



Euroseas Ltd.

Company Presentation

[NASDAQ: ESEA]

Capital Link Webinar

January 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.

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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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Introduction

Euroseas - Introduction

- Euroseas is a provider of worldwide ocean-going transportation services through the ownership and operation of container vessels
 - Established in 2005 by the Pittas family which has owned/operated vessels since 1870; currently, the 4th generation at the helm of the Company
 - Current fleet consists of:
 - 19 vessels on the water, 12 Feeder and 7 Intermediate containerships, with a cargo capacity of 58,861 teu; and,
 - A 7-feeder containership newbuilding program with vessel deliveries in 2024, increasing the total carrying capacity to 75,461 teu.

- Long tradition & experience in ship-owning and ship management
 - Accessed the capital markets in 2005 and listed on Nasdaq Listed (“ESEA”) since 2007
 - Aristides J. Pittas, CEO & Dr. Tasos Aslidis, CFO have 30+ years of industry experience, Symeon Pariaros, CAO has 20+ years; all have been with the Company since inception
 - All members of the board hold leading positions in their respective industries and/or long investment experience in shipping

- Vessel management is done through Eurobulk Ltd., an affiliated company
 - Established in 1995; well-respected within the industry for its efficient and safe operating track record
 - “Vertically” integrated, carrying strong relationships with charterers, suppliers, bankers and other industry participants



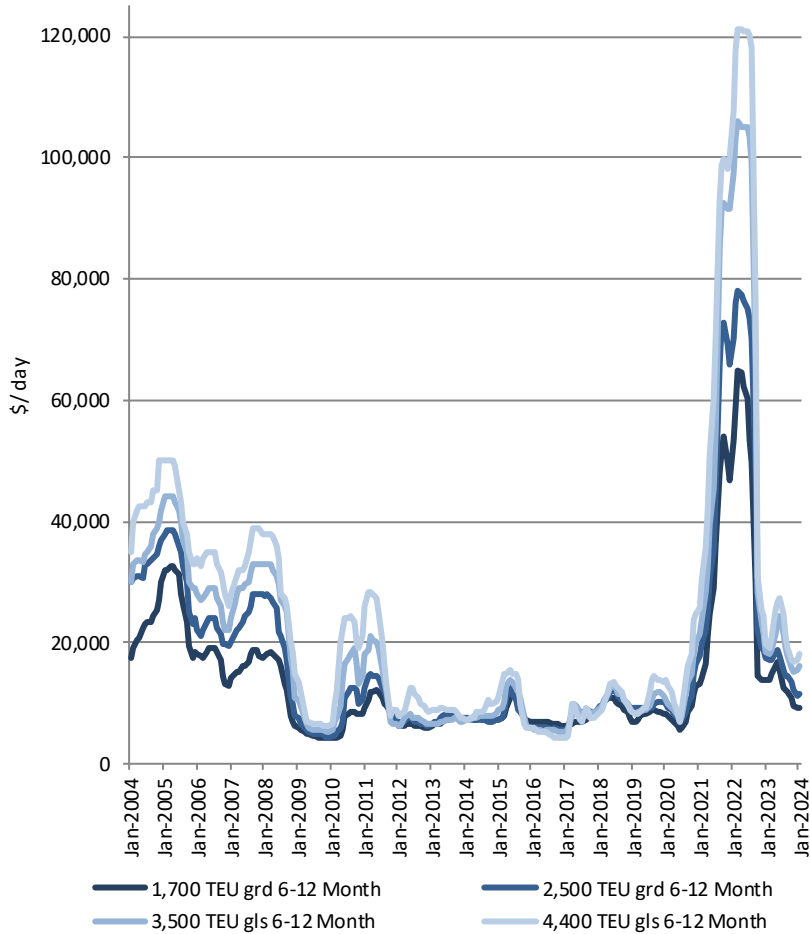
Container Sector Overview: Supply/Demand Fundamentals



