



## **Earnings Presentation**

**Quarter Ended December 31, 2023**

**May 23, 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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# 2024 First Quarter Financial Highlights

## Financial Results

*in million USD except per share figures*

		Q1 2024
Net Revenues	46.7	
Net Income	20.0	2.87/ share <sup>(2)</sup>
Adj. Net Income <sup>(1)</sup>	18.5	2.66/ share <sup>(2)</sup>
Adj. EBITDA <sup>(1)</sup>	24.6	

1) See press release of May 23, 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 first quarter of 2024 payable on or about June 21, 2024 to shareholders of record on June 14, 2024, as part of the Company's common stock dividend plan.
- As of May 23, 2024 we had repurchased 400,705 of our common stock in the open market for a total of about \$8.2 million, since the initiation of our share repurchase plan of up to \$20 million announced in May 2022

# Recent S&P, Chartering & Operational Highlights

- S&P
  - Agreed to sell **M/V Astoria** for \$10.0m; the vessel is expected to be delivered to her new owners, an unaffiliated third party, by mid-June 2024
- Newbuilding deliveries
  - **M/V Leonidas Z** was delivered on April 25, 2024. Following her delivery, she commenced a 2-year charter with **HAPAG** @ \$20,000/day
  - **M/V Monica** was delivered on May 13, 2024. Upon her delivery, she commenced a charter with **CMA** for a min 10 to a max 12 months @ \$16,000/ day.
- Chartering
  - **MV Aegean Express**: Fixed for min 7 months- max 9 months @ \$8,000/day from March 23, 2024
  - **MV Synergy Antwerp**: Fixed for min 11.5 months- max 14 months @ \$26,500 from April 2, 2024
  - **MV Joanna**: Fixed for min 2 months- max 3 months @ \$13,500 from May 25, 2024
- Idle period/commercial off-hire
  - **Aegean Express**: 3.66 days (28 January 2024 – 1 February 2024)
- Drydockings
  - **Synergy Oakland**: 18.72 days (31 December 2023 – 19 January 2024)
  - **Marcos V**: 31.58 days (15 February 2024 – 18 March 2024) - Retrofits worth about \$1.8m were also performed and were funded by the charterer of the vessel, who contemporaneously declared their option to extend the charter by an additional minimum seven months to August 2025. In case the vessel is employed after the current charter period, the owners will refund part of the cost to the charterer, up to a maximum of 50%. Resulting in an improvement of her consumption in the commercial speed range by about 25%.
  - **Synergy Antwerp**: 30.01 days (3 March 2024 – 2 April 2024) - Retrofits worth about \$1.25m were also performed and were covered by Euroseas

# Current Fleet Profile

Current fleet is comprised of 22 vessels with an average age of 15.0<sup>(1)</sup> years and a carrying capacity of 66.3k TEU



**15x Feeder**  
**Avg. Age: 13.37 years<sup>(1)</sup>**  
**Carrying Capacity: 34.4k TEU**



**7x Intermediate**  
**Avg. Age: 16.7years<sup>(1)</sup>**  
**Carrying Capacity: 31.9k TEU**

Name	Type	Size		Year
		DWT	TEU	Built
<b>On the water fleet</b>				
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
Leonidas Z	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
Monica	Feeder	22,262	1,800	2024
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
<b>On the water fleet total</b>	<b>22</b>	<b>837,248</b>	<b>66,261</b>	<b>15.0</b>

