEU	Built	
On the water fleet					
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
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	17	666,038	53,261		17.5



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

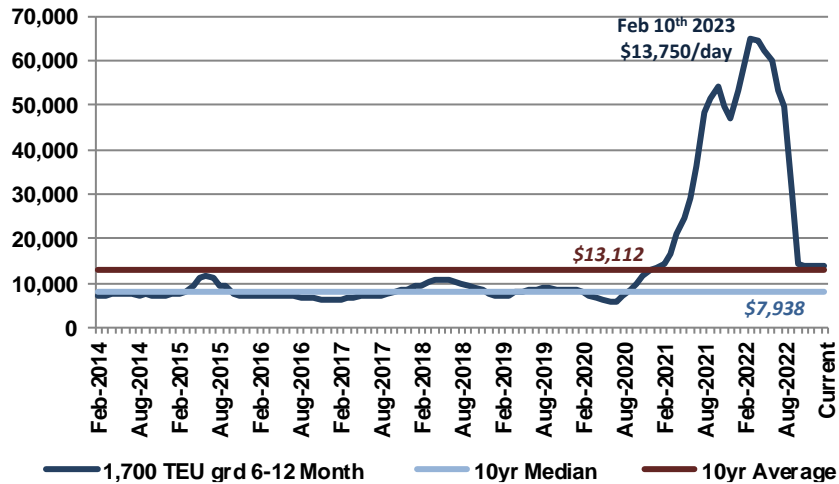
Name	Type	DWT	Size		To be Delivered
				TEU	
<i>Vessels under construction</i>					
Gregos (H4201)	Feeder	37,237		2,800	Q1 2023
Terataki (H4202)	Feeder	37,237		2,800	Q2 2023
Tender Soul (H4236)	Feeder	37,237		2,800	Q4 2023
Leonidas Z (H4237)	Feeder	37,237		2,800	Q1 2024
Monica (H4248)	Feeder	22,262		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	