Current Point in the Market

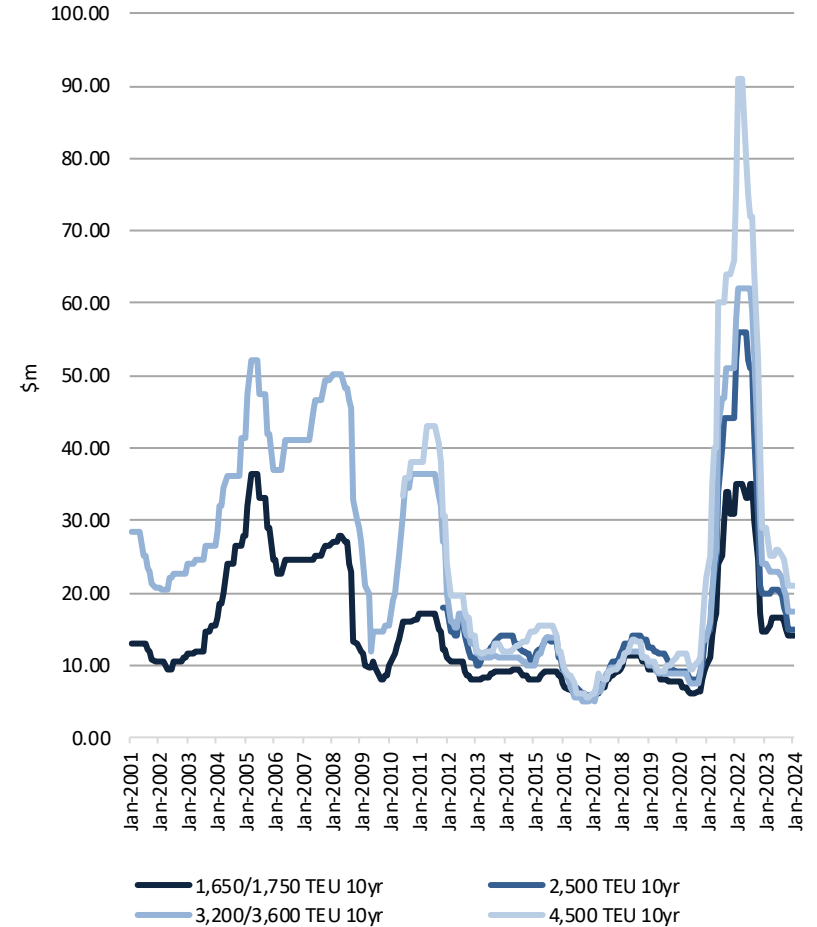
6 – 12m TC rate (\$/day)

TC rates have eased further, but broadly remain above 2019 levels



10 year old Second Hand Prices (\$m)

Secondhand prices have dropped to the lowest levels since May-21



Opportunities & Challenges

➤ The record high rates during 2021 and 2022 have...

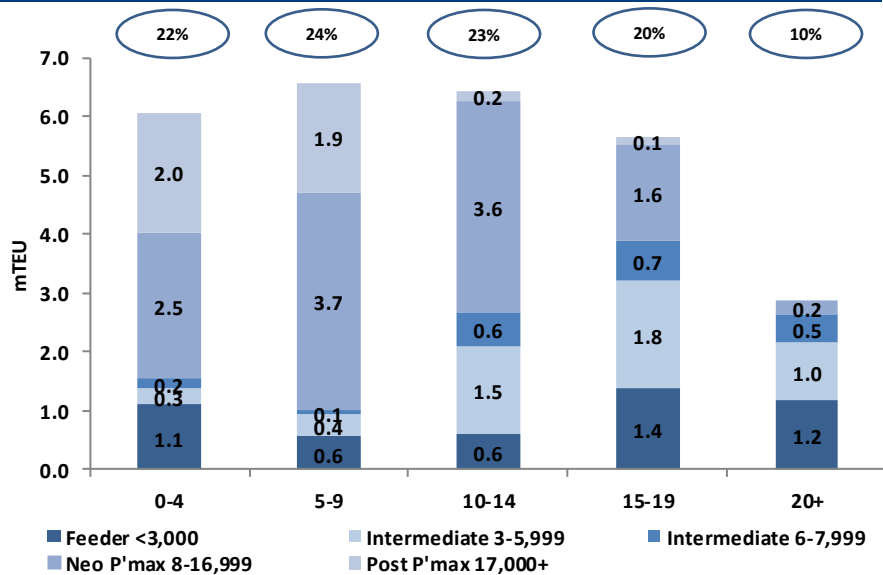
- Allowed vessel owners to enter into longer term contracts
 - Two- to three-year long at high rates ...
 - ...ensuring great cash flows and profits well into 2025
- Resulted in a spate of vessel ordering despite future fuel uncertainties, increasing orderbook to fleet ratio to almost 30% by the middle of 2023 (we also ordered nine feeders)
 - As deliveries started in the second half of 2023, charter rates have come under pressure and declined almost to their pre-pandemic levels
 - ...while orderbook to fleet ratio has started coming down (24.7% in Jan 2024 – see next slide)

➤ ...but now we face some key challenges

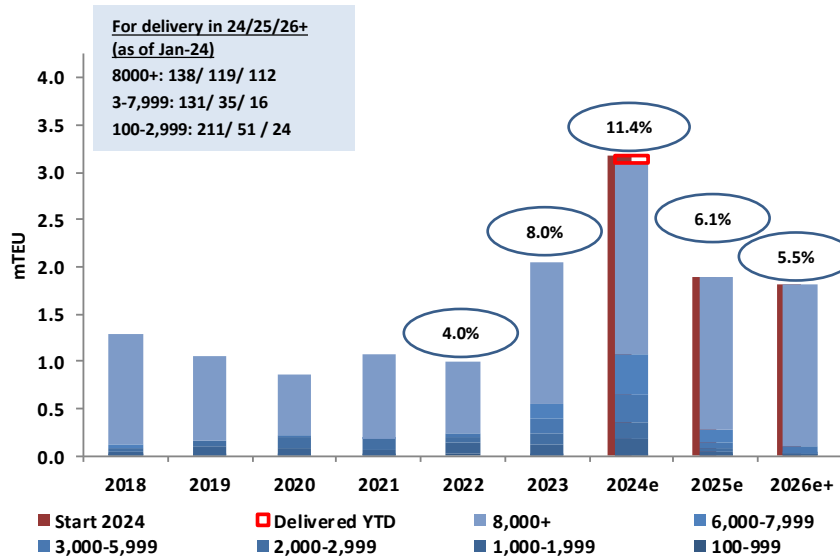
- When the market will reach equilibrium, i.e. be able to absorb the new deliveries
 - Different timing for achieving equilibrium for feeders vs large container vessels
- What would be the effect on possibly limiting supply of Greenhouse Gas environmental regulation
 - “EEXI”, “CII”, EU Emissions Trading System etc