**Note:**

# Vessels Under Construction

*Four vessels with capacity of 9,200 teu to be delivered during 2024*



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

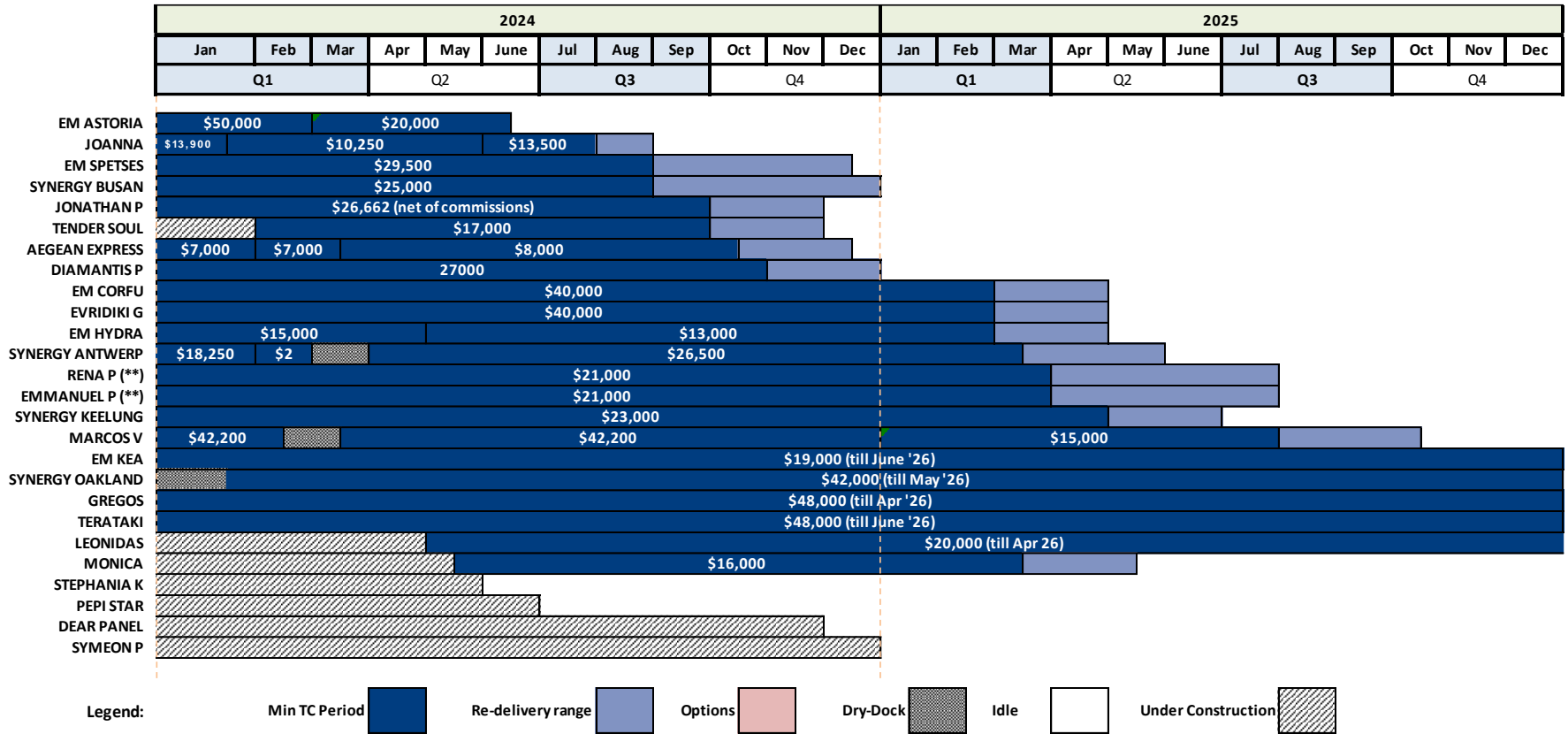


*2x Feeders  
Carrying Capacity: 1,800 teu each*

Name	Type	DWT	Size	TEU	To be Delivered
<i>Vessels under construction</i>					
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
<b>On order vessels total</b>	<b>4</b>	<b>118,998</b>		<b>9,200</b>	

# Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



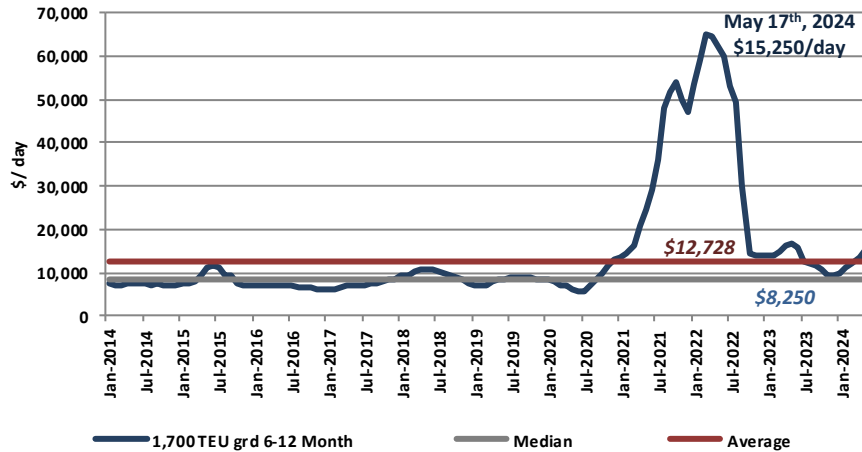
Charter coverage is approximately 88% for 2024 and almost 31.5% for 2025



