



Earnings Presentation

Quarter Ended December 31, 2023

February 21, 2024



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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2023 Fourth Quarter Financial Highlights

Financial Results

in million USD except per share figures

		Q4 2023
Net Revenues	49.1	
Net Income	24.7	3.56/ share ⁽²⁾
Adj. Net Income ⁽¹⁾	25.0	3.61/ share ⁽²⁾
Adj. EBITDA ⁽¹⁾	32.4	

1) See press release of Feb 21, 2024 for reconciliation of Adj. Net Income and Adjusted EBITDA to Net Income

2) Diluted

Dividend Declaration & Repurchase Program

- Declared a quarterly dividend of \$0.60 per share for the fourth quarter of 2023 payable on or about March 15, 2024 to shareholders of record on March 8, 2024 as part of the Company's common stock dividend plan. This represents a 20% increase to our prior dividend.
- As of February 21, 2024 we had repurchased 400,705 of our common stock (about 5.5% of shares outstanding) in the open market for a total of about \$8.2 million, under our share repurchase plan of up to \$20 million announced in May 2022

Recent S&P, Chartering & Operational Highlights

➤ Newbuilding

- **M/V Tender Soul** was delivered on February 6, 2024. Following her delivery, she commenced an eight-to-ten month charter with Maersk @ \$17,000/day.

➤ Chartering

- **MV Aegean Express**: Fixed for min 10days- max 15days @ \$7,000/day, then extended for 1-2 months @ \$7,000/day until February 2024 and then fixed for min 35days - 55days @ \$7,000/day
- **MV Synergy Antwerp**: Extended for 40-60 days @ \$18,250/day until February 2024 and, subsequently, fixed at \$2/day for a trip with empty containers to the shipyard to have her scheduled drydocking performed
- **MV Joanna**: Extended for min 25th April - max 25th May 2024 @ \$10,250/day

➤ Idle period/commercial off-hire

- None

➤ Scheduled Drydockings

- **MV Synergy Busan**: 25.4 days (1/ Dec/ 2023 – 26/ Dec/ 2023); Retrofits worth about \$1.6m were also performed, partially funded by the charterers, resulting in a 20%+ improvement in the vessel's performance
- **MV Synergy Oakland**: 18.5 days (31/ Dec/ 2023 – 19/ Jan/ 2024)

Current Fleet Profile

Current fleet is comprised of 20 vessels with an average age of 16.1⁽¹⁾ years and a carrying capacity of 61.7k TEU



13x Feeder
Avg. Age: 15.44 years⁽¹⁾
Carrying Capacity: 29.8k TEU



7x Intermediate
Avg. Age: 16.7years⁽¹⁾
Carrying Capacity: 31.9k TEU

Name	Type	Size		Year
		DWT	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
Tender Soul	Feeder	37,237	2,800	2024
Gregos	Feeder	37,237	2,800	2023
Terataki	Feeder	37,237	2,800	2023
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	20	777,749	61,661	16.1

Note:

