



Euroseas Ltd.

Company Presentation

[NASDAQ: ESEA]

March 2022



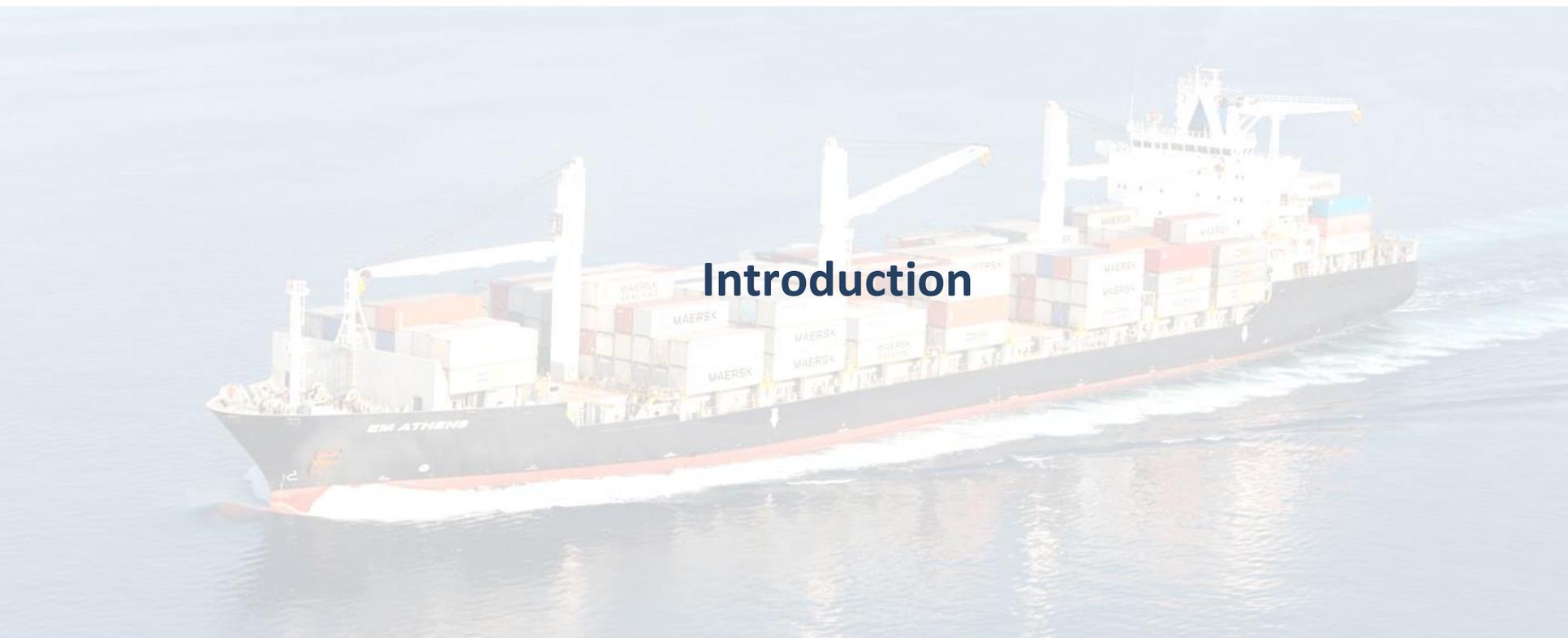
Forward-Looking Statements

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

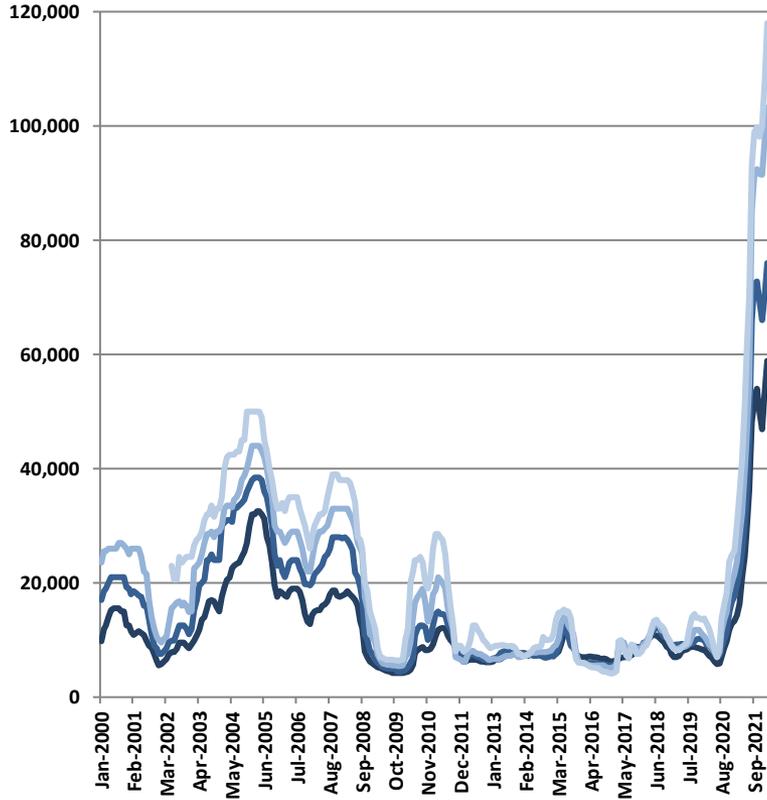
Euroseas - Introduction

- 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:
 - 16 vessels on the water, 10 Feeder and 6 Intermediate containerships, with a cargo capacity of 50,371 teu; and of,
 - 7 feeder containership newbuildings which are due for delivery between 2023 and 2024Q2, increasing the total carrying capacity to 66,971 teu.
- Long capital market track record
 - Nasdaq Listed (“ESEA”) since 2007, transparent reporting and strong corporate governance
 - Raised in excess of \$300m through follow on offerings, rights issues and private placements since formation
 - The first public company to set-up a joint venture, Euromar LLC, with private equity firms: raised \$175m in 2010 for investment in containership vessels