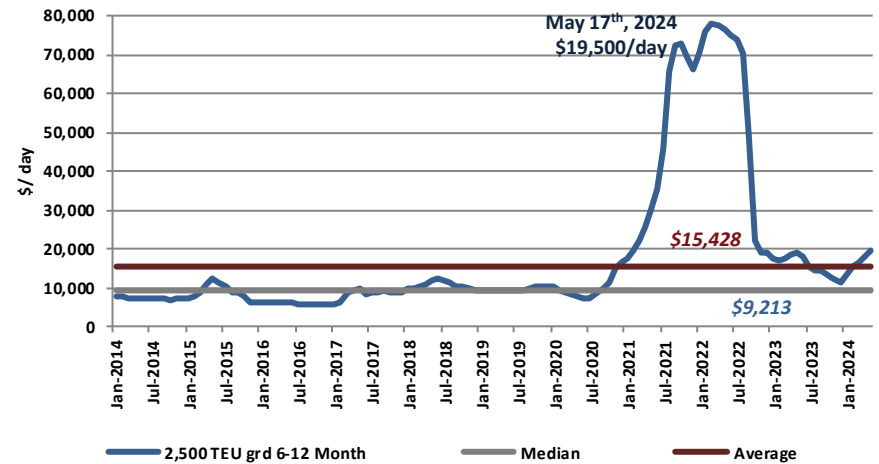
Market Overview

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

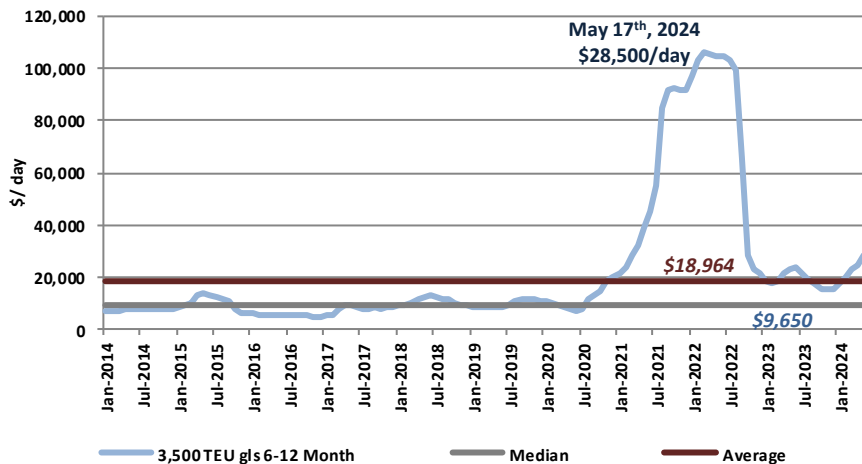
## 1,700 TEU grd



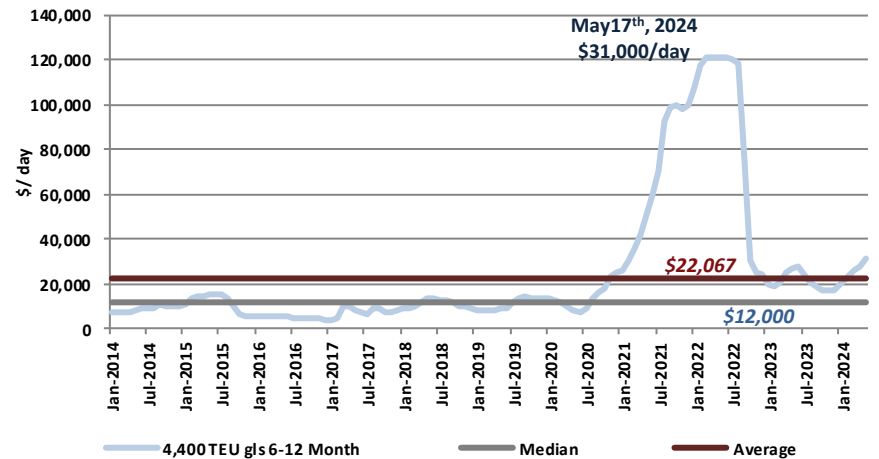
## 2,500 TEU grd



## 3,500 TEU gls



## 4,400 TEU gls



# Containership Market Highlights – Q1 2024

- In 2023, one-year time charter rates experienced declines across all segments, but the trend has reversed since December and charter rates increased approximately 73% to date.

- Average rates (\$/day) during 2024Q1 were increased by 26% compared to 2023Q4 as shown in the table below:

Size (teu) / Type	23Q4 average	24Q1 average	May '24
1,700 geared	\$9,785	\$11,088	\$14,677
2,500 geared	\$12,204	\$15,104	\$19,536
4,400 g'less	\$16,981	\$23,250	\$31,115
6,800 g'less	\$26,538	\$34,173	\$44,422

- May is showing significant further increases which are attributed mainly to Red Sea diversions.
- Average secondhand price index increased on average by about 11% in 24Q1 over 23Q4.
  - Prices remained significantly below the 2022 peak levels but still above the pre-Covid average.
- Newbuilding price index increased by about 7% in 24Q1 over 23Q4.
  - 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 0.19m teu as of May 06,2024 (0.7% of the fleet)
  - It peaked at 0.8m teu in February 2023, trending downwards since.
- Recycling activity: 23 vessels accounting for 33,000teu were sent to scrapyard YTD
  - Recycling volumes are projected to increase moderately in 2024 after a number of quieter years, though ongoing Red Sea disruption is limiting scrapping amid elevated freight rates.
  - Scrapping prices have softened slightly in 2024Q1 at ~\$540/lwt, still, though, ~30% above the 2019 average
- The fleet has grown by 3.9% YTD (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(2.5)	2.7(2.1)	1.9(1.7)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.3	3.4	0.4(0.5)	0.8(0.9)	1.5(1.7)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.2	1.0	1.9(1.9)	0.9(0.9)	1.0(0.8)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.4	3.0	5.2(5.2)	4.6(4.6)	4.1(4.1)
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.1	7.2	7.8(6.7)	6.8(6.5)	6.5(6.5)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	5.6	-1.2	3.6(3.0)	3.2(2.6)	1.8(1.1)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.0	3.0	2.9(3.1)	2.2(1.7)	2.1(1.9)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	4.0	5.5	4.1(4.2)	4.5(4.7)	4.6(4.4)
<b>World</b>	<b>3.4</b>	<b>3.2</b>	<b>3.7</b>	<b>3.6</b>	<b>2.9</b>	<b>-3.3</b>	<b>6.3</b>	<b>3.5</b>	<b>3.2(3.1)</b>	<b>3.2(3.1)</b>	<b>3.2(3.2)</b>

Containerized Trade (% p.a.)	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024p	2025p
<b>TEU/miles</b>	1.5	4.0	5.6	3.6	2.3	-1.8	6.7	-5.4	1.8(1.6)	9.2(5.5)	-2.4%(0.8)

- *Global economy still resilient, despite significant interest rate hikes to restore price stability. Most banks expect the three Fed rate cuts by the end of 2024 will turn into one due to persistent inflation.*
- *Demand will depend on geopolitical developments & Suez Canals' effect in 2024.*