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

Vessels Under Construction

Six vessels with capacity of 13,800 teu to be delivered during 2024



*3x Feeders
Carrying Capacity: 2,800 teu each*

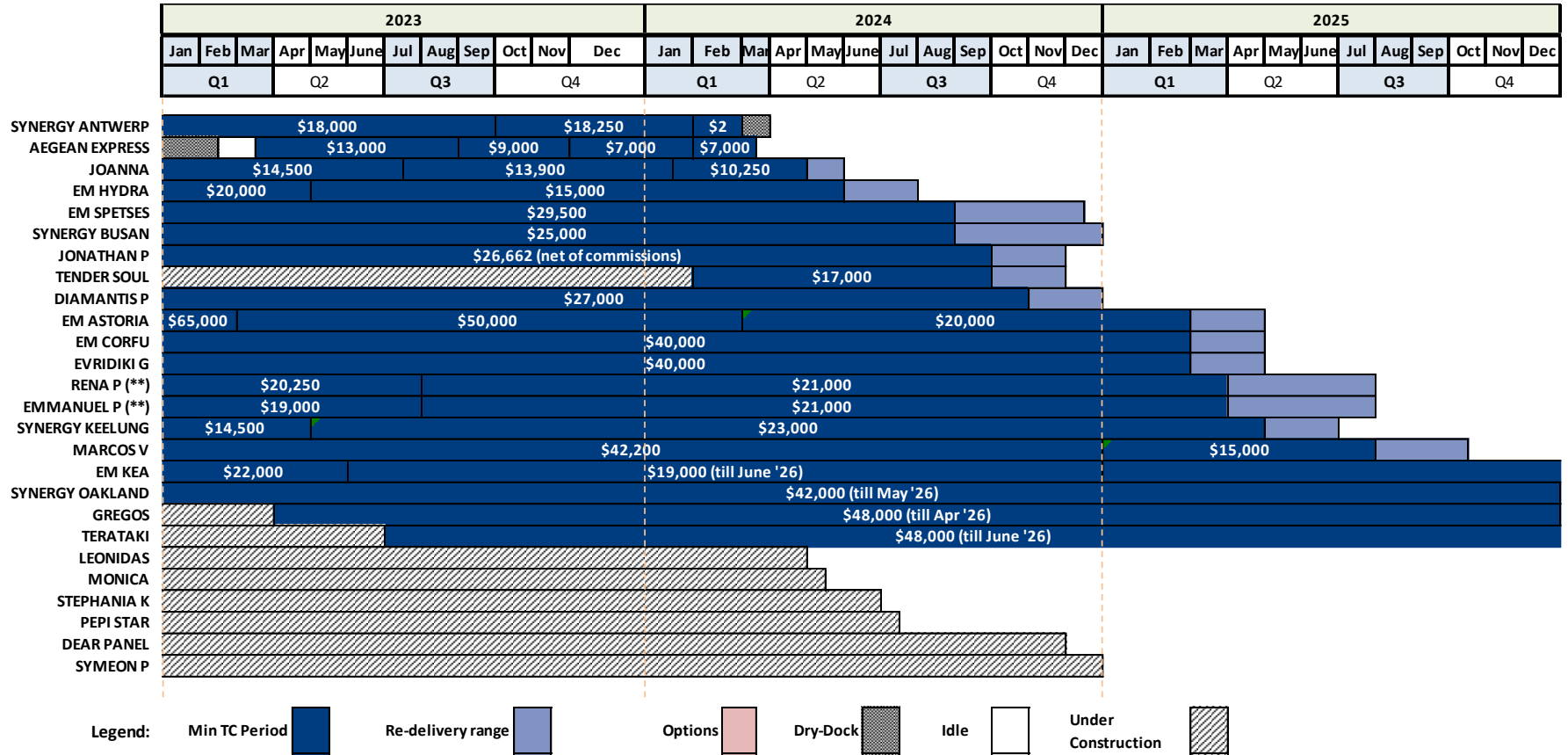


*3x Feeders
Carrying Capacity: 1,800 teu each*

Name	Type	DWT	Size TEU	To be Delivered
<i>Vessels under construction</i>				
Leonidas Z (H4237)	Feeder	37,237	2,800	Q2 2024
Monica (H4248)	Feeder	22,262	1,800	Q2 2024
Stephania K (H4249)	Feeder	22,262	1,800	Q2 2024
Pepi Star (H4250)	Feeder	22,262	1,800	Q3 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	6	178,497	13,800	

Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



Charter coverage is approximately 71% for 2024 and almost 23% for 2025



Source: Company

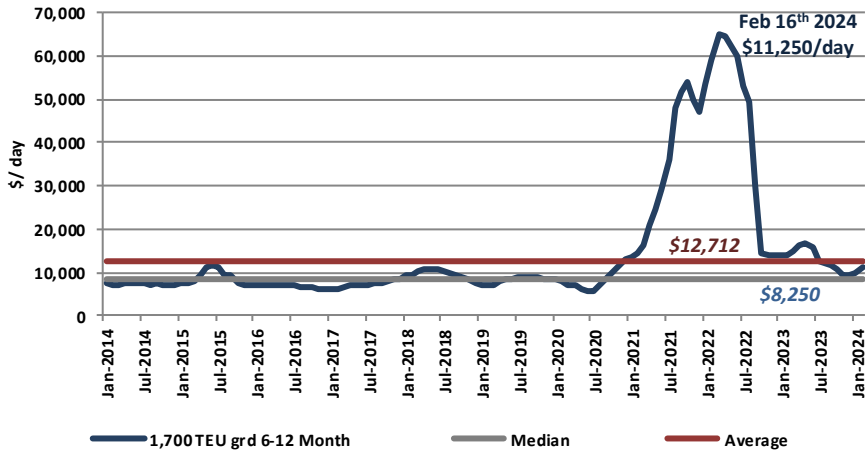
** A mutual agreement has been reached with ZIM to terminate the charters of MV Rena P and MV Emmanuel P within August and the ships have been fixed to OOCL.