Age Profile and Orderbook, Total Fleet

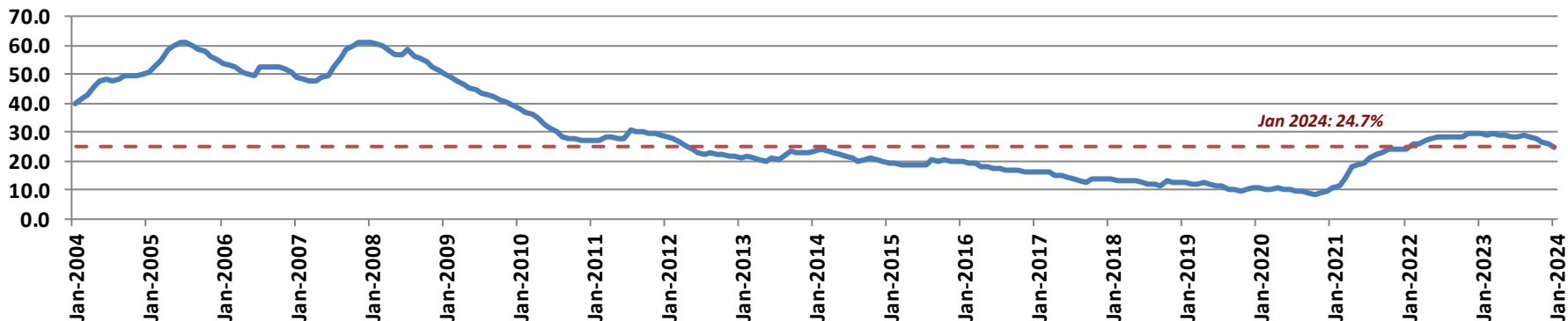
Age Profile



Containership Orderbook



Orderbook as % of fleet

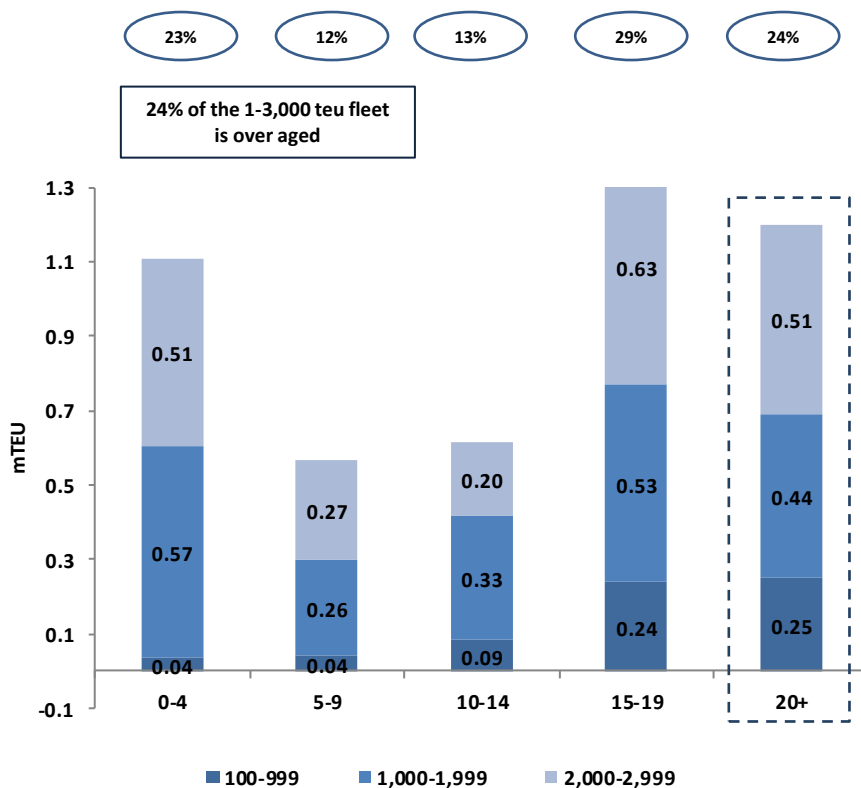


Source: Clarksons Research

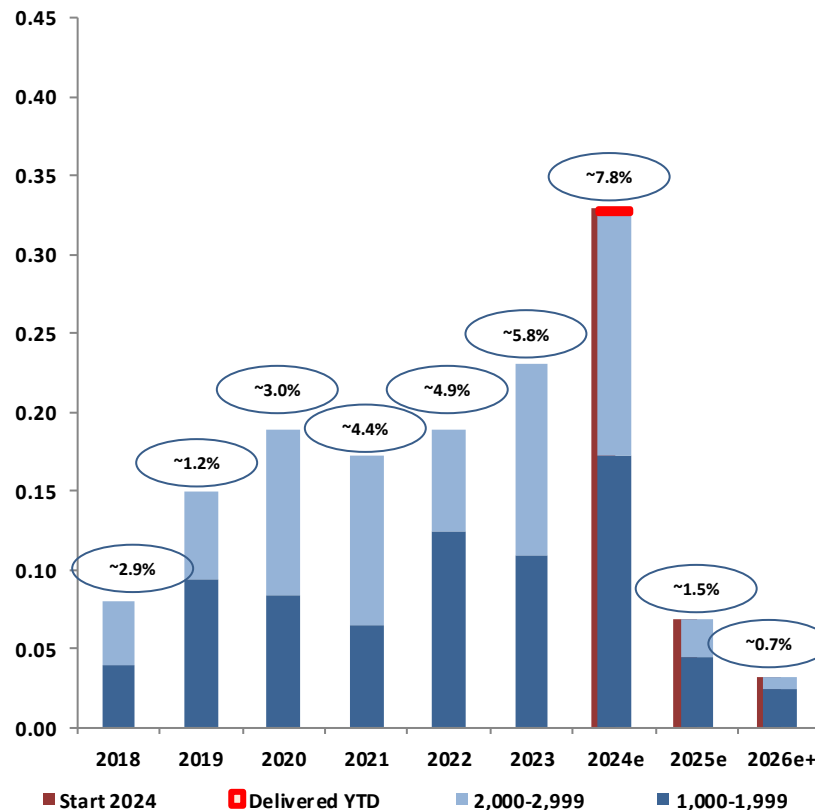
(*) Percentage figures for years 2024-2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