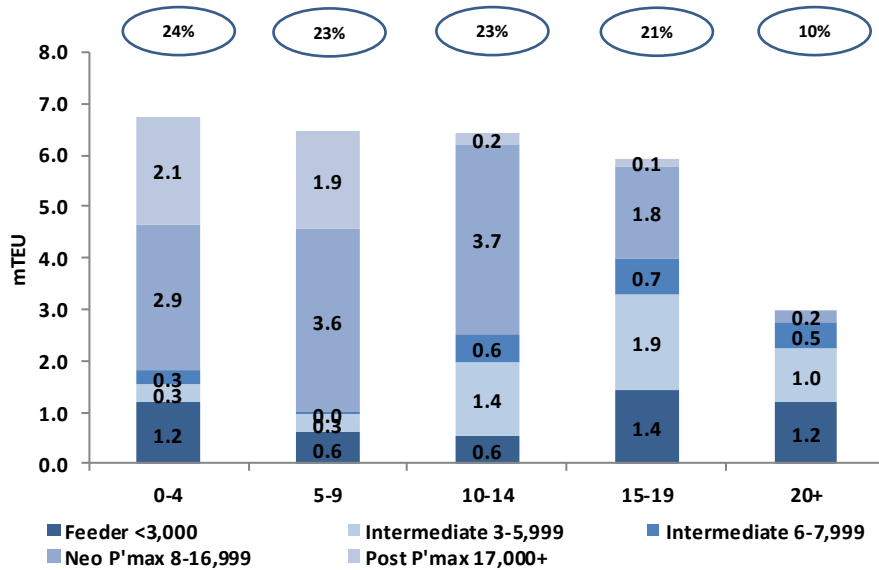
## Sources:

GDP - International Monetary Fund: 2015-2022: start of respective year estimates in parentheses; 2023-25 IMF actual/estimates & Projections (Apr-24). In parentheses, previous actual/estimates & projections for 2023-25 as of Jan-24.

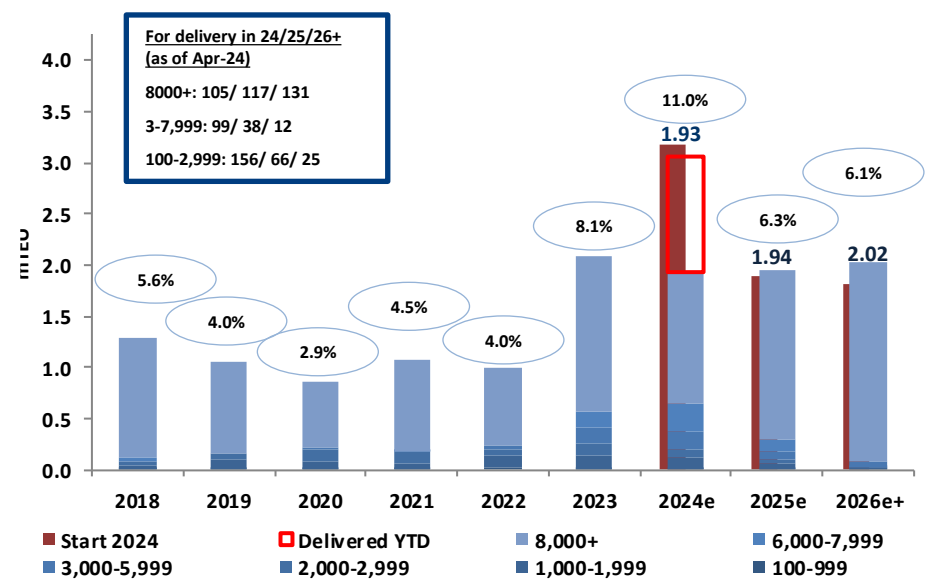
Trade – 2021-25: Updated Clarkson figures (Apr-24), 2015-2022: Figures in parentheses indicate beginning of respective year estimates from Clarkson; 2023-25 Previous estimates in parenthesis from Clarkson (Jan-24).