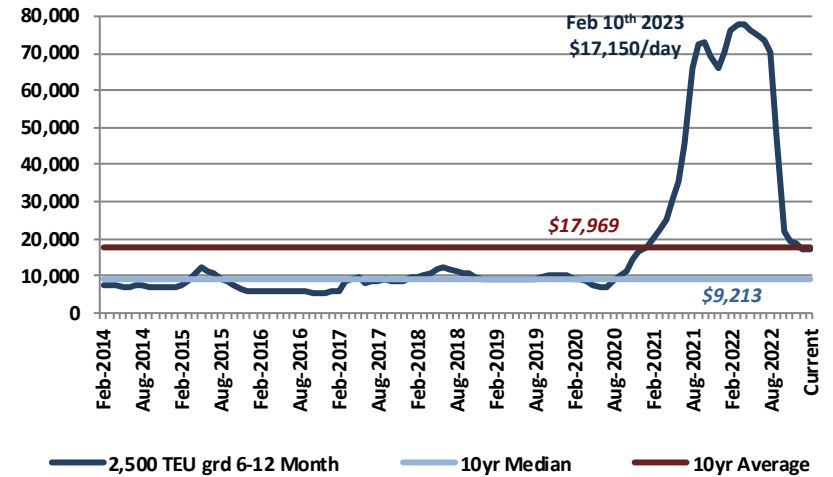
Market Overview

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

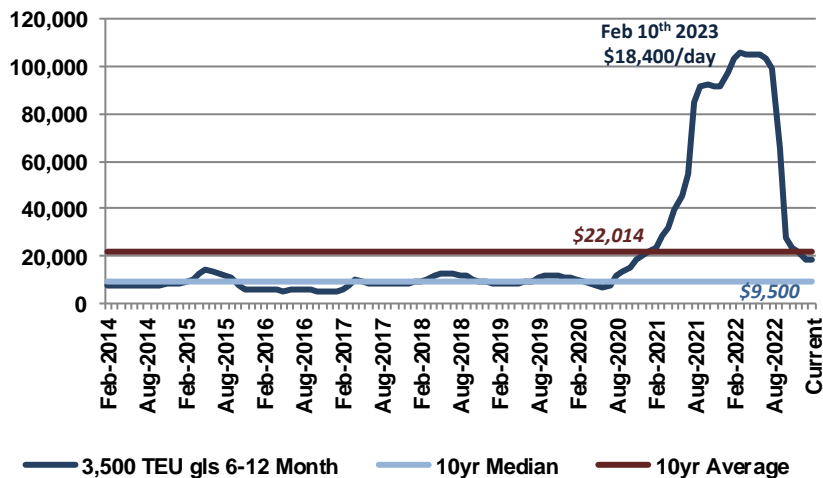
1,700 TEU grd



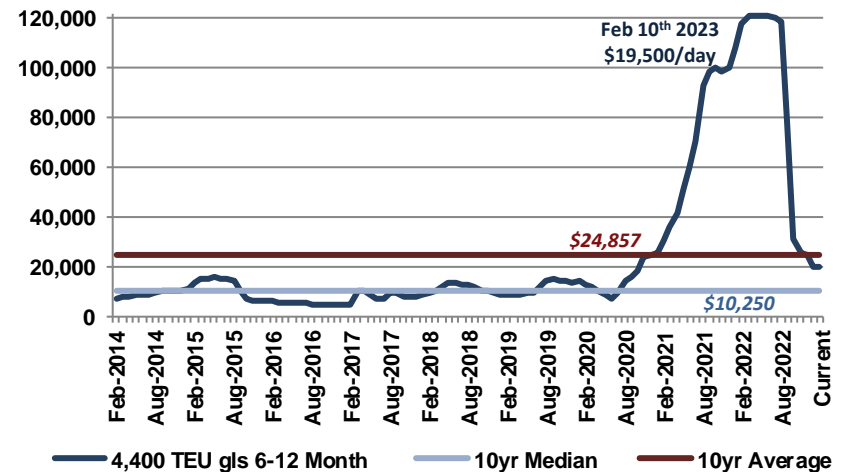
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q4 2022

- One-Year time charter rates across all segments have generally seen a pronounced drop over the past 3 months but are still well above the 12-year historical median.
 - Average rates (\$/day) during Q4 were down by about 70% compared to Q3 and fell by another 15% - 25% during January. In the last couple of weeks the Contex index seems to be stabilizing.
- Average secondhand price index decreased on average by about 46% in 22Q4 over 22Q3
 - The containership secondhand sales activity was quieter in 22Q4 as the major macroeconomic uncertainty and weak demand trends diminished appetite for any investments.
- Newbuilding price index was decreased by 1.2% in 22Q4 over 22Q3.
 - Newbuilding prices remain firm despite the growing negative market sentiment.
- Idle fleet: 0.57m teu as of January 16, 2023, or 2.2% of the fleet, the number increases gradually since last year.
- Recycling Activity: 11 vessels accounting for 16,000teu were sent to scrapyards in 2022
 - There has been a little more activity in the containership recycling market towards the end of the year. Containership recycling is expected to increase in 2023 and 2024 amid weaker market conditions, supply pressure from fleet growth, and the introduction of new environmental regulations.
 - Scrapping prices softened a little in 2022Q4 at ~\$550/lwt but still ~35% above the 2019 average as currency depreciations and softening steel markets locally, had a clear impact
- The fleet has grown by 4.0% in 2022 (without accounting for idle vessels reactivation)

World GDP & Shipping Demand Growth

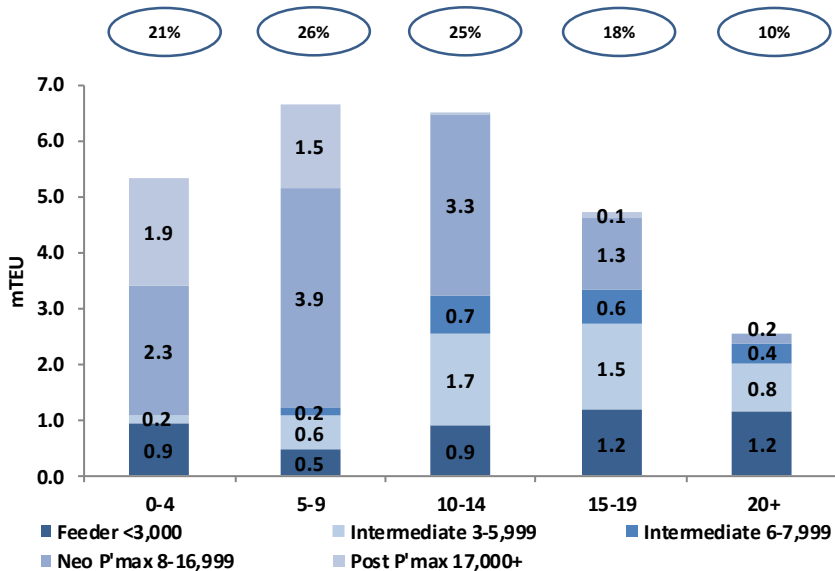
Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021	2022e	2023p	2024p
USA	2.6	1.5	2.	2.9	2.3	-3.5	5.9	2.0(1.6)	1.4(1.0)	1.0
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.3	3.5(3.1)	0.7(0.5)	1.6
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.1	1.4(1.7)	1.8(1.6)	0.9
China	6.9	6.7	6.8	6.6	6.1	2.3	8.4	3.0(3.2)	5.2(4.4)	4.5
India	7.6	7.1	6.7	7.1	4.2	-8.0	8.7	6.8(6.8)	6.1(6.1)	6.8
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.7	-2.2(-3.4)	0.3(-2.3)	2.1
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.0	3.1(2.8)	1.2(1.0)	1.5
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	3.8	5.2(5.3)	4.3(5.1)	4.7
World	3.4	3.2	3.7	3.6	2.9	-3.3	6.2	3.4(3.2)	2.9(2.7)	3.1