- Experienced management team and seasoned Board of Directors
 - Aristides J. Pittas, CEO & Dr. Tasos Aslidis, CFO have 30+ years of industry experience, Simos Parios, CAO has 20+ years; all have been with the Company since inception
 - Independent majority board with all members at leading positions in their respective industries or with 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 with strong relationships with charterers, suppliers, bankers and other industry participants

Current Point in the Market

6 – 12m TC rate (\$/day)

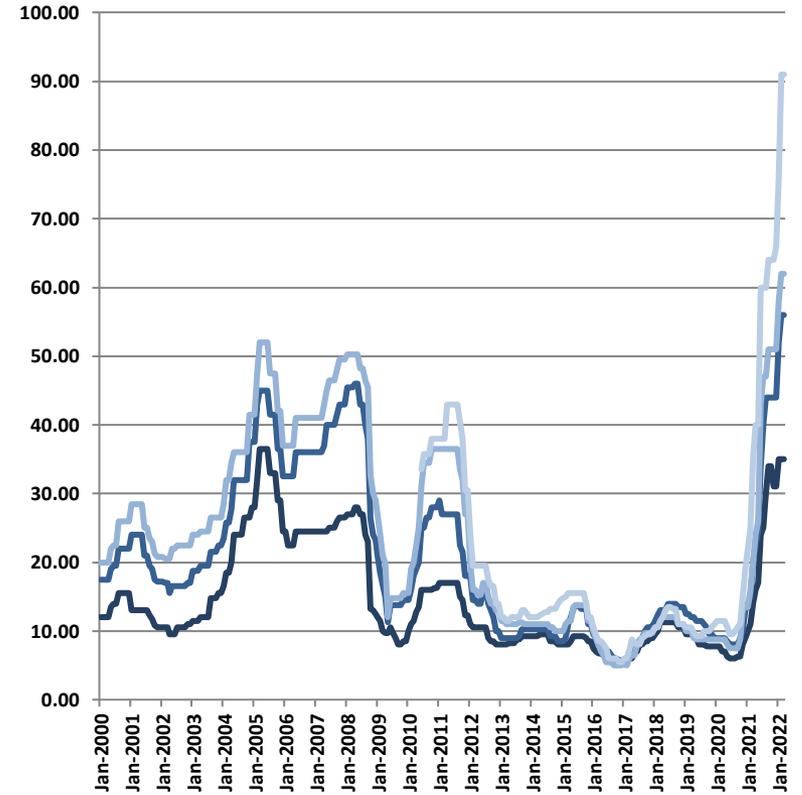
Over the past 52 weeks TC rates have been on the rise, standing at levels never seen before



- 1,700 TEU grd 6-12 Month
- 2,500 TEU grd 6-12 Month
- 3,500 TEU gls 6-12 Month
- 4,400 TEU gls 6-12 Month

10 year old Second Hand Prices (\$m)

Second hand vessel prices have reached all time highs, following TC rates momentum



- 1,650/1,750 TEU 10yr
- 2,600/2,900 TEU 10yr
- 3,200/3,600 TEU 10yr
- 4,500 TEU 10yr old