1,000-3,000 teu Fleet Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Container Orderbook



Fleet growth of feeder fleet expected to be around 7.8% in 2024 without accounting for any scrapping

Source: Clarksons Research as of December 2023

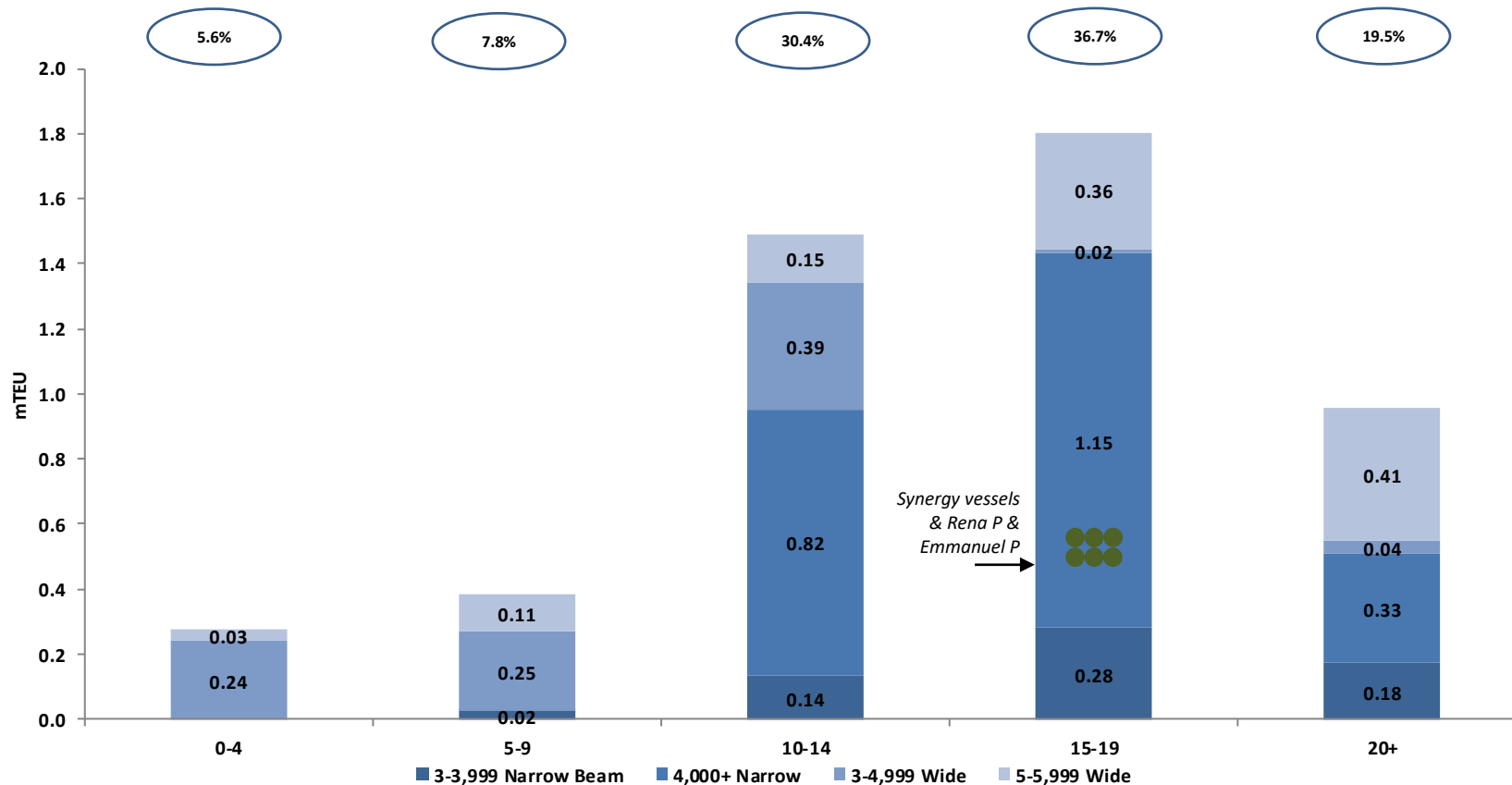
(*) Percentage figures for years 2024, 2025 and 2026 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