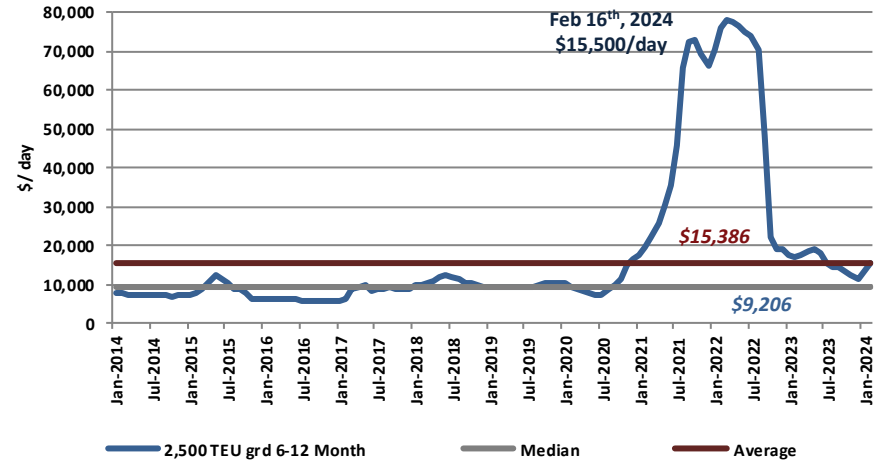
Market Overview

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

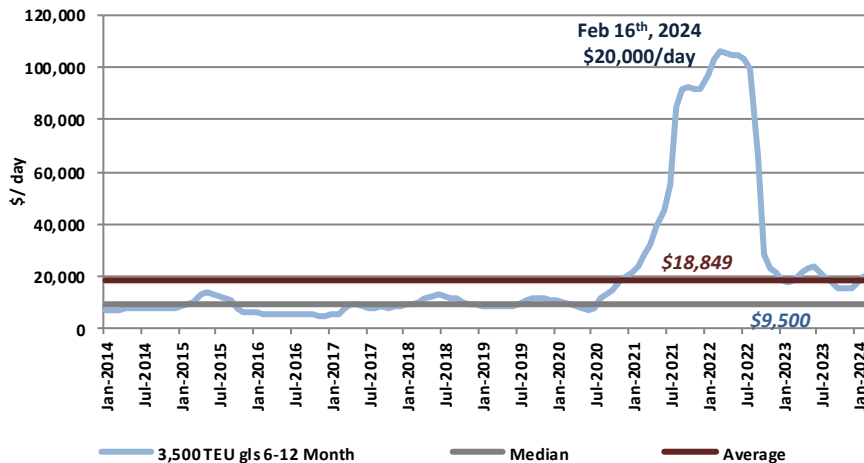
1,700 TEU grd



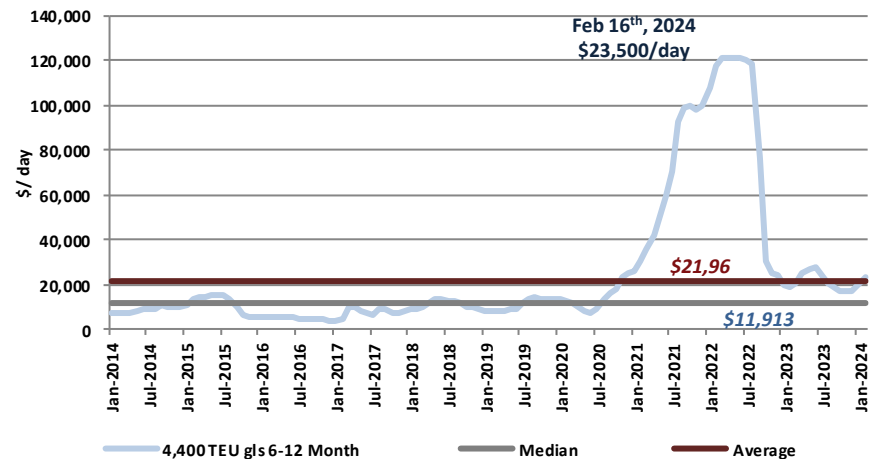
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q4 2023

- In 2023Q4, one-year time charter rates experienced declines across all segments, but the trend has reversed since December and charter rates increased approximately 35% to date.

- Average rates (\$/day) during 2023Q4 were down by 21% compared to 2023Q3 as shown in the table below:

Size (teu) / Type	23Q3 average	23Q4 average	Feb '24
1,700 geared	\$12,165	\$9,785	\$10,239
2,500 geared	\$14,788	\$12,204	\$15,684
4,400 g'less	\$21,454	\$16,981	\$23,550
6,800 g'less	\$36,808	\$26,538	\$34,806

- The February increase is attributed primarily to Red Sea Crisis which is still evolving, its full impact crisis yet to be seen.
- Average secondhand price index decreased on average by about 7.7% in 23Q4 over 23Q3 but now appear to be firming again.
 - Prices remained significantly below the 2022 peak levels but still above the pre-Covid average.
- Newbuilding price index remained unchanged in 23Q4 over 23Q3.
 - Newbuilding prices remain at elevated levels due to cost inflation and extended yard forward cover. While newbuild contracting has eased from the extremely firm levels seen during Covid-19, it remains relatively firm amid continued appetite from “cash-rich” liner companies renewing their fleets with alternative fuel vessels.
- Idle fleet excluding vessels under repair stands at 0.23m teu as of Jan 29,2024 (0.8% of the fleet)
 - It peaked at 0.8m teu in February 2023, trending downwards since.
- Recycling activity: 83 vessels accounting for 158,000teu were sent to scrapyards in 2023
 - Demolition remained moderate compared to historical standards in 2023 amid still historically healthy charter rates. It is generally expected to increase noticeably in the coming years as weaker markets, supply growth and environmental regulations add pressure.
 - Scrapping prices have softened slightly in 2023Q4 at ~\$535/lwt, still, though, ~30% above the 2019 average
- The fleet has grown by 8.1% in 2023 (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	2024p	2025p
USA	2.6	1.5	2.	2.9	2.3	-3.5	5.9	1.9	2.5(2.1)	2.1(1.5)	1.7(1.8)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.3	3.4	0.5(0.7)	0.9(1.2)	1.7(1.8)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.2	1.0	1.9(2.0)	0.9(1.0)	0.8(0.6)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.4	3.0	5.2(5.0)	4.6(4.2)	4.1(4.1)
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.1	7.2	6.7(6.3)	6.5(6.3)	6.5(6.3)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	5.6	-1.2	3.0(2.2)	2.6(1.1)	1.1(1.0)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.0	3.0	3.1(3.1)	1.7(1.5)	1.9(1.5)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	4.0	5.5	4.2(4.2)	4.7(4.5)	4.4(4.5)
World	3.4	3.2	3.7	3.6	2.9	-3.3	6.3	3.5	3.1(3.0)	3.1(2.9)	3.2(3.1)

Containerized Trade (% p.a.)	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024p	2025p
TEU/miles	1.5	4.0	5.6	3.6	2.3	-1.8	6.7	-5.1	1.6(0.9)	5.5(3.7)	0.8

Global economy remains slow and uneven. Major supply pressure expected over the next couple years in the container market, creating a challenging container freight environment, despite increased recycling projected, as demand headwinds persist due to economic and geopolitical issues.