Fleet Growth Strategy

Newbuilding program initiated in 2021

- Seven newbuilding contracts, for four 2,800 teu and three 1,800 teu vessels, all modern eco-design LNG-ready fuel efficient; expected to be delivered between 2023 and 2024Q2
 - Exploits relative better prices for newbuildings as compared to vessel prices for secondhand acquisitions
 - Renew its fleet and expand its footprint in the feeder sector focusing on the most commercially-demanded vessel sizes
 - Adhere to its commitment for environmentally sustainable operations

“Structured” second-hand vessel acquisitions

- Due to high vessel prices, secondhand vessels are acquired only if simultaneously chartered for a sufficient long period and rate level such as, by the end of the charter, cost basis is below scrap value or historical median price
 - Typically, three- to four-year charters are arranged to minimize/eliminate market risk
 - Essentially, an option for upside potential after the end of the charter
 - Two such acquisitions in 2021:
 - Jonathan P: Delivered on October 18, 2021, a 1,740 teu feeder container vessel built in 2006, for \$25.5m
 - Marcos V: Delivered on December 14, 2021, a 6,350 teu intermediate container vessel built in 2005, for \$40.4m

Current Fleet Profile

On the water fleet



10x Feeder
Avg. Age: 19.2 years
Carrying Capacity: 21.4k TEU



6x Intermediate
Avg. Age: 13.5 years
Carrying Capacity: 28.9k TEU



7x Feeder
Carrying Capacity: 16.6k TEU

Name	Type	DWT	Size		Year Built
			TEU		
On the water fleet					
Marcos V	Intermediate	72,968	6,350		2005
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
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	16	635,812	50,371		17.1
Vessels on order					
H4201	Feeder	37,237	2,800		Q1 2023
H4202	Feeder	37,237	2,800		Q2 2023
H4236	Feeder	37,237	2,800		Q4 2023
H4237	Feeder	37,237	2,800		Q1 2024
H4248	Feeder	22,262	1,800		Q1 2024
H4249	Feeder	22,262	1,800		Q2 2024
H4250	Feeder	22,262	1,800		Q2 2024
On order vessels total	7	215,734	16,600		
Total Fleet on fully delivered basis	23	851,546	66,971		

Euroseas represents the only publicly listed company in a U.S. exchange focused purely on the feeder and intermediate containership segments