Containerized Trade (% p.a.)	2015	2016	2017	2018	2019	2020	2021	2022e	2023p	2024p
TEU/miles	1.5	4.0	5.6	3.6	2.3	-1.6	6.8	-5.0(-1.6)	-0.3(1.7)	3.1

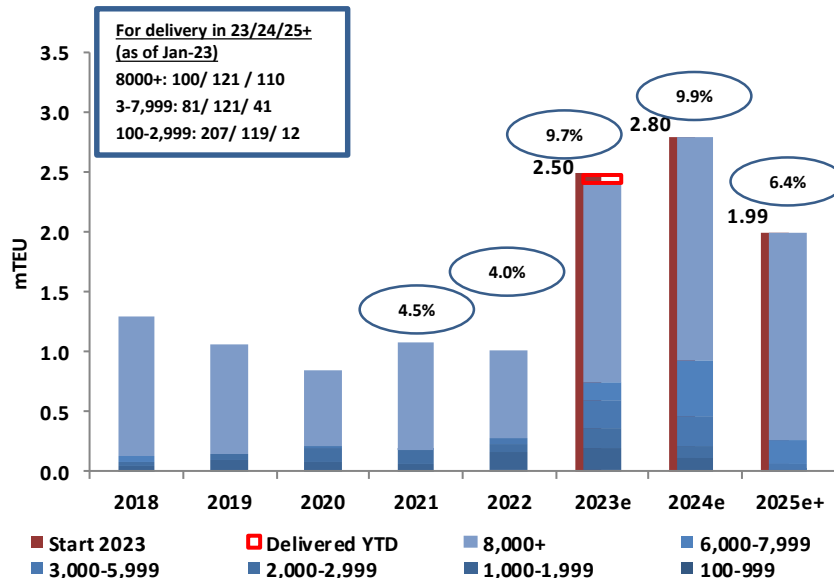
Trade and growth projections are being continuously revised as the effects of geopolitical tensions between Russia and Ukraine on world growth and trade are being assessed.