# Age Profile and Orderbook

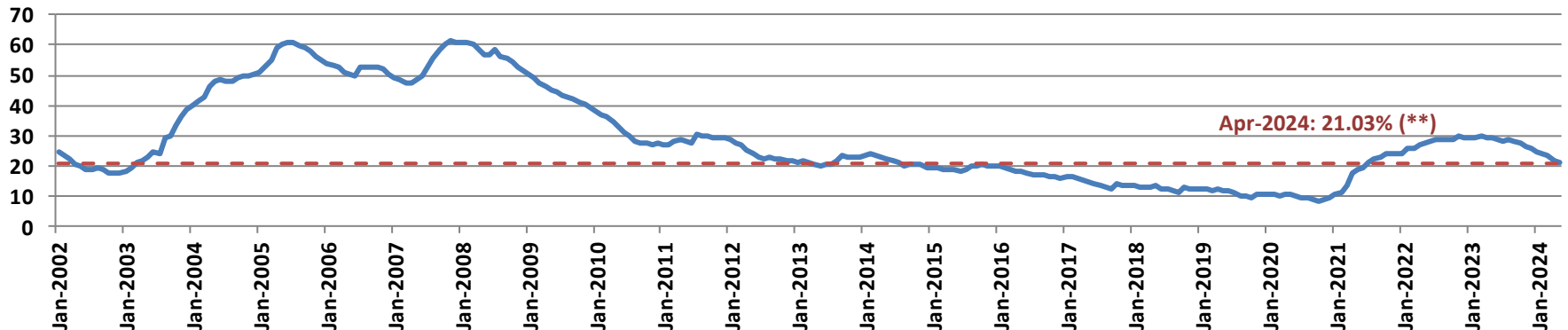
## Age Profile



## Containership Orderbook



## Orderbook as % of fleet



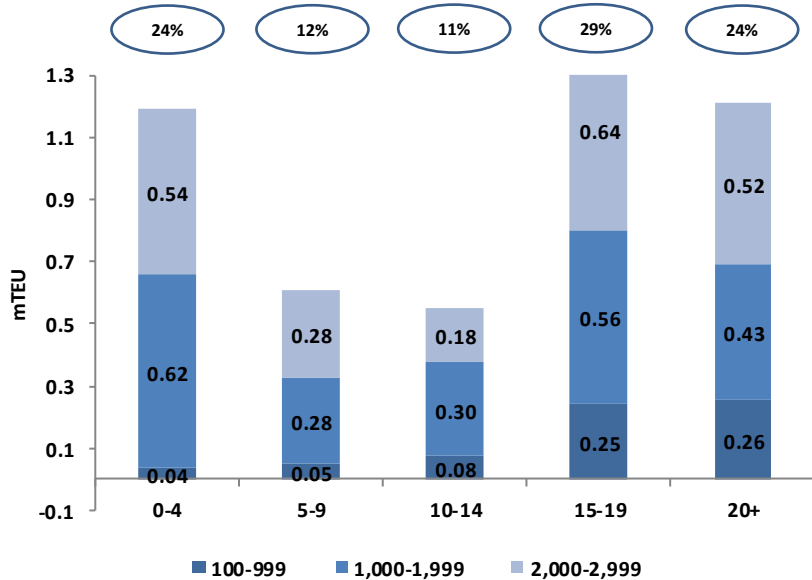
Source: Clarksons Research

(\*) 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

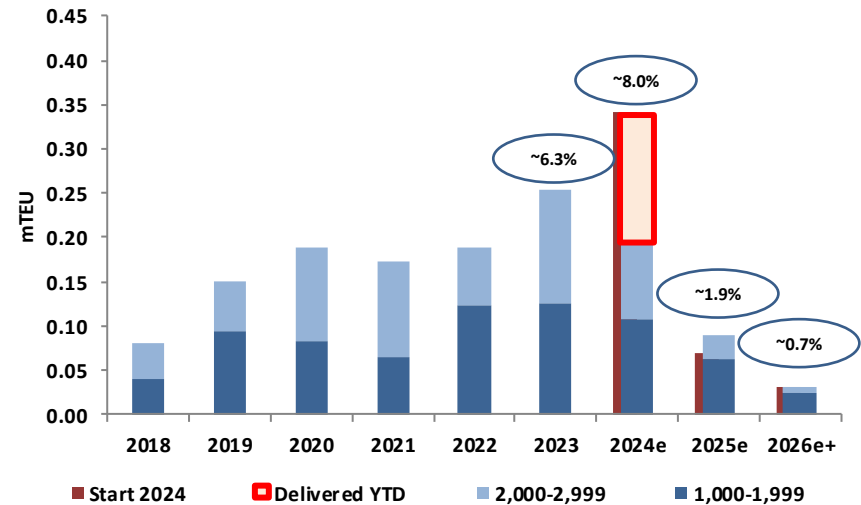
(\*\*) Orderbook % Fleet calculated in terms of TEU.