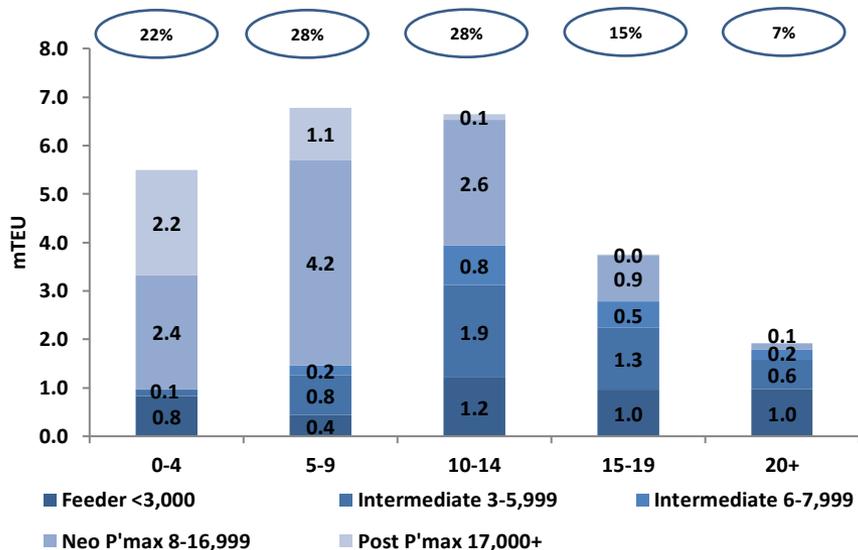


Container Sector Overview: Supply/Demand Fundamentals

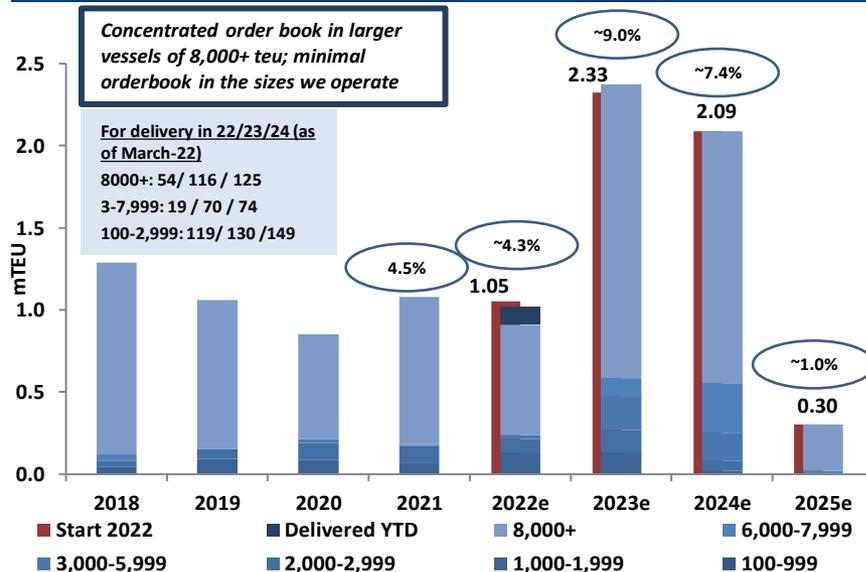


Age Profile and Orderbook

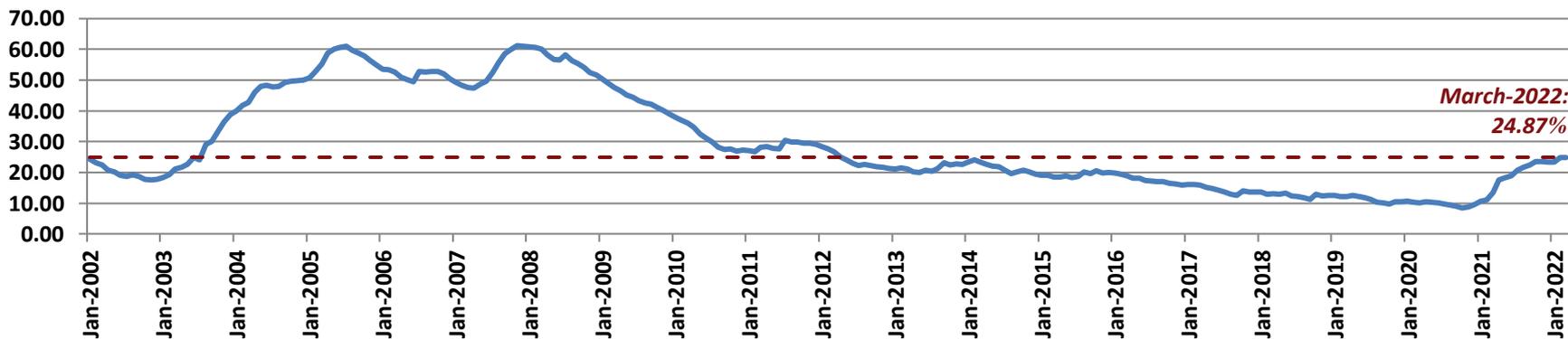
Age Profile



Containership Orderbook

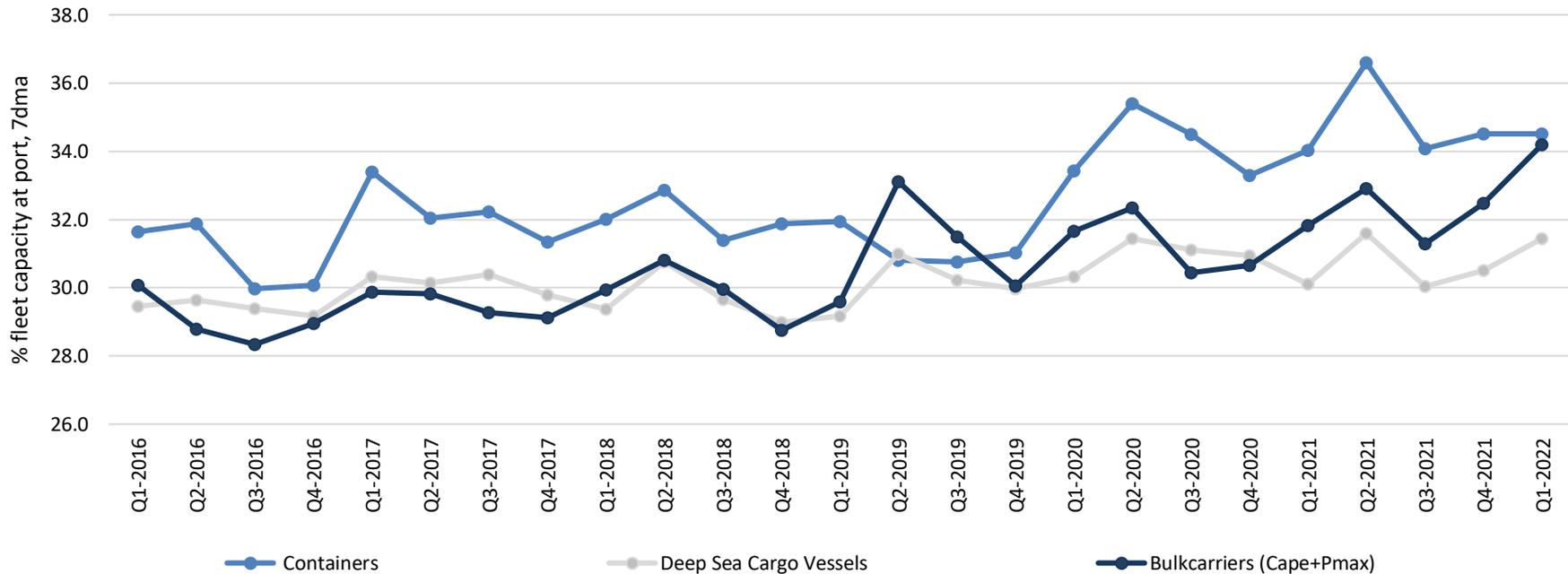


Orderbook as % of fleet



Transportation System Inefficiencies

Port Congestion Indices