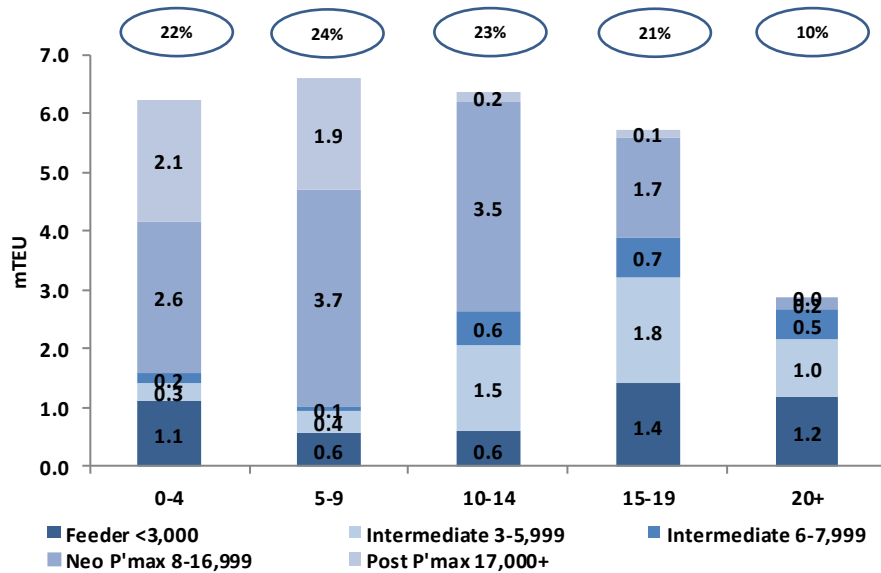
Sources:

GDP - International Monetary Fund: 2015-2022, 2023-25 IMF Estimates/Forecasts (Jan-24). In parentheses, previous estimates for 2022-25 (Oct-23).

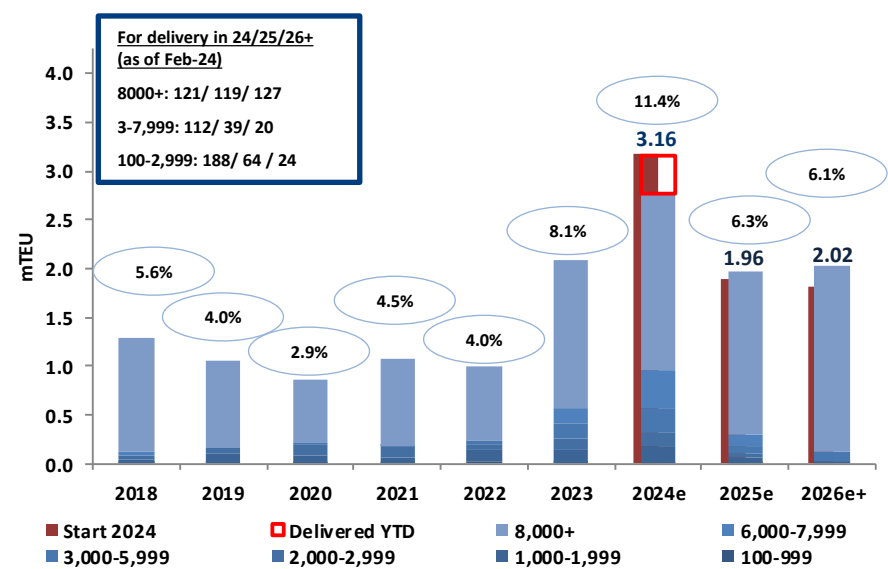
Trade - Clarksons: 2023-25 revised and fresh estimates and projections from Clarksons (Jan-24), figures in parentheses indicate previous Clarksons estimates (Oct-23)