Age Profile and Orderbook, Total Fleet

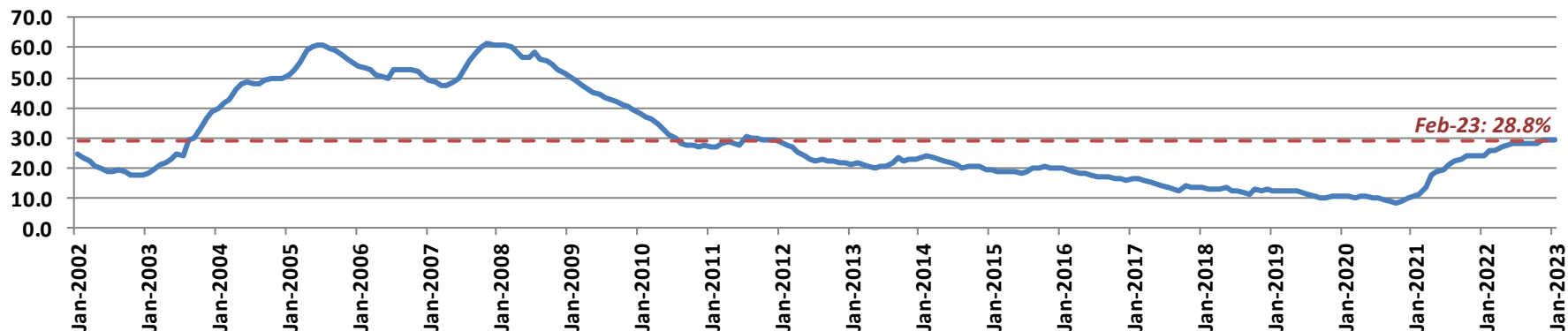
Age Profile



Containership Orderbook



Orderbook as % of fleet

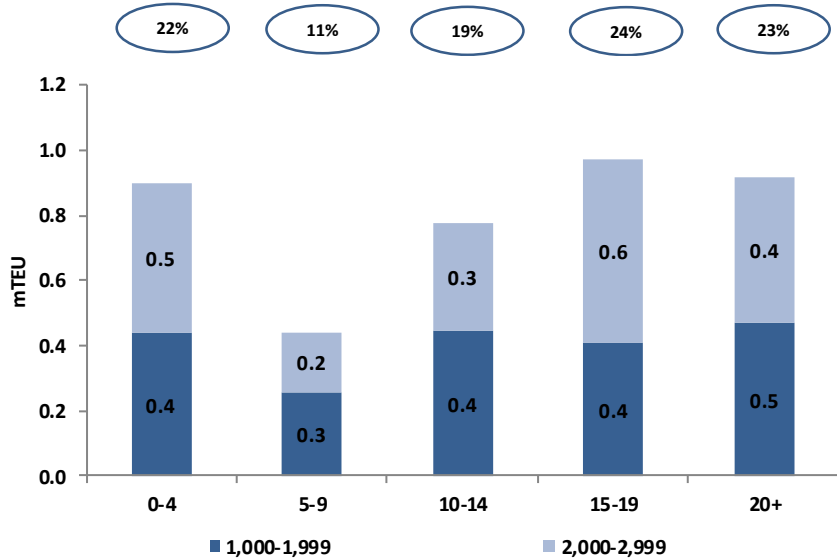


Source: Clarksons Research

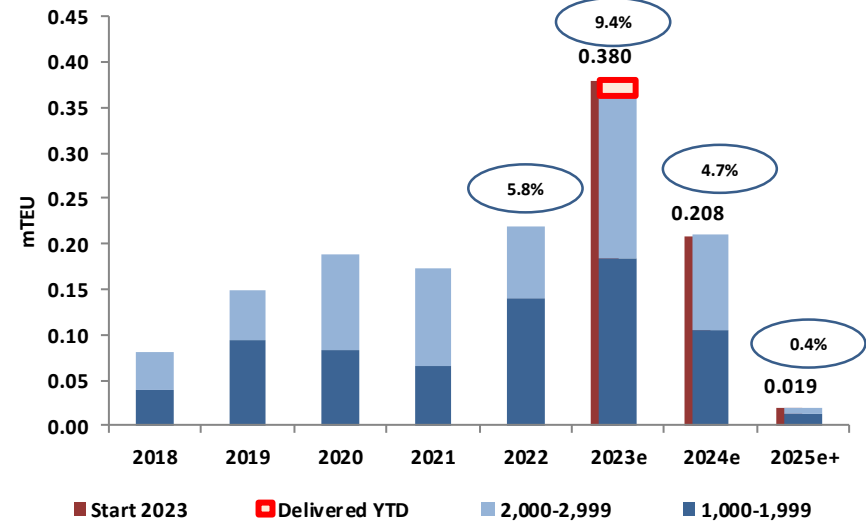
(*) Percentage figures for years 2023-2025 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Fleet Age Profile and Orderbook, 1000-3000 TEU

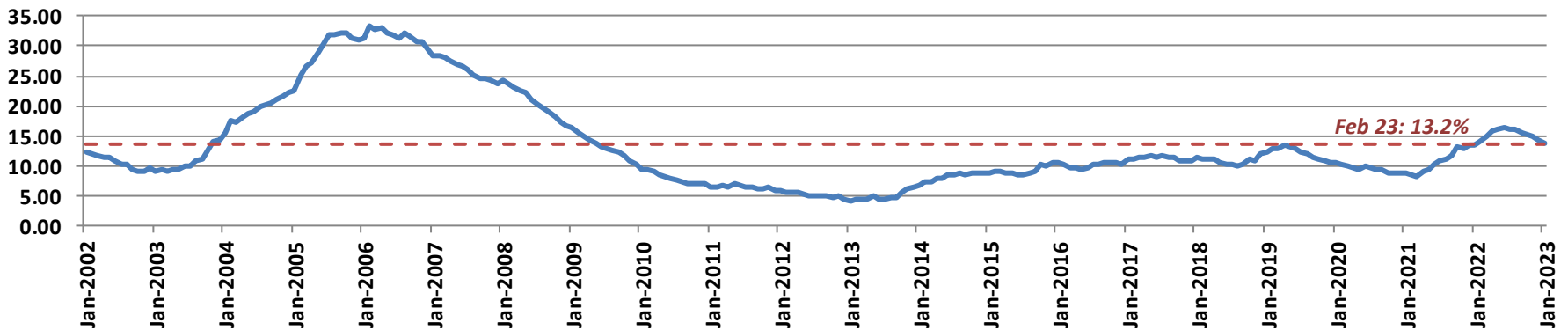
Age Profile



Containership Orderbook



<3,000 TEU Orderbook as % of fleet



Source: Clarksons Research

(*) Percentage figures for years 2023-2025 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