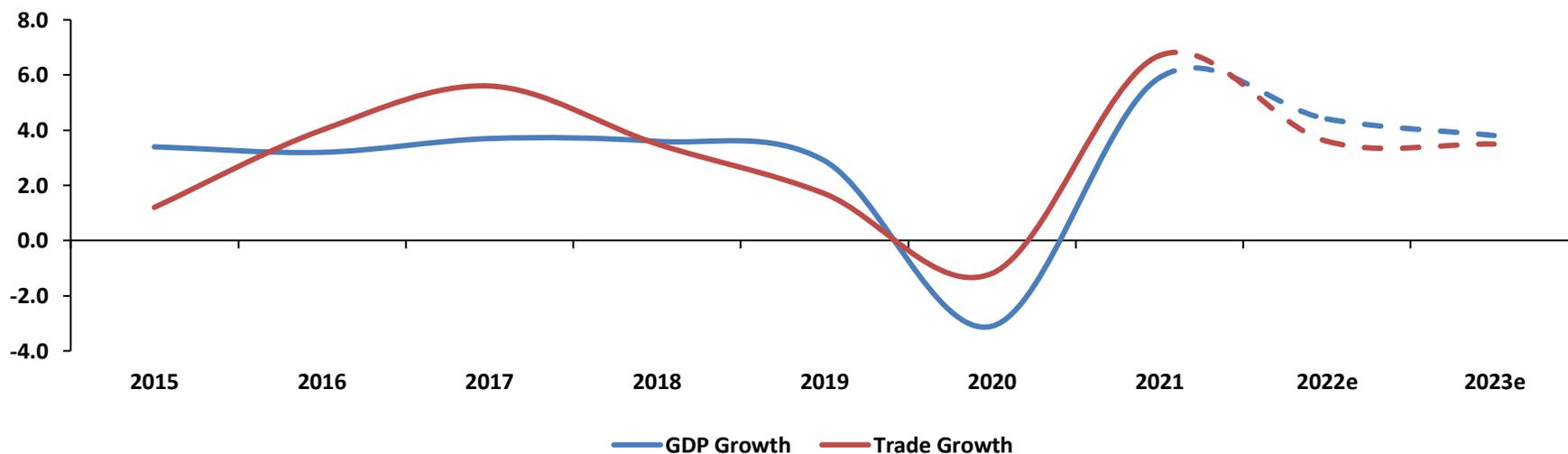
- Disruption to global logistics and supply chains was widespread last year. Port congestion was a key feature and 2022 has seen no material signs of this winding down.
- A range of global events clearly continue to generate disruption. The impacts of the Russia-Ukraine conflict in particular could further amplify shipping “inefficiencies”.