Age Profile and Orderbook

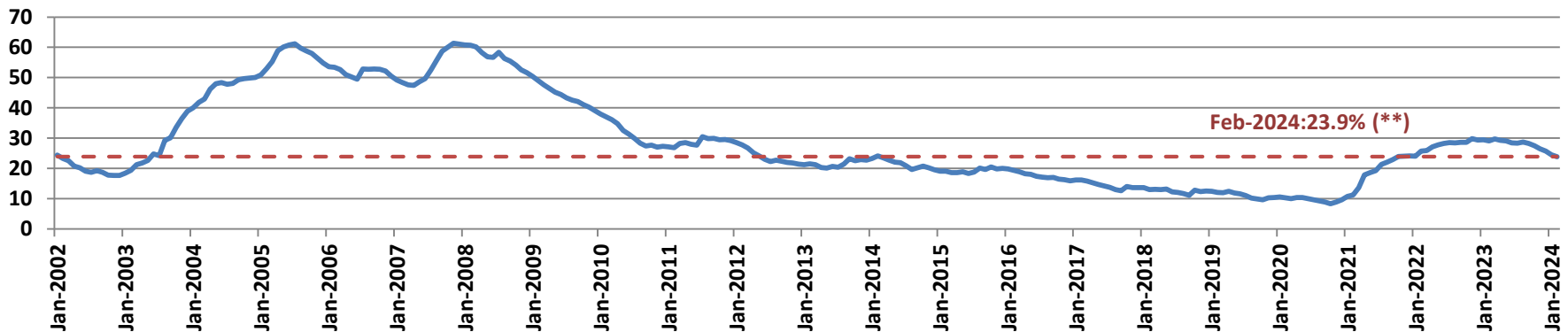
Age Profile



Containership Orderbook



Orderbook as % of fleet



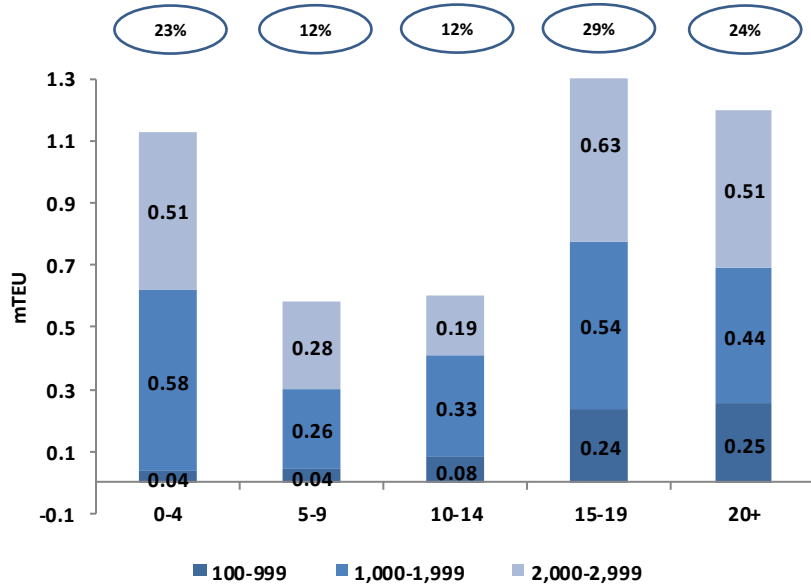
Source: Clarksons Research

(*) Percentage figures for years 2024, 2025 and 2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

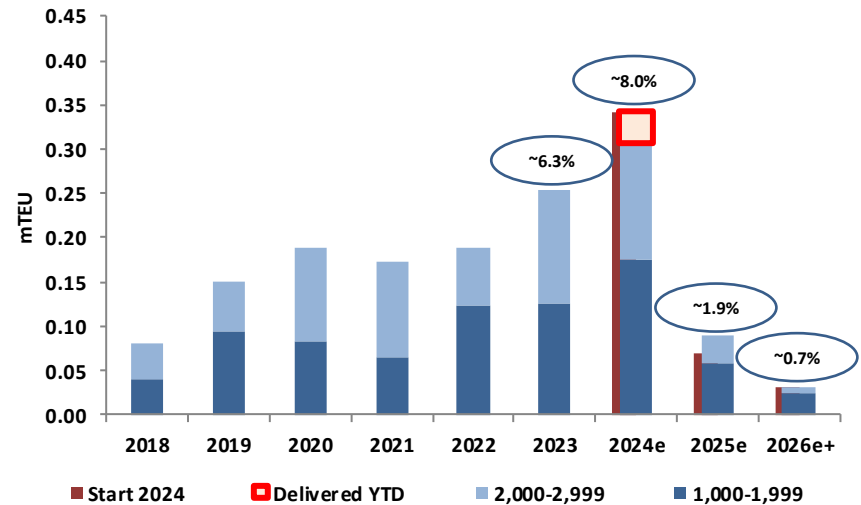
(**) Orderbook % Fleet calculated in terms of TEU.