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



3,000-5,999 teu Fleet Age Profile & Orderbook

Age Profile

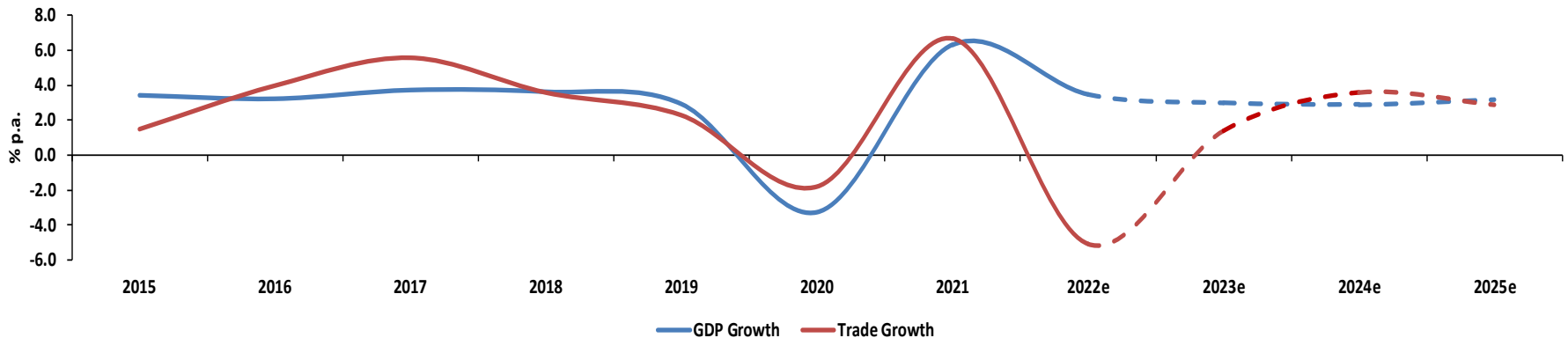


Current orderbook of this size segment amounts to 98 vessels or ~417k teu mainly for 3,000/4,999 wide beam designs which amounts ~8.5% of the current fleet of this size. This can be easily offset since ~19.5% of the fleet is over 20 years old

Containerized Trade Demand Growth

- Demand growth for container vessels is primarily a function of containerized trade growth which is mainly linked to world GDP growth

Containerized Trade Growth Vs World GDP Growth



- ...but it is also affected by other factors like
 - The routes over which trade moves
 - Port and canal congestion or throughput limitations
 - Speed “restrictions”, i.e. slow-steaming, due to fuel price or emissions limitations
 - Panama canal capacity restrictions, avoidance of Red Sea / Suez Canal due to hostilities and CII limits are current examples increasing “effective” demand for vessels at least in the near term

Outlook Summary

Container shipping is under pressure from large amounts of new capacity coming into the fleet. However, in the last few weeks mainly due to the events in the Red Sea shipping rates have doubled and charter rates drop has been reversed. The Contex index has increased by 10% since December 21, 2023.

- However, in 2024, we still expect considerable challenges ahead
 - Anticipated further softening in container freight and charter markets, driven by accelerated capacity growth, if the situations in the Panama Canal and Red Sea are resolved.
 - Meanwhile, following recent attacks on vessels in the Red Sea and Gulf of Aden, major containership operators have announced that they will pause transits through the area. Potential re-routing via the Cape of Good Hope could have significant positive impacts on capacity supply and demand.

- In 2025, supply/demand fundamentals seem to suggest that we could see a leveling off in the market and some stabilization. If enough scrapping materializes within 2024 when rates are expected to be under pressure, demand remains relatively resilient and new orders are disciplined we could see a turning point some time then.
 - Market conditions will remain challenging, as the rates may decline even further towards the lowest point of the cycle due to a third consecutive year of substantial fleet expansion. Market's performance will remain sensitive to capacity management, vessel speeds, and a range of other "inefficiencies" (e.g. congestion) that could alleviate pressure to some extent
 - 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.