World GDP & Shipping Demand Growth

Containerized Trade Growth Vs World GDP Growth

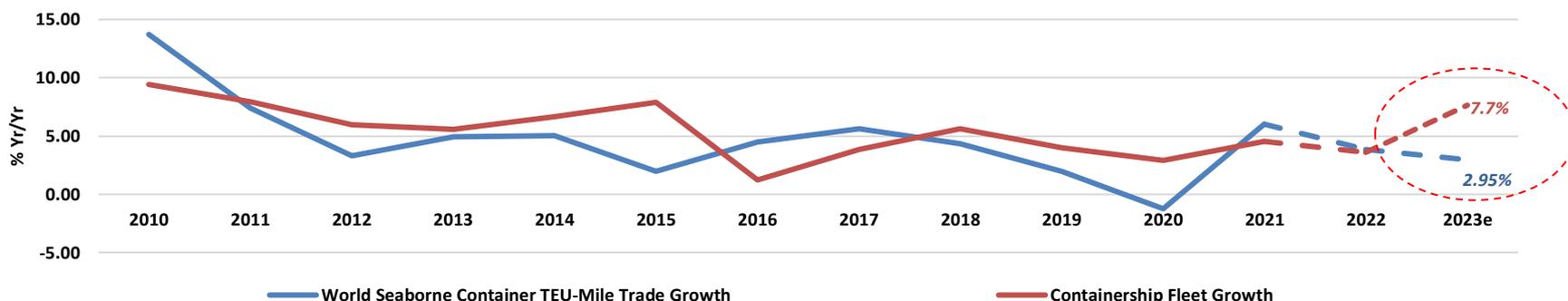
	2015	2016	2017	2018	2019	2020	2021	2022e	2023e
World Real GDP Growth (% p.a)	3.4	3.2	3.7	3.6	2.9	-3.1	5.9	4.4	3.8
								<i>(IMF: as of Jan-2022)</i>	
Containerized Trade, teu-miles (% p.a.)	1.2	4.0	5.6	3.5	1.7	-1.2	6.4	3.6	3.5
								<i>(Clarksons: as of Feb-2022)</i>	

Trade and growth projections shown do not account for the effects of the Ukraine-Russia war on the world economic growth and containerized trade.



Outlook Summary

Containership Supply – Demand Outlook



- **Supply/demand estimates suggest a firm market continuing in 2022 as of before the Ukraine-Russia conflict unfolded**
 - The short-term outlook for the container sector remains extremely positive, with disruption likely to continue to provide support through 2022, alongside positive demand trends and moderate fleet growth (3.6% this year).
 - Port congestion has continued to significantly impact the container shipping markets, leading to excessive wait times and disrupting operator schedules. These logistical bottlenecks have resulted in new highs in container freight rates, which are expected to at least remain throughout the first half of 2022
- **Longer term fundamentals are harder to predict and, as always, will depend on the interplay of:**
 - What demand for vessels will be once transportation system disruptions ease
 - The fallout of the Ukraine-Russia conflict and its effects on world economic growth and containerized trade
 - Material supply pressure from 2023 onwards (due to increased deliveries) and whether it will overtake demand growth
 - Effect of new environmental regulations which will probably result in further slow steaming by 2023/24, effectively, removing capacity from the market
- **Feeder & Intermediate containership segments (< 6000 teu)**
 - In the smaller sizes, there is still a cascading effect with larger vessels gaining market share from smaller ones
 - The feeder fleet is expected to grow about 4% but the trades that those ships are involved are mainly in Asia and are expected to grow in the region of 5% or more thus, providing a promising outlook for the sector