Fleet Age Profile and Orderbook, 1000-3000 TEU

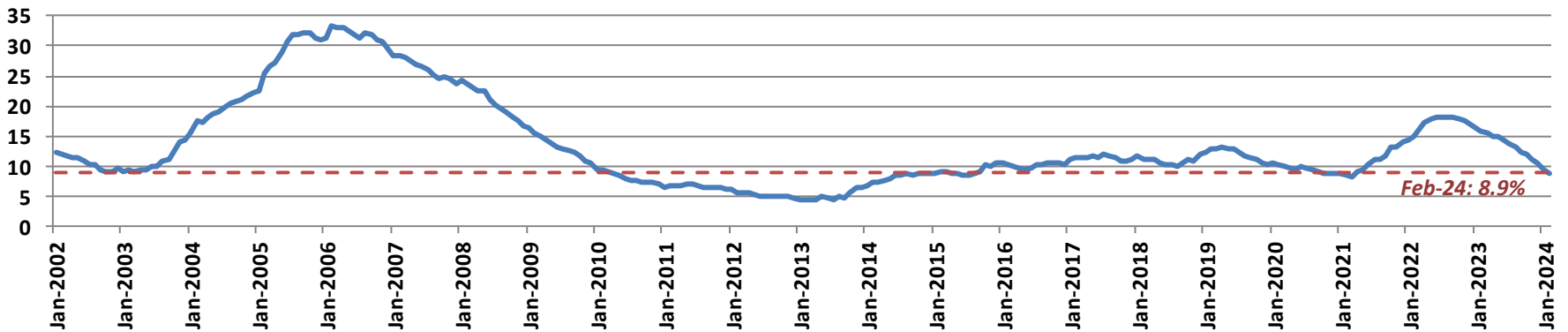
Age Profile



Containership Orderbook



<3,000 TEU Orderbook as % of fleet



Source: Clarksons Research

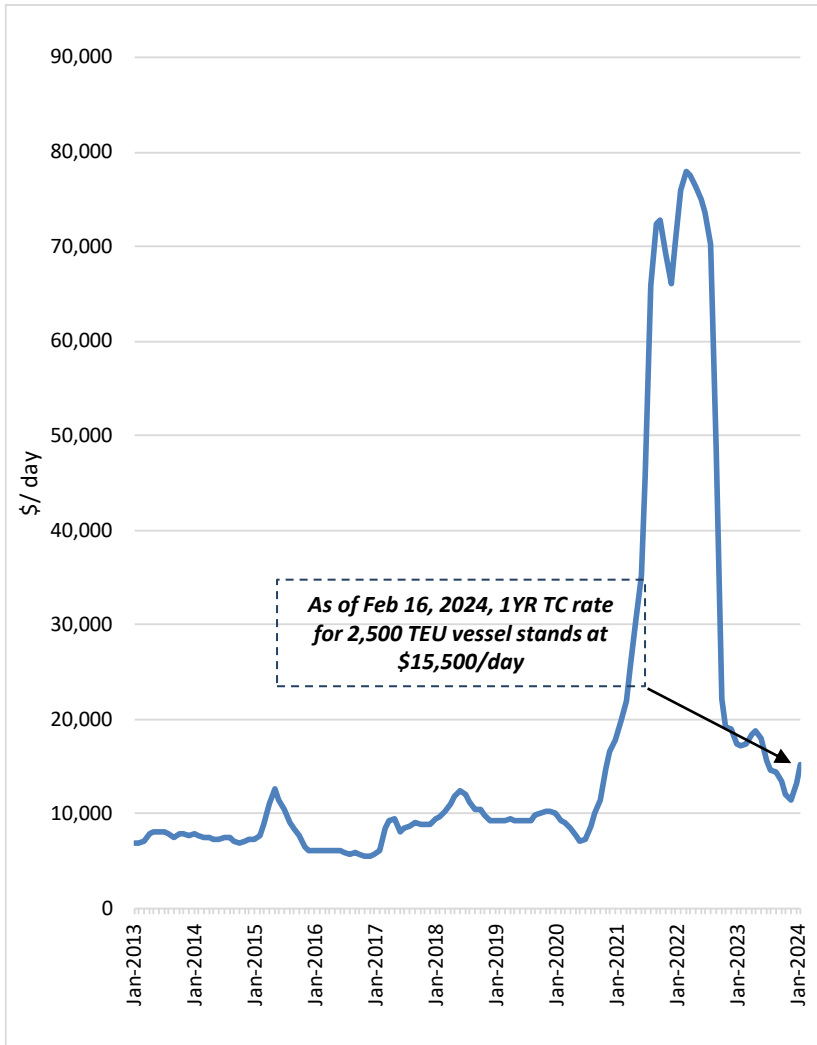
(*) Percentage figures for years 2024-2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Outlook Summary

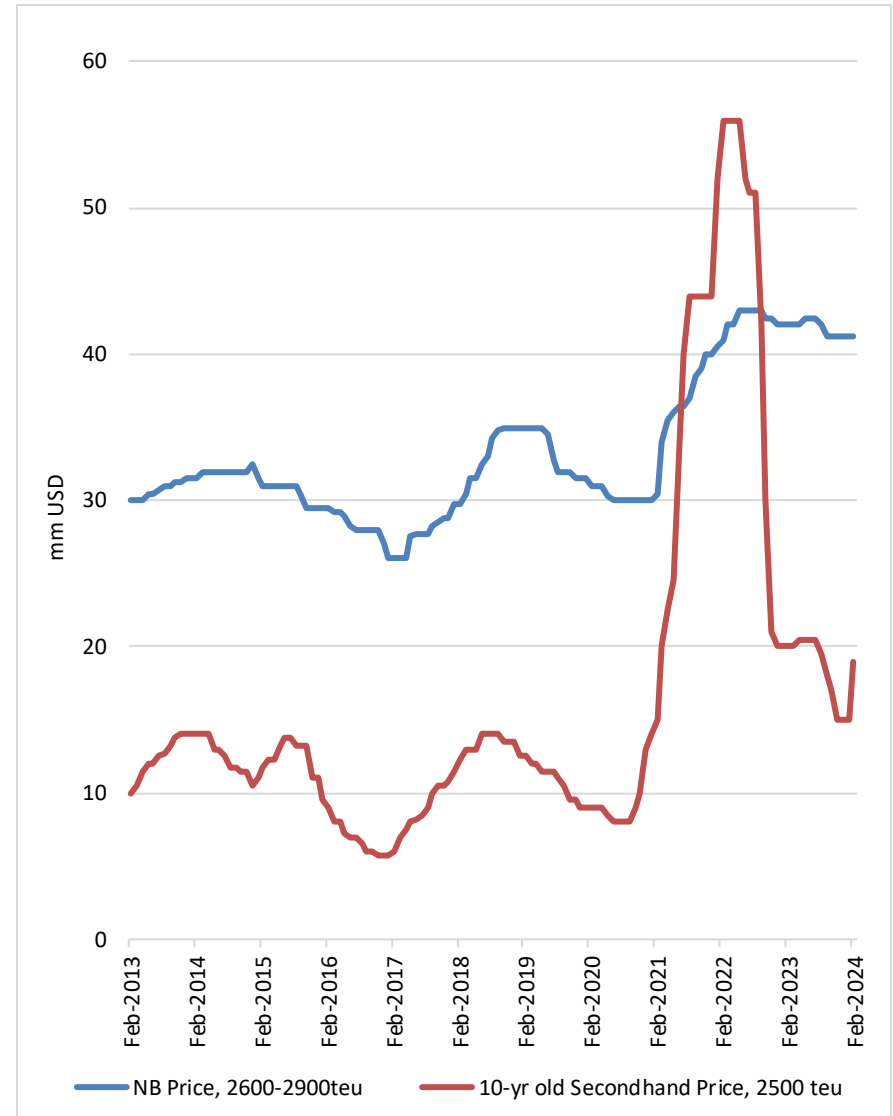
- Container shipping is under pressure from large amounts of new capacity coming into the fleet especially within 2024.
 - However, in the last few weeks mainly due to the events in the Red Sea, Panama Canal & the introduction of EU ETS, shipping freight rates have doubled and charter rates drop has been reversed. The Contex index has increased by 33% since December 21, 2023.
- In 2024, we had been expecting considerable challenges. The mitigation of the supply/demand balance by the situation in the Suez Canal / Red Sea and the Panama Canal may alter this unfavorable scenario.
 - Following recent attacks on vessels in the Red Sea and Gulf of Aden, major containership operators have paused transits through the area. Re-routing via the Cape of Good Hope has significant positive impacts on capacity supply and demand.
 - If the situations in the Panama Canal and Red Sea are resolved, a further softening in container freight and charter markets is anticipated, driven by accelerated capacity growth. However, an extended period of vessel re-routing away from Suez would be an upside for the charter rates.
- In 2025, in the absence of the Suez Canal / Red Sea and Panama Canal issues, supply/demand fundamentals would seem to suggest a continued softening of the market...
 - The level of softening will be affected by the development of the geopolitical situation but if things are normalized and both the Suez and Panama function well it could be quite steep as fleet expansion will be significant
 - In any event, market conditions will remain challenging. Market's performance will remain sensitive to capacity management, vessel speeds, and a range of other "inefficiencies" (e.g. congestion) that could alleviate pressure.
- The energy transition has continued to gain traction in the containership sector. While it's evident that a shift is taking place, the long-term outcome is very uncertain.
 - The spread between charter rates achieved by eco-vessels is expected to further increase as charterers become even more sensitive to greener transport.