Euroseas Operations, Chartering & Strategy



Current Fleet Profile

Current fleet is comprised of 19 vessels with an average age of 16.9⁽¹⁾ years and a carrying capacity of 58.9k TEU



12x Feeder
Avg. Age: 17 years⁽¹⁾
Carrying Capacity: 27.0k 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
Gregos (H4201)	Feeder	37,237	2,800	2023
Terataki (H4202)	Feeder	37,237	2,800	2023
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	19	740,512	58,861	16.9



Note:

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

Vessels Under Construction

Seven vessels with capacity of 22,200 teu to be delivered during 2024



4x Feeders
Carrying Capacity: 2,800 teu each

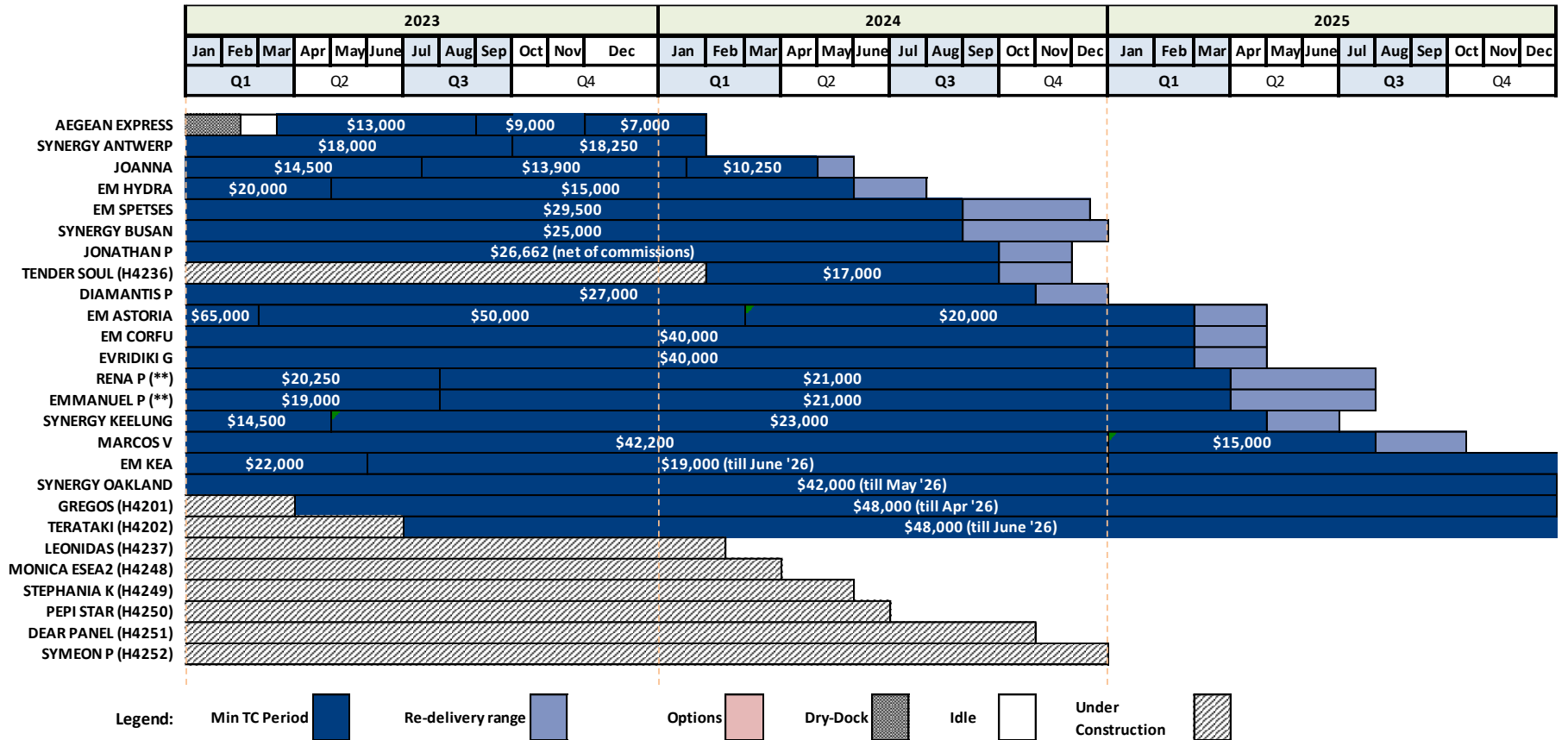


3x Feeders
Carrying Capacity: 1,800 teu each

Name	Type	DWT	Size	To be
			TEU	Delivered
<i>Vessels under construction</i>				
Tender Soul (H4236)	Feeder	37,237	2,800	Q1 2024
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	7	215,734	16,600	

Vessel Employment - Significant Visibility Beyond 2024

Solid chartering strategy ensuring substantial cash flow generation throughout 2024



- For 2024, 71% of available days have been secured at an average rate of ~\$30,300/day
- For 2025, ~2,030 days are already covered out of ~8,793 available day, or about 23%, at an average rate \$33,750/day



Source: Company

Notes: (*) Given the deterioration of the current charter market, it is assumed that the existing charters will run to their minimum duration
 (**) 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.