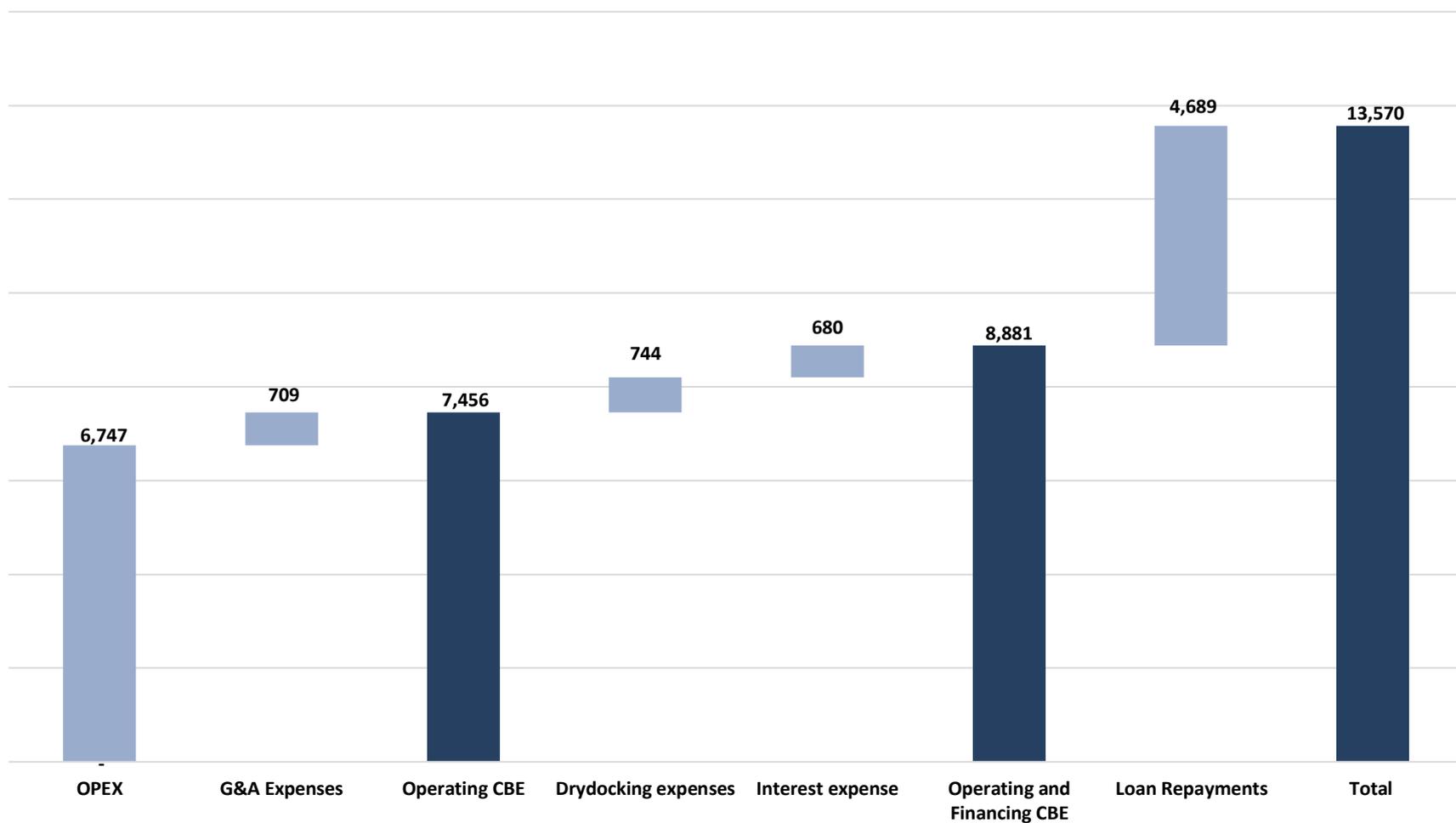


Euroseas Operations, Chartering & Strategy



Projected Cash Flow Break Even

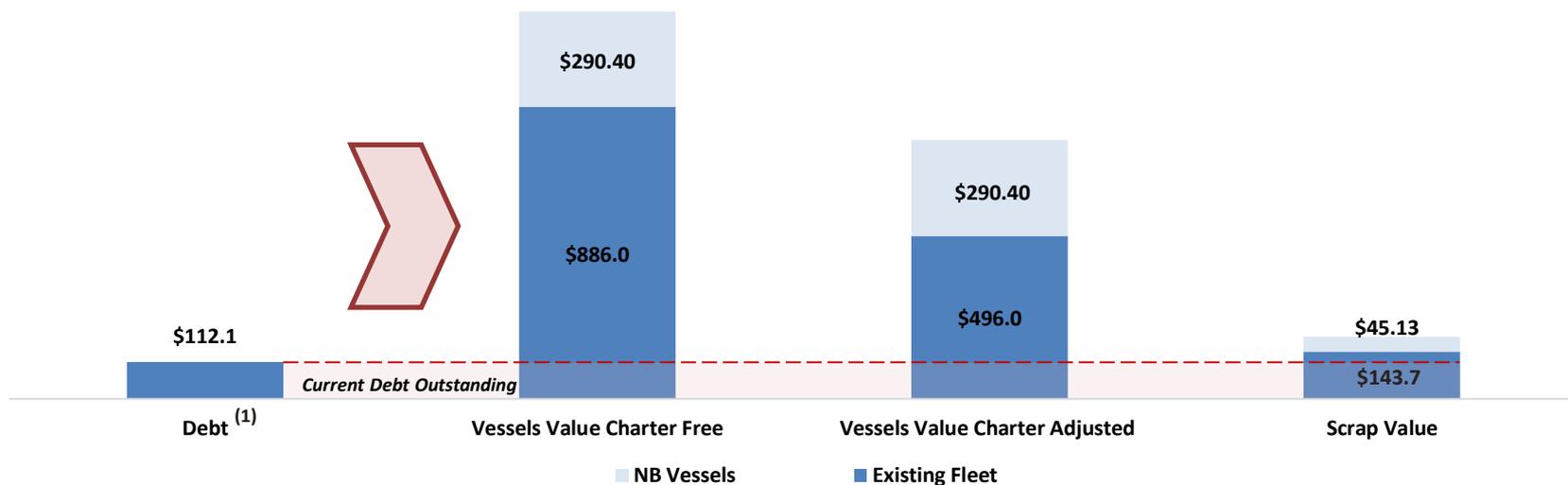
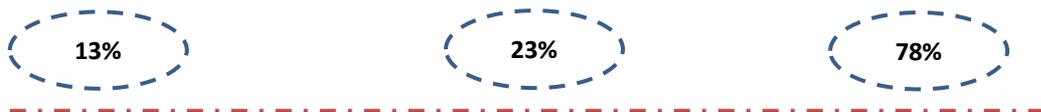
Cash Flow Break Even Estimate for the Next 12 months (\$/day)