# Fleet Age Profile and Orderbook, 1000-3000 TEU

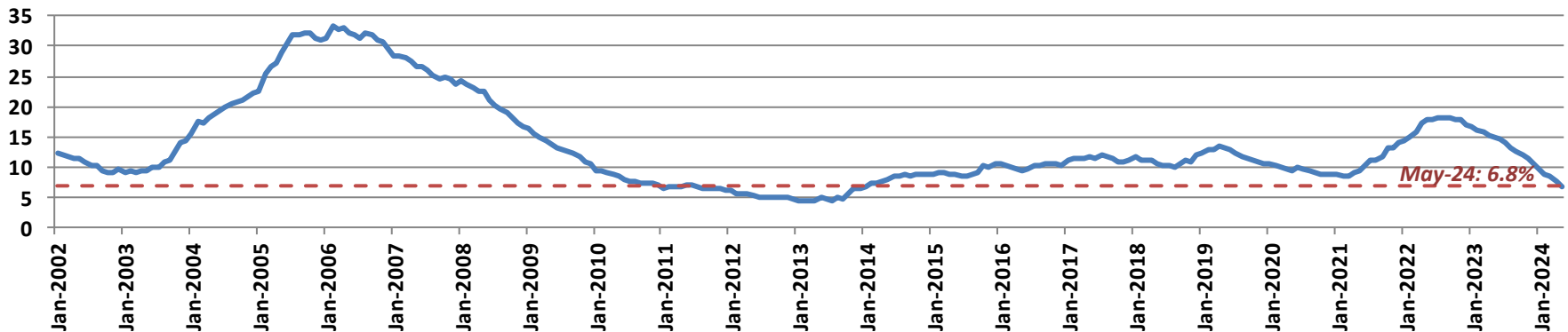
## Age Profile



## 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

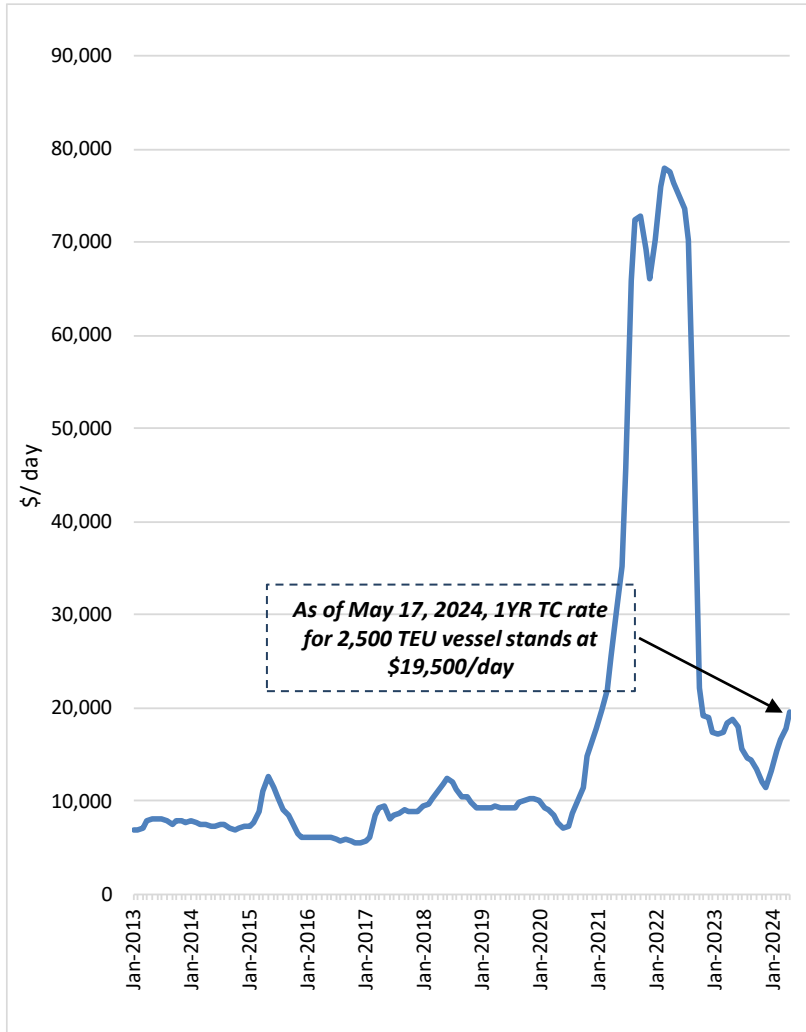


# Outlook Summary

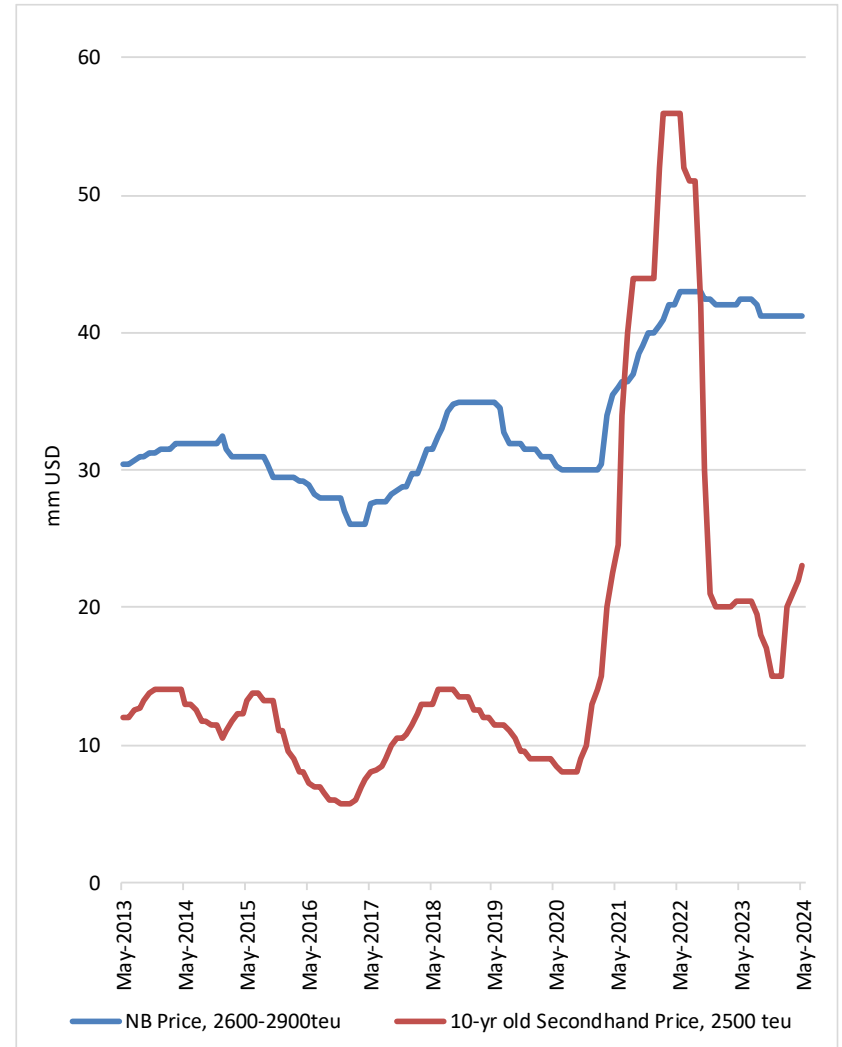
- The container shipping markets have significantly strengthened since last December due to the rerouting of vessels away from the Red Sea and Gulf of Aden, which continues to significantly impact the supply-demand balance. Most vessels on affected east-west services are now taking longer alternative routes. This rerouting has increased demand for ships boosting the utilization of the fleet by more than 10%
  - Freight rates surged, and charter rates have significantly risen and are still on the rise, indicating a halt to the previous softening trend, at least for now.
  - The Contex index has increased by 73% since December 21, 2023.
- For the remainder of 2024, we anticipate the strong market to continue until the geopolitical issues ease while the huge new vessel supply should gradually take over and lead to lower rates. However, the risk of a potential full closure of the Strait of Hormuz (little container impact here), and the ongoing situation in the Suez Canal/Red Sea continue to disrupt vessel activity and shipping markets.
  - The Red Sea security crisis, shows no signs of resolution yet. The Israel/Iran crisis could worsen the situation
  - If the geopolitical tensions ease we anticipate a softening in container freight and charter markets, driven by accelerated capacity growth. However, if this situation continues the extended period of vessel re-routing would be an upside for charter rates.
- In 2025, in the absence of the geopolitical issues, supply/demand fundamentals would seemingly suggest a softening of the market...
  - The extend to this softening will depend on the development of the geopolitical situation but if conditions normalize, it could be very substantial due to significant fleet expansion
  - 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 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.