Financial Highlights

Nine-month 2023 Highlights and a glimpse of 2024

First nine-months of 2023 were quite profitable

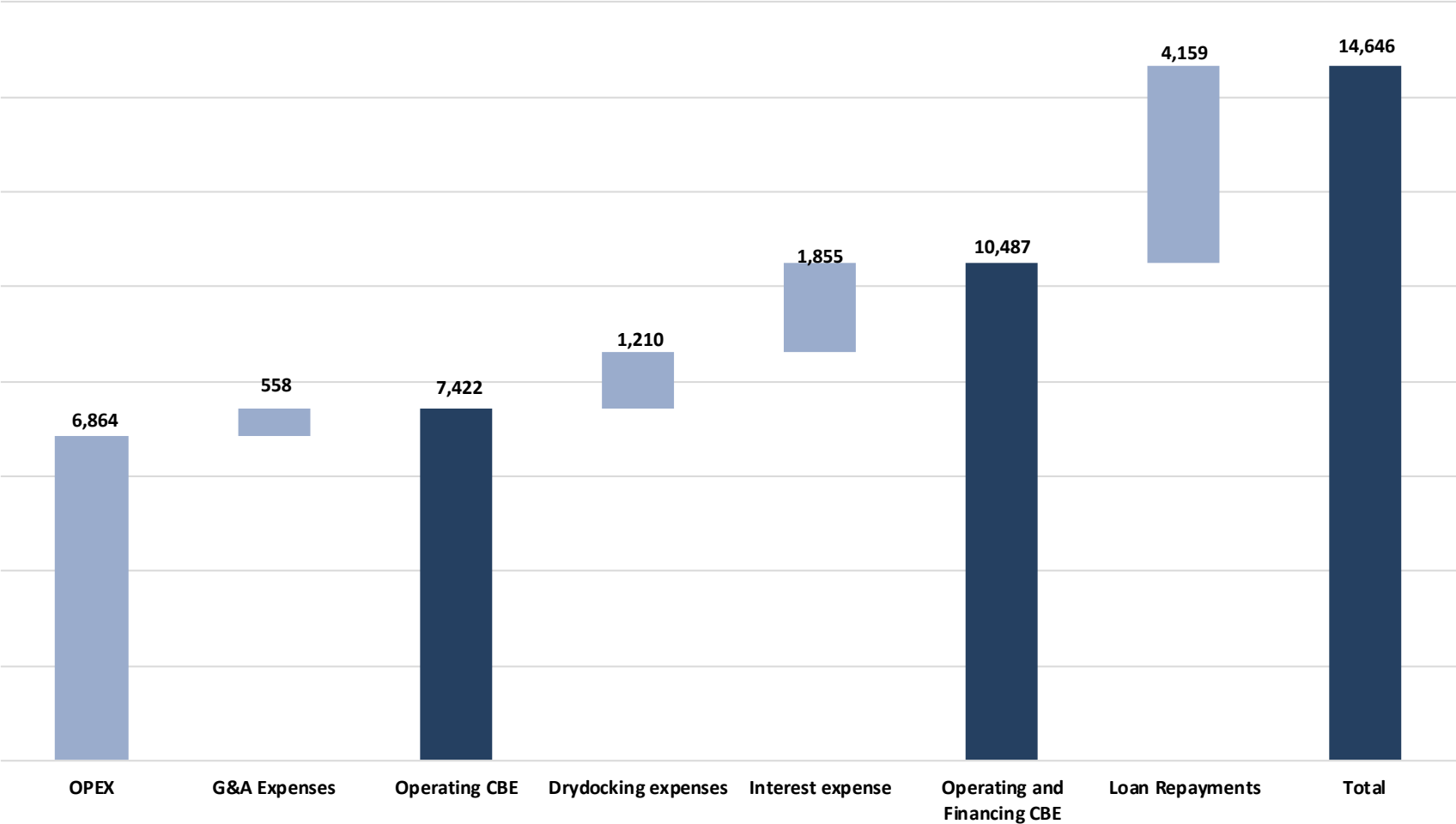
- Total net revenues of \$140.3 million.
- Net income attributable to common shareholders of \$89.8 million or \$12.95 and \$12.90 earnings per share basic and diluted, respectively inclusive of change in the fair value of derivatives.
- Adjusted net income attributable to common shareholders for the period was \$78.9 million or \$11.37 and \$11.33 adjusted earnings per share basic and diluted, respectively.
- Adjusted EBITDA was \$91.1 million.
- Average of 18.0 vessels were owned and operated during the first nine months of 2023 earning an average time charter equivalent rate of \$29,843 per day.
- A \$0.50/share quarterly dividend was declared for each quarter of 2023 (\$1.50/share for the nine-month period)
- Repurchased 162,375 of our common stock in the open market for a total of about \$3.15 million

2024 starts from a rate level near but still above pre-pandemic levels

- Own contract coverage (more than 71% and 23% in 2024 and 2025, respectively, with average contracted rates of \$30,300/day and 33,750/day, respectively) will largely shield our earnings from the current market environment of lower rates ...
- ...and allow us to fund our dividend, the equity portion of our newbuilding program and still have considerable liquidity for further investments if opportunities present themselves.