Key Balance Sheet Highlight

Current outstanding debt as of March 31, 2021 compared to March fleet valuation

Loan to Value of the existing fleet:



- Low leverage with outstanding debt⁽¹⁾ standing at 23% 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 \$670/lwt).
- Contracted EBITDA in 2022 alone stands at \$122m which is above of company's current debt outstanding.



Indicative EBITDA Calculator, 2022-2024

This slide provides a calculation tool to assess the earnings potential in 2022 onwards, based on our existing coverage as well as the potential incremental contribution from our open days

EBITDA Calculator: 2022 - 2024	Actual 2021	2022E	2023E	2024E
Calendar Days	5,203	5,840	6,348	7,951
Indicative drydocking days estimate		120	60	100
Available days for hire	5,117	5,720	6,288	7,851
Contracted Days	5,039	5,503	4,266	3,246
Coverage (%)	98.5%	96%	68%	41%
Average TC rate Contracted (\$/day)	19,309	31,905	33,994	34,788
(A) Contracted EBITDA	52.7	122.1	104.5	81.6
Remaining Open Days		217	2,022	4,605
Indicative EBITDA Contribution assuming same rates as of current contracted rates				
Assumed Average TC rate of open days		31,905	33,994	34,788
(B) EBITDA Contribution, Open Days		4.8	49.5	115.7
(C) Indicative Drydocking costs		(4.4)	(3.1)	(3.5)
(A+B+C) Total EBITDA	52.7	122.5	150.9	193.8

- “Open Days” in 2022 to 2024 are shown as earning the average of currently contracted TC rates for the purpose of providing an indication only
- The sensitivity of EBITDA to average TC rate earned by the “Open Days” is:
 - 2022: about \$0.22m per \$1,000/day TC rate change as our fleet is almost fully covered
 - 2023: about \$2m per \$1,000/day change, for example, if the “Open Days” in 2023 earned on average \$20,000/day, the EBITDA for the year would be, approximately, \$124m
 - 2024: about \$4.6m per \$1,000/day change, for example, if the Open Days in 2024 earned on average \$15,000/day, the EBITDA for the year would be, approximately, \$108m

EBITDA Calculation Assumptions (2022/2023/2024)

- 1) “Available days for hire” reflects assumptions about scheduled drydockings
- 2) Average contracted TC rate has been calculated based on the existing charter coverage on a vessel-by-vessel basis
- 3) For “Open Days” and for illustration purposes only, the table shows the current average contracted TC rate.
- 4) OPEX and G&A/vessel/day assumed at \$7,500 for future periods; commissions of 5.00% on market rates

Why Euroseas: Growth Strategy & Shareholder Value

- Current healthy markets and existing contract coverage generate significant cash flow to be used to build value for the long run
 - We are pursuing a strategy to grow and modernize the Company
 - ➔ We have embarked on a significant newbuilding program ordering to-date 7 vessels with a total contract price about \$265m
 - ➔ Pursuing selective acquisitions with fully covered downside market risk to provide us upside potential in the medium term
 - Secondly, excess cash may be used to reward shareholders either through dividends or share buybacks if the share price remains undervalued as it is currently

- Risk management via long term charter coverage and conservative/flexible financing will provide for significant earnings over the medium term
 - Only based on our contracted days (assuming zero revenues for the “Open Days” but all the costs), we are to make more than \$25/share over the three-year period of 2022-2024⁽¹⁾
 - ➔ There is significant upside for our stock (currently trading around \$30/share): if our “Open Days” are chartered at even half the rate of our contracted days our earnings over the three-year period would double

➤ Notes:

- 1) Based on certain financing assumptions for the newbuildings, operating and other costs

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