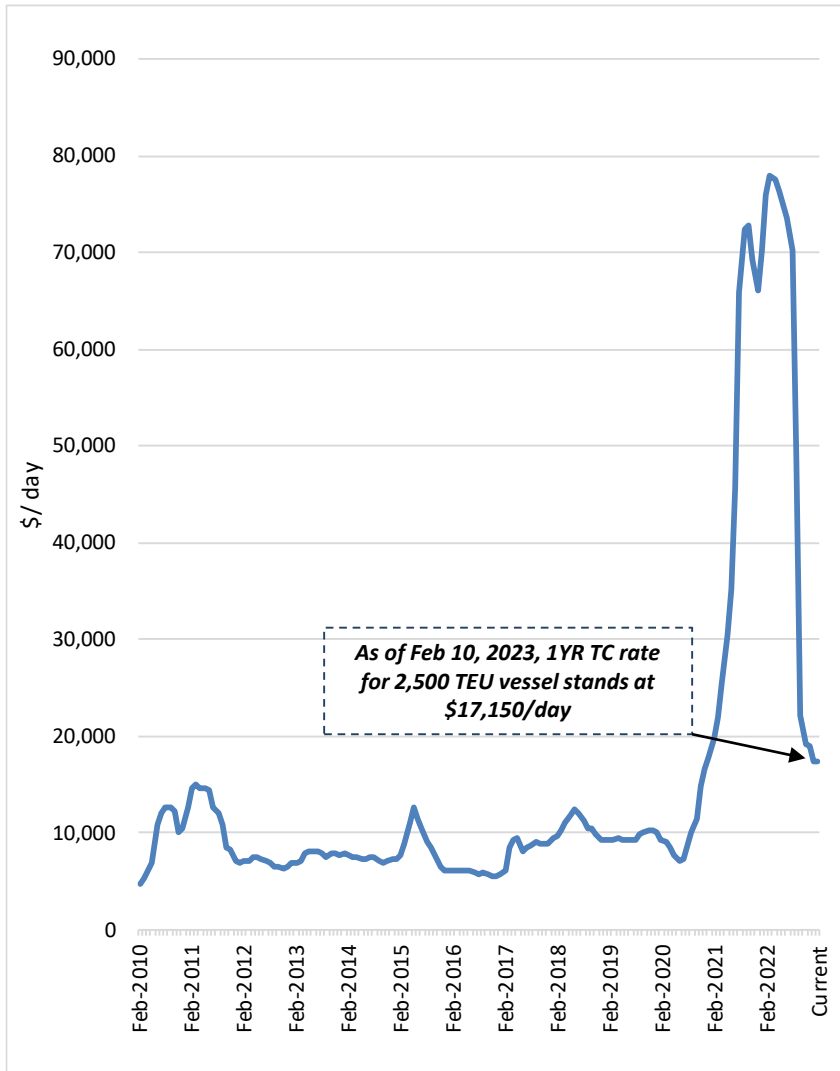


Outlook Summary

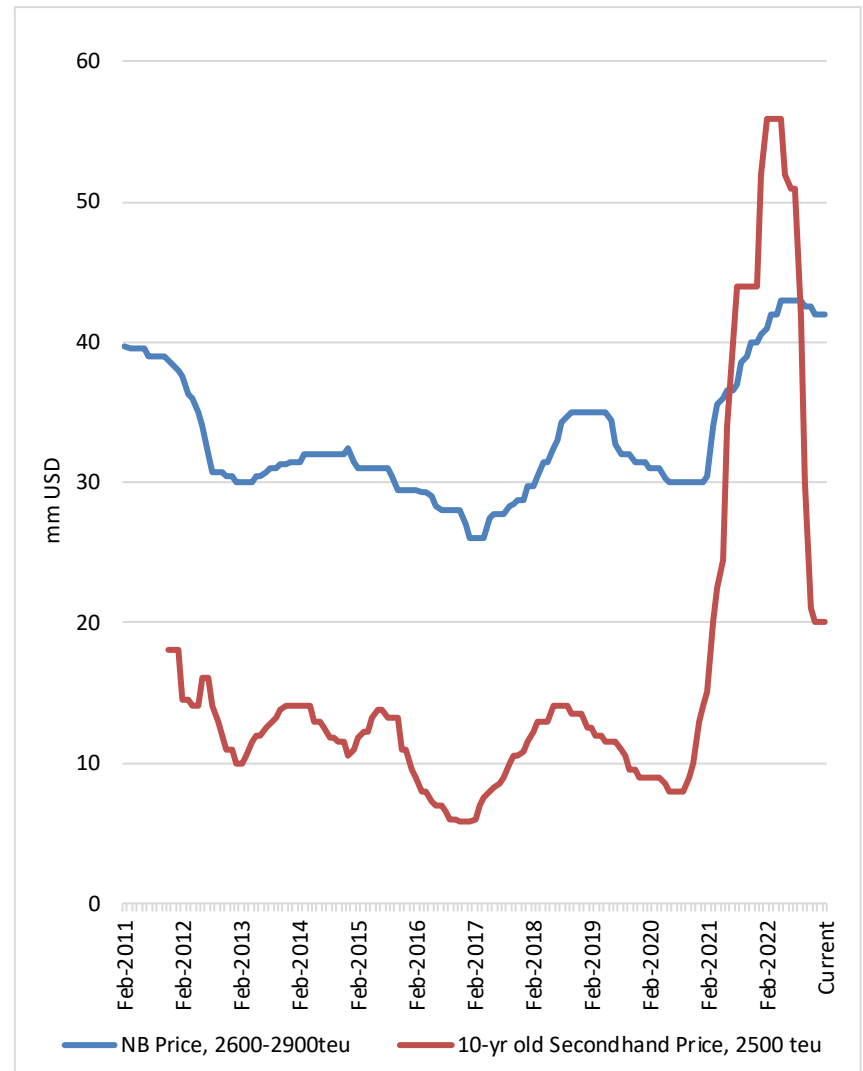
- Political and economic insecurity affected container shipping with freight rates dropping dramatically in November and December 2022 with TC rates returning towards more “normal” levels from the exceptional highs seen in 2021-2022H1.
 - The container freight index continued to weaken, falling 80% from the Jan-22 peak, and just 6% above the pre-COVID 10yr average.
 - Container shipping market is under clear pressure, with trade volumes falling by 9.4% y-o-y. Pressure has been amplified by excess retail inventories which have reduced new shipments, alongside underlying economic headwinds and impacts on consumer activity from inflation and a “cost of living” crisis.
 - Reversal of port congestion “released” a good portion of the fleet tied up in ports increasing effective supply
- In 2023, market conditions are generally expected to soften further, with rates expected to continue to move towards and, potentially, below typical historical average levels as strong supply expansion in the next 6-24 months is likely to increase pressure.
- From 2024 onwards, a number of developments –yet quite difficult to assess- could come into play
 - Geopolitical developments, like the Ukraine-Russia war and its aftermath & other global tensions, and overall economic conditions could significantly shape the demand for containerized trade
 - In addition, new environmental regulations about greenhouse gas emissions will probably result in more slow steaming by 2023/24, effectively, removing capacity from the market therefore moderating /improving any impact on the market.