# Market Evolution

## Cont 2,500 TEU One-Year Time Charter Rate



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





## Financial Overview

# Financial Highlights: First Quarter 2023 and 2024

<i>(in million USD except per share amounts)</i>	First Quarter		Change %
	2023	2024	
Net Revenues	41.94	46.72	11.4%
Net Income	28.75	20.00	-30.4%
Earnings per share, diluted	4.10	2.87	-30%
Interest & Finance Costs, net <sup>(1)</sup>	0.66	1.25	
Depreciation	5.27	5.44	
(Gain) / Loss on Sale of Vessels	(5.16)	0.00	
Amortization of below market charters	(3.80)	(1.23)	
Unrealized Loss/ (Gain) On Derivatives	0.24	(0.86)	
Adjusted EBITDA <sup>(2)</sup>	25.97	24.60	-5.3%
<b>Adj. Net Income<sup>(2)</sup></b>	<b>21.68</b>	<b>18.50</b>	<b>-14.6%</b>
<b>Adj. earnings per share, diluted</b>	<b>3.09</b>	<b>2.66</b>	<b>-14.1%</b>
<b>Weighted average numbers of shares, diluted</b>	<b>7,014,090</b>	<b>6,969,324</b>	

**Notes:**

1) Including interest income and imputed interest

2) See press release of May 23, 2024 for Adjusted EBITDA and Adj. Net Income reconciliation to Net Income

# Fleet Data for the First Quarter of 2023 and 2024

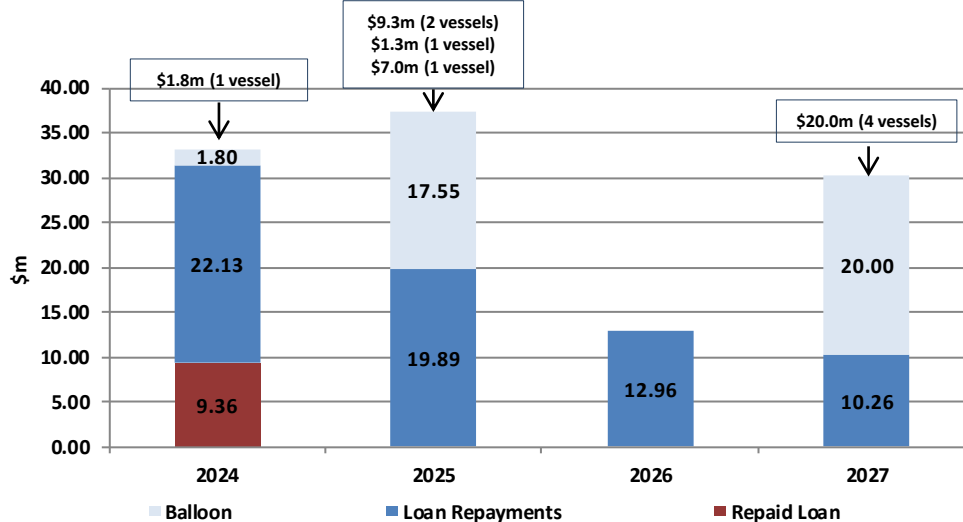
<i>(in million USD except per share amounts)</i>	First Quarter		
	2023	2024	
<b>Number of vessels</b>	<b>17.1</b>	<b>19.6</b>	
<b>Utilization Rate<sup>(1)</sup></b>			
	Operational	97.6%	99.9%
	Commercial	98.1%	99.8%
	Overall	95.7%	99.7%
<i>(usd/day/vessel)</i>			
<b>Time Charter Equivalent (TCE)<sup>(2)</sup></b>	<b>\$29,231</b>	<b>\$27,806</b>	
Operating Expenses			
	Vessel Oper. Exp.exlc. DD exp.	7,333	7,267
	G&A Expenses	741	696
<b>Total Operating Expenses</b>	<b>\$8,074</b>	<b>\$7,963</b>	
	Interest Expenses	1,291	1,779
	Drydocking Expenses	387	3,163
	Loan Repayments without Balloons	4,409	4,266
<b>Breakeven/day</b>	<b>\$14,160</b>	<b>\$17,171</b>	
	Common dividend	2,271	2,328

## 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 0 days for the first quarter of 2023 and 78.6 days for the first quarter of 2024.
- 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:

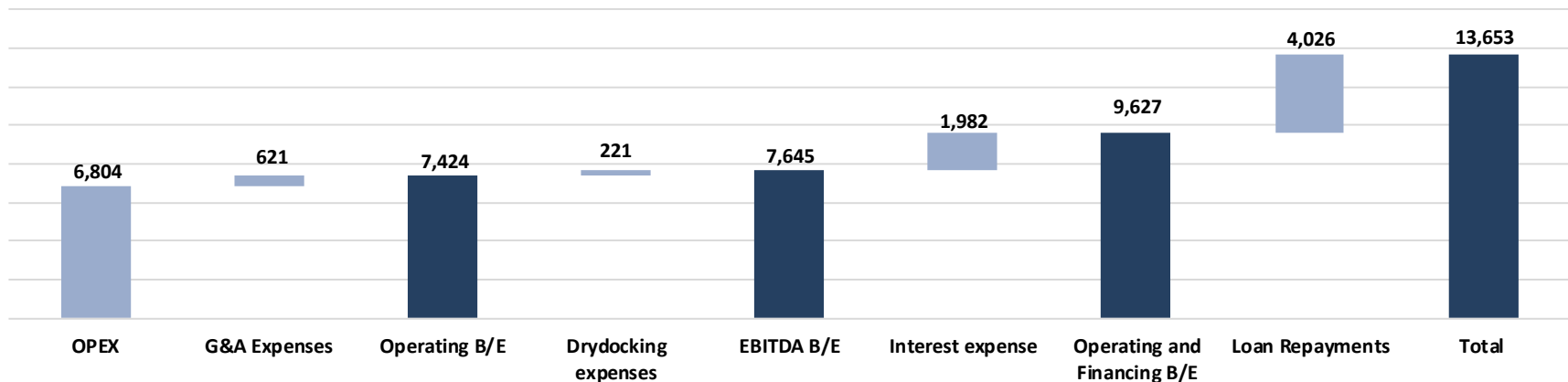
As of March 31, 2024, outstanding bank debt is \$148.6m with average margin of about 2.29%; assuming 3M SOFR<sup>(1)</sup> of 5.31%, our cost of senior debt is 7.60%