Projected Cash Flow Break Even

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



Key Balance Sheet Highlights: Low Leverage

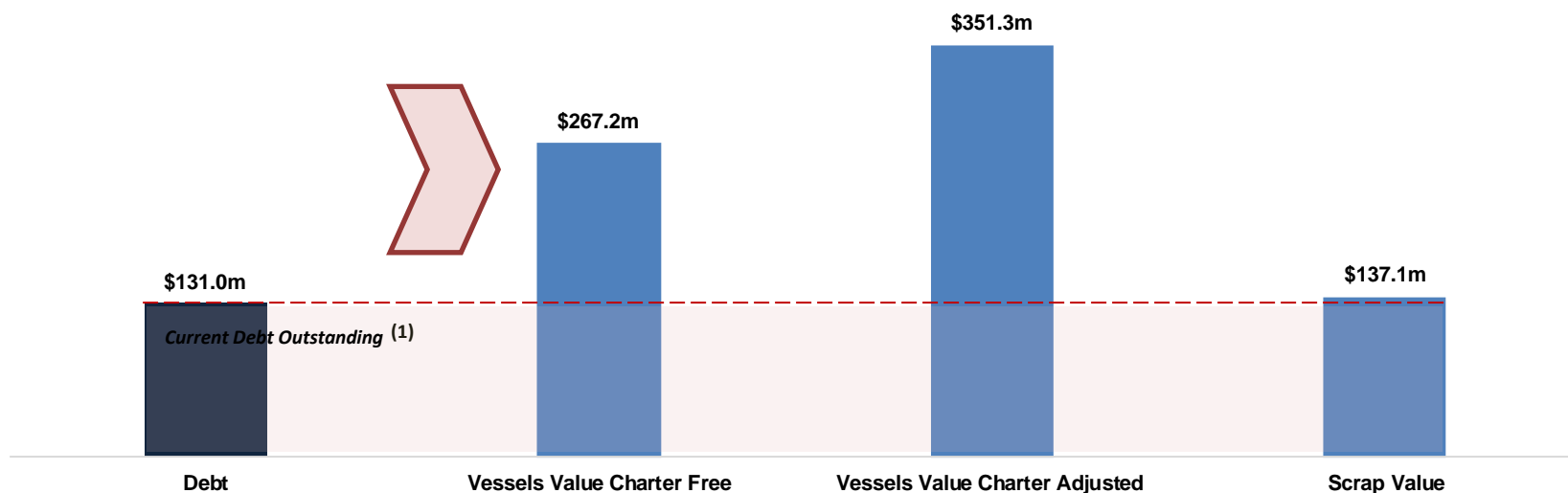
Current outstanding debt as of Dec 31, 2023 compared to the fleet valuation

Loan to Value of the existing fleet ⁽¹⁾:

49%

37%

96%



- Low leverage with outstanding debt⁽¹⁾ standing at 37% of current charter-adjusted vessel values
- Total debt is even lower than the current scrap value of the existing vessels (reflecting the current price of \$530/lwt).
- Contracted EBITDA in 2024 & 2025 stands at more than \$160m which is above company's current debt outstanding.
- We plan to assume additional debt to partly fund our seven remaining newbuildings, targeting a 55-60% debt level of their contracted price, maintaining an overall leverage ratio of about 50%



Why Euroseas: Organic Growth & Shareholder Value

- We have insulated ourselves to a great degree from the current market by having secured long-term charters for the majority of our current fleet
 - 2024 should be comparably profitable to 2022 & 2023.
 - Conservative finance minimizes risks and increases funding flexibility
- Our strategy is to grow and modernize the Company
 - In 2024, we will grow organically having embarked on a significant newbuilding program having ordered nine vessels, with a total contract price about \$360m (two of them were delivered in 2023)
 - We are also targeting selective acquisitions with fully covered downside market risk especially if the market weakens
- We are rewarding shareholders
 - With a dividend which at the current share price provides approximately a 6% annual yield and,
 - A share repurchase program
- Our share still trades at about 60% of its NAV, representing a significant discount and appreciation potential
 - Despite its increase of more than 80% over the last twelve months



Notes:

EUROSEAS LTD 1. Based on certain financing assumptions for the newbuildings, operating and other costs



Thank you!



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**

or,

**Dr. 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 1540
New York, NY 10169
euroseas@capitallink.com
Tel: 212- 6617566
Fax: 212-6617526**