 - The spread between charter rates achieved by eco-vessels is expected to further increase.
- The smaller size vessels from 1,000 – 6,000 TEU are expected to perform relatively better due to their healthier supply situation (many overaged ships that will be scrapped and lower orderbook).
 - Without doubt, though, cascading of larger vessels to trades currently served by this size group fleet could mitigate any differences to an extent.

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: Fourth Quarter and FY of 2021 and 2022

<i>(in million USD except per share amounts)</i>	Fourth Quarter		Change %	Twelve Months		Change %
	2021	2022		2021	2022	
Net Revenues	38.25	42.89	12.1%	93.89	182.69	94.6%
Net Income	22.76	20.34		42.96	106.24	
Preferred & Preferred Deemed Dividends	0.00	0.00		(0.60)	0.00	
Net Income attributable to Common Shareholders	22.76	20.34	-11%	42.36	106.24	151%
Interest & Finance Costs, net ⁽¹⁾	0.78	1.35		2.78	4.81	
Depreciation	2.41	5.35		7.20	18.52	
(Gain) / Loss on Sale of Vessels				0.01		
Amortization of below market charters	(0.23)	(3.88)		(0.23)	(10.83)	
Unrealized Loss (Gain) On Derivatives	0.45	(0.24)		0.03	(4.36)	
Adjusted EBITDA⁽²⁾	26.17	22.91	-12%	52.75	114.39	117%
Adj. Net Income attributable to Common Shareholders	23.03	17.72	-23%	42.09	95.01	126%
Weighted average numbers of shares, diluted	7,244,042	7,100,432		6,993,405	7,190,107	
Adj. earnings per share, diluted	3.18	2.50	-21%	6.02	13.21	119%

Notes:

1) Including interest income

2) See press release of Feb 15, 2023 for Adjusted EBITDA reconciliation to Net Income

Fleet Data for the Fourth Quarter and FY of 2021 and 2022

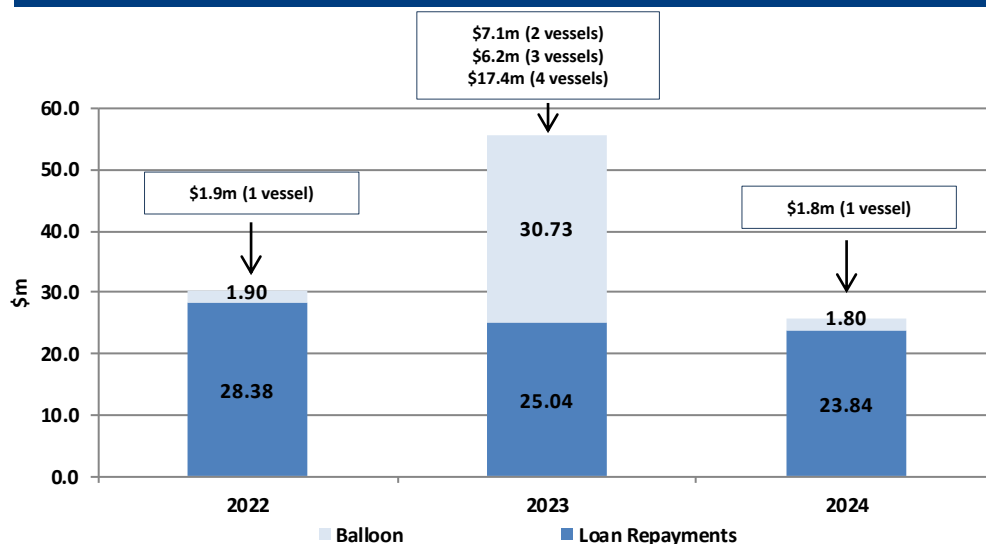
<i>(in million USD except per share amounts)</i>	Fourth Quarter		Twelve Months		
	2021	2022	2021	2022	
Number of vessels	15.01	18.00	14.25	17.12	
Utilization Rate⁽¹⁾					
	Operational	98.5%	95.1%	98.5%	98.4%
	Commercial	100.0%	100.0%	100.0%	99.9%
	Overall	98.5%	95.1%	98.5%	98.3%
<i>(usd/day/vessel)</i>					
Time Charter Equivalent (TCE)⁽²⁾	\$30,068	\$29,399	\$19,327	\$31,964	
Operating Expenses					
	Vessel Oper. Exp.exlc. DD exp.	6,807	6,938	6,541	6,816
	G&A Expenses	901	999	671	732
Total Operating Expenses	\$7,708	\$7,937	\$7,212	\$7,548	
	Interest Expenses	562	964	534	807
	Drydocking Expenses	866	2,008	787	1,521
	Loan Repayments without Balloons	2,814	4,665	2,167	4,550
	Preferred dividend in cash	0	0	83	0
Breakeven/day	\$11,950	\$15,574	\$10,782	\$14,426	
	Common dividend	0	2,165	0	1,689

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 31.1 days and 88.4 days for the fourth quarter and full year of 2021 respectively and 121.4 days and 294.4 days for the fourth quarter and full year 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:

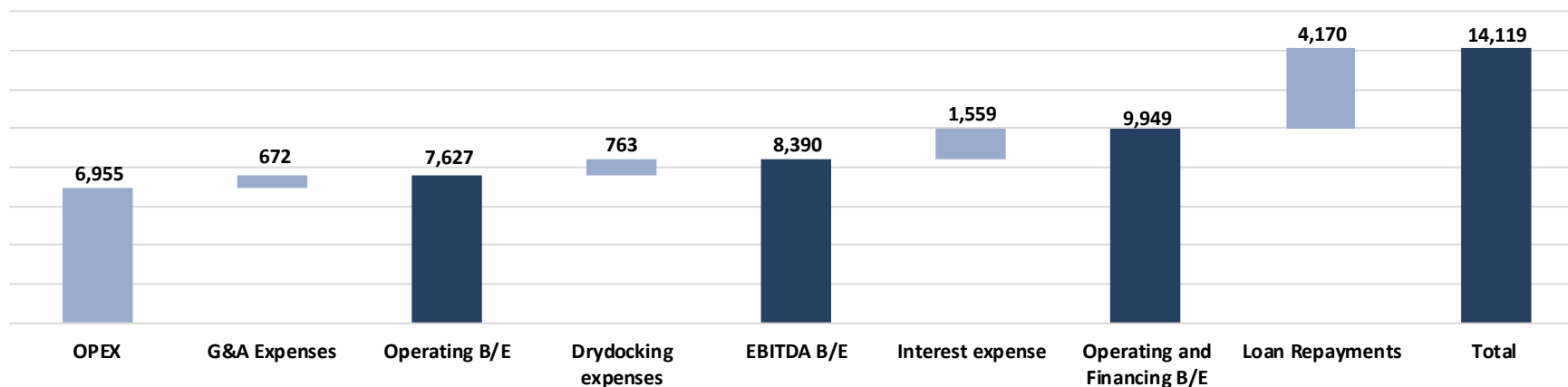
Outstanding bank debt of \$108m with average margin of about 2.85%; assuming 3M LIBOR ⁽¹⁾ of 4.81%, our cost of senior debt is 7.66%