Market Evolution

Cont 2,500 TEU One-Year Time Charter Rate



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





Financial Overview

Financial Highlights: Fourth Quarter and FY of 2022 and 2023

<i>(in million USD except per share amounts)</i>	Fourth Quarter		Change	Twelve Months		Change
	2022	2023	%	2022	2023	%
Net Revenues	42.89	49.06	14.4%	182.69	189.36	3.6%
Net Income	20.34	24.72	21.6%	106.24	114.55	7.8%
Earnings per share, diluted	2.86	3.56	24%	14.78	16.52	11.7%
Interest & Finance Costs, net ⁽¹⁾	1.35	2.01		4.81	5.03	
Depreciation	5.35	5.99		18.52	22.84	
Impairment loss	0.00	0.00		0.00	13.83	
(Gain) / Loss on Sale of Vessels	0.00	0.00		0.00	(5.16)	
Amortization of below market charters	(3.88)	(1.25)		(10.83)	(27.35)	
Unrealized Loss (Gain) On Derivatives	(0.24)	0.95		(4.36)	(0.18)	
Adjusted EBITDA ⁽²⁾	22.91	32.44	41.6%	114.39	123.55	8.0%
Adj. Net Income⁽²⁾	17.72	25.03	41.3%	95.01	103.91	9.4%
Adj. earnings per share, diluted	2.50	3.61	44.4%	13.21	14.98	13.4%
Weighted average numbers of shares, diluted	7,100,432	6,943,912		7,190,107	6,936,060	

Notes:

1) Including interest income

2) See press release of Feb 21, 2024 for Adjusted EBITDA and Adj. Net Income reconciliation to Net Income

Fleet Data for Fourth Quarter and FY of 2022 and 2023

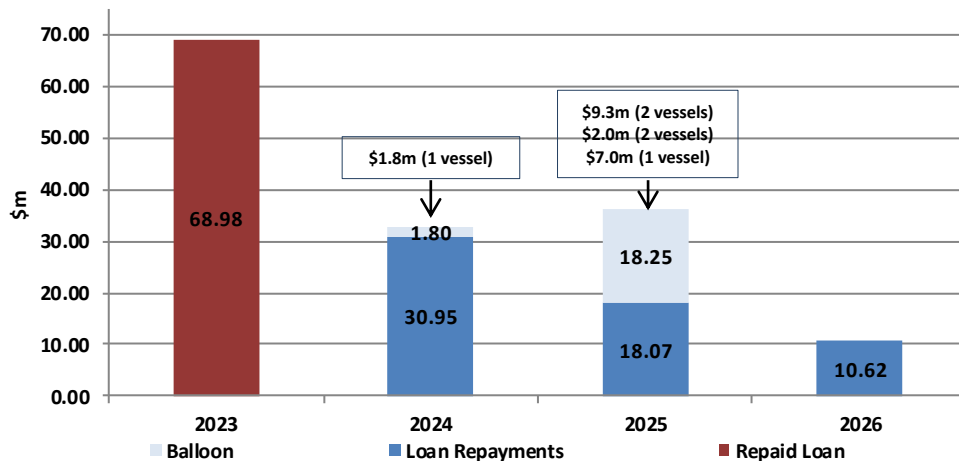
<i>(in million USD except per share amounts)</i>	Fourth Quarter		Twelve Months	
	2022	2023	2022	2023
Number of vessels	18.0	19.0	17.1	18.3
Utilization Rate⁽¹⁾				
Operational	95.1%	99.9%	98.4%	99.1%
Commercial	100.0%	100.0%	99.9%	99.6%
Overall	95.1%	99.9%	98.3%	98.6%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$29,399	\$29,266	\$31,964	\$29,714
Operating Expenses				
Vessel Oper. Exp.exlc. DD exp.	6,938	7,037	6,816	7,163
G&A Expenses	999	895	732	712
Total Operating Expenses	\$7,937	\$7,932	\$7,548	\$7,875
Interest Expenses	1,191	1,586	889	1,471
Drydocking Expenses	2,008	1,287	1,521	506
Loan Repayments without Balloons	4,665	4,205	4,550	4,300
Breakeven/day	\$15,801	\$15,010	\$14,508	\$14,153
Common dividend	2,165	2,015	1,689	2,104

Notes:

- Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up. Scheduled off-hire amounted to 121.4 days and 294.4 days for the fourth quarter and full year of 2022 respectively and 25.9 days for the fourth quarter and full year of 2023.
- 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:

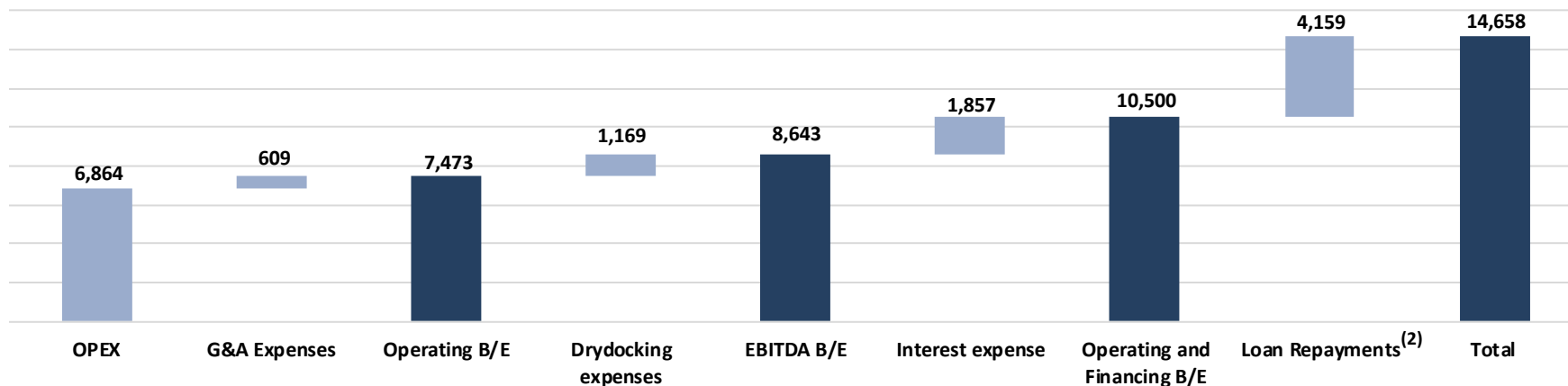
Outstanding bank debt of \$131.0 with average margin of about 2.31%; assuming 3M SOFR⁽¹⁾ of 5.31%, our cost of senior debt is 7.62%

- Including the cost of interest rate swaps, the total cost of our debt is approximately 7.32% as about 15% of our debt is "hedged" at 3.41%

Newbuilding financing:

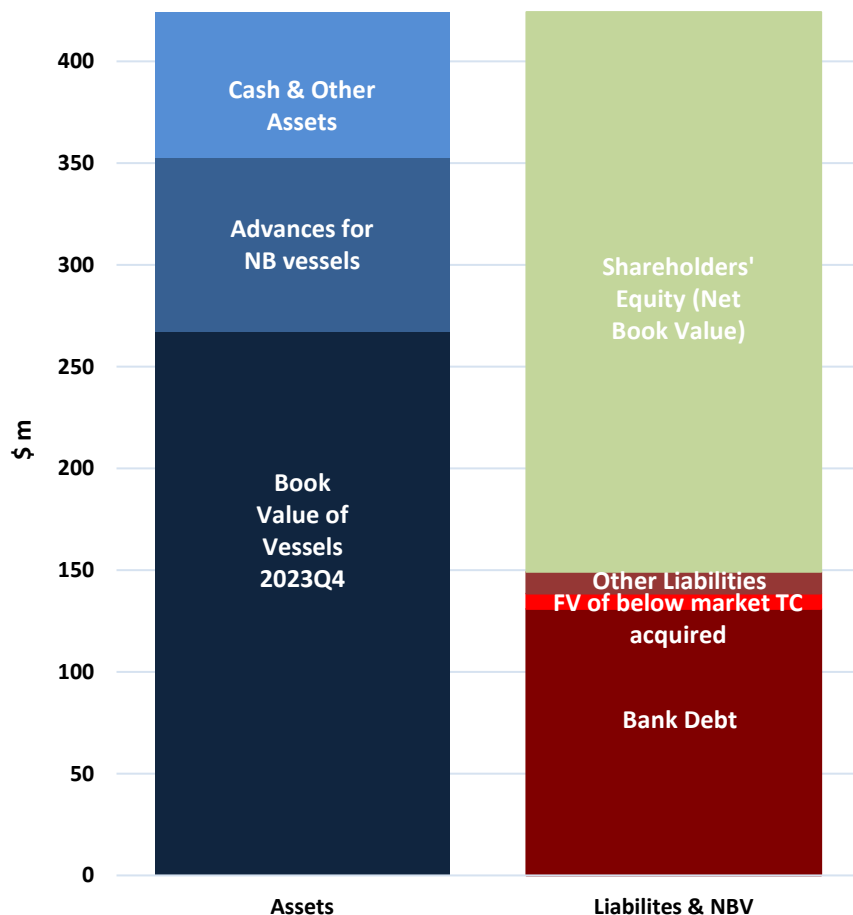
Additional debt - estimated around \$165m - will be assumed to finance the newbuilding program

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



Balance Sheet Highlights

Euroseas Capital Structure (12/31/23)



Notes

Assets

- Cash & Other assets: \$71.7m
- Advances for NB vessels: \$85.4m
- Vessels book value: \$267.6m
- Total assets (at book value): \$424.7m

Liabilities

- Bank & other debt (net of deferred charges): \$131.0m, i.e. ~30.8% of total book value of assets
- FV of below market TC acquired: ~\$7.6m, i.e. ~1.8% of total book value of assets
- Other liabilities: ~\$11.0m, i.e. ~2.6% of total book value of assets

Shareholders Equity / Net Asset Value

- Positive retained earnings even after paying almost \$25m during 2022 & 2023
- Using the charter-adjusted market value of vessels and the net change of newbuilding contracts estimated about \$337.1m⁽¹⁾
=> Net Asset Value around \$352.1m, or around \$50.86/share
- Last closing share price of \$34.0/share represents a significant discount to the value of the company



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