- Including the cost of interest rate swaps, the total cost of our debt is approximately 7.34% as about 13% of our debt is "hedged" at 3.41%

### Newbuilding financing:

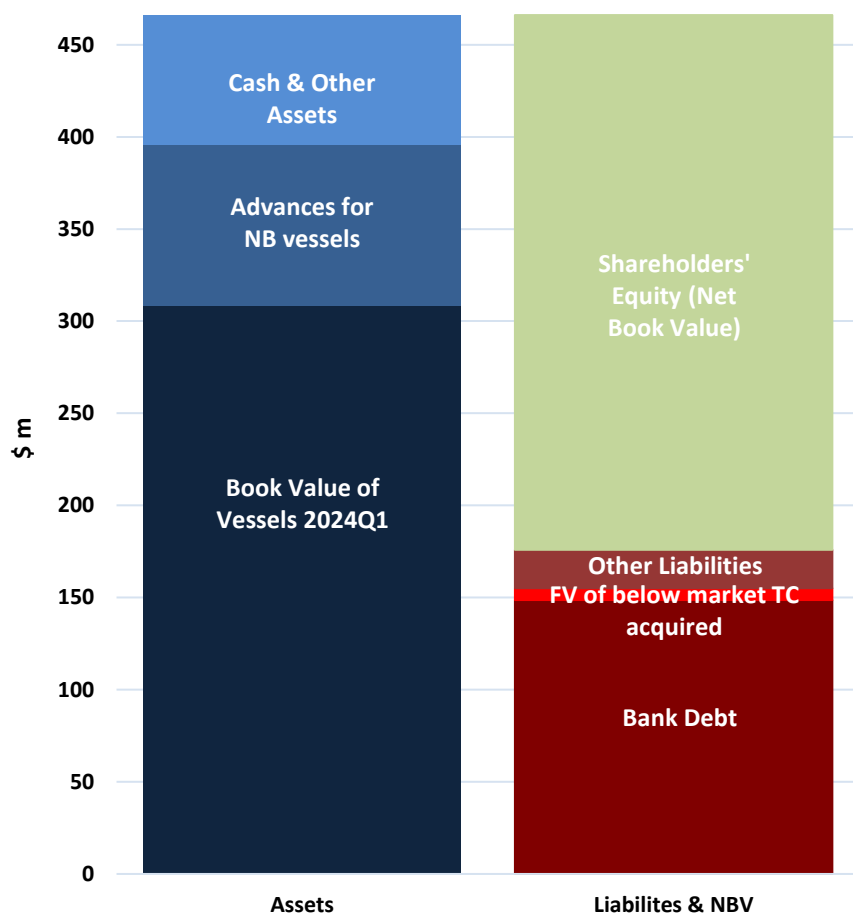
- Chart includes repayments for the loans drawn in 2024Q2 to finance M/V Leonidas & M/V Monica (\$44.5m for both vessels)
- Additional debt – of about \$100m - will be assumed to finance the remaining four newbuilding vessels (repayments of which are not included in chart)

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



# Balance Sheet Highlights

## Euroseas Capital Structure (03/31/24)



## Notes

### Assets

- Cash & Other assets: \$70.2m
- Advances for NB vessels: \$87.7m
- Vessels book value: \$308.1m
- Total assets (at book value): \$465.9m

### Liabilities

- Bank & other debt (net of deferred charges): \$148.6m, i.e. ~31.9% of total book value of assets
- FV of below market TC acquired: ~\$6.3m, i.e. ~1.4% of total book value of assets
- Other liabilities: ~\$20.4m, i.e. ~4.4% of total book value of assets

### Shareholders Equity / Net Asset Value

- The charter-adjusted market value of vessels estimated about \$393.8m<sup>(1)</sup>  
=> Net Asset Value around \$382.7m, or around \$54.56/share
- Last closing share price of \$36.76/share represents a significant discount to the value of the company

# Euroseas Contacts

**Euroseas Ltd.  
c/o Eurobulk Ltd**

**4, Messogiou & Evropis Street  
151 24 Maroussi, Greece  
[www.euroseas.gr](http://www.euroseas.gr)  
[euroseas@euroseas.gr](mailto:euroseas@euroseas.gr)  
Tel. +30-211-1804005  
Fax.+30-211-1804097**

**Tasos Aslidis  
Chief Financial Officer**

**Euroseas Ltd.  
11 Canterbury Lane  
Watchung, NJ 07069  
[aha@euroseas.gr](mailto:aha@euroseas.gr)  
Tel: 908-3019091  
Fax: 908-3019747**

**Nicolas Bornozis / Markella Kara  
\Investor Relations**

**Capital Link, Inc.  
230 Park Avenue, Suite 1536  
New York, NY 10169  
[euroseas@capitallink.com](mailto:euroseas@capitallink.com)  
Tel: 212- 6617566  
Fax: 212-6617526**