- Including the cost of interest rate swaps, the total cost of our debt is approximately 5.95% as about 56% of our debt is "hedged" at an average of 1.7%

Newbuilding financing:

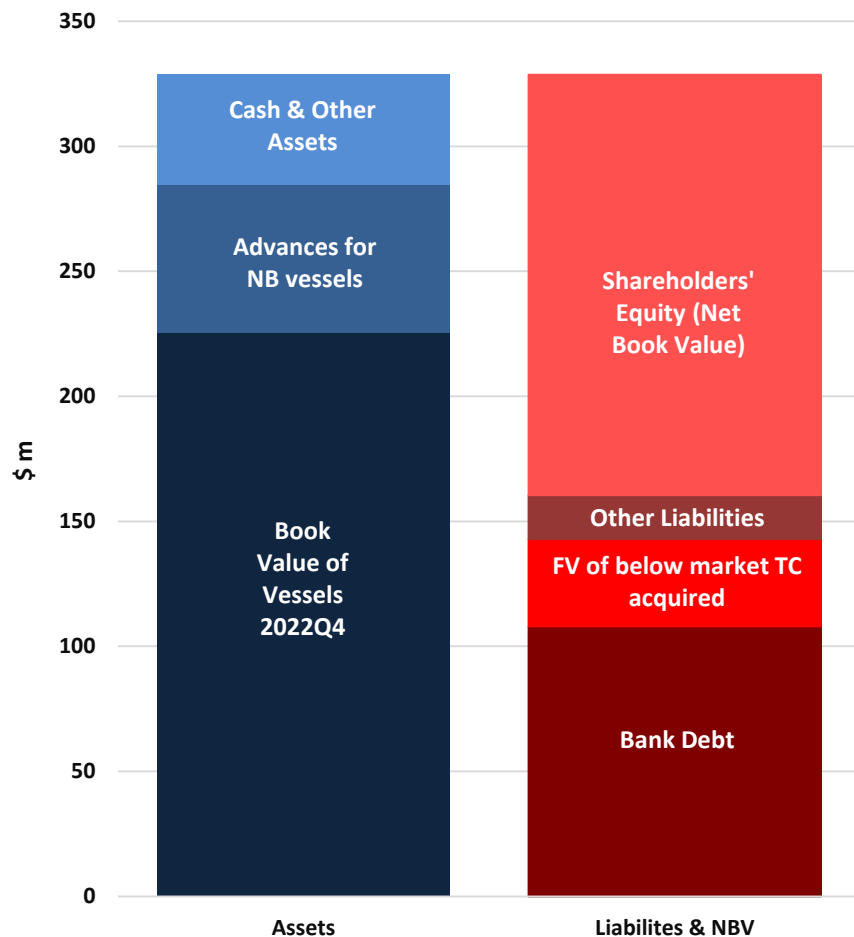
Additional debt - estimated around \$200-220m - will be assumed to finance the newbuilding program

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



Balance Sheet Highlights

Euroseas Capital Structure (12/31/22)



Notes

Assets

- Cash & Other assets: \$44.0m
- Advances for NB vessels: \$59.1m
- Vessels book value: \$225.5m (incl. "held for sale")
- Total assets (at book value): \$328.6m

Liabilities

- Bank & other debt (net of deferred charges): \$108.0m, i.e. ~32.9% of total book value of assets
- FV of below market TC acquired: ~\$34.9m, i.e. ~10.6% of total book value of assets
- Other liabilities: ~\$17.5m, i.e. ~5.3% of total book value of assets

Net Asset Value

- Using the charter-adjusted market value of vessels and the net change of newbuilding contracts estimated about \$366.3m⁽¹⁾
=> Net Asset Value around \$344m, or around \$48.4/share
- Recent share price trading around \$19/share represents a significant discount to the value of the company

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