



Earnings Presentation

Quarter Ended March 31, 2023

May 16, 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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2023 First Quarter Financial Highlights

Financial Results

in million USD except per share figures

	Q1 2023	
Net Revenues	41.9	
Net Income	28.8	4.10/ share ⁽²⁾
Adj. Net Income ⁽¹⁾	21.7	3.09/ share ⁽²⁾
Adj. EBITDA ⁽¹⁾	26.0	

1) See press release of May 16, 2023 for reconciliation of Adj. Net Income and Adjusted EBITDA to Net Income

2) Diluted

Dividend Declaration & Repurchase Program

- Declared a quarterly dividend of \$0.50 per common share payable on or about June 16, 2023 to shareholders of record on June 09, 2023.
- As of May 16, 2023, we had repurchased 348,419 of our common stock in the open market for about \$7.0 million, under our share repurchase plan of up to \$20 million announced in May 2022.

Recent S&P, Chartering & Operational Highlights

- Newbuilding/ New acquisitions/ Scraping
 - **M/V Gregos** was delivered on April 6, 2023. Following her delivery, she commenced a thirty-six to forty months charter with Asyad Lines @ \$48,000/day.
- Chartering
 - **Synergy Keelung**: fixed @ \$23,000 for 24-26 months
 - **Aegean Express**: fixed @ \$13,000 for 4-6 months
 - **EM Hydra**: extended for 12-14 months @ \$15,000
 - **EM Kea**: extended for 36 months +/- 45 days @ \$19,000
- Idle period/commercial off-hire
 - **Aegean Express**: 28.88 days
- Drydockings
 - **Aegean Express**: 38 day in 2023 Q1

Current Fleet Profile

Current fleet is comprised of 18 vessels with an average age of 16.7⁽¹⁾ years and a carrying capacity of 56.1k TEU



11x Feeder
Avg. Age: 17.9 years⁽¹⁾
Carrying Capacity: 24.2k TEU



7x Intermediate
Avg. Age: 15.7 years⁽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
Gregos (H4201)	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	18	703,275	56,061	16.7



Note:

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

Vessels Under Construction

Eight vessels with capacity of 19,400 teu to be delivered during the remaining 2023 & 2024



5x Feeders
Carrying Capacity: 2,800 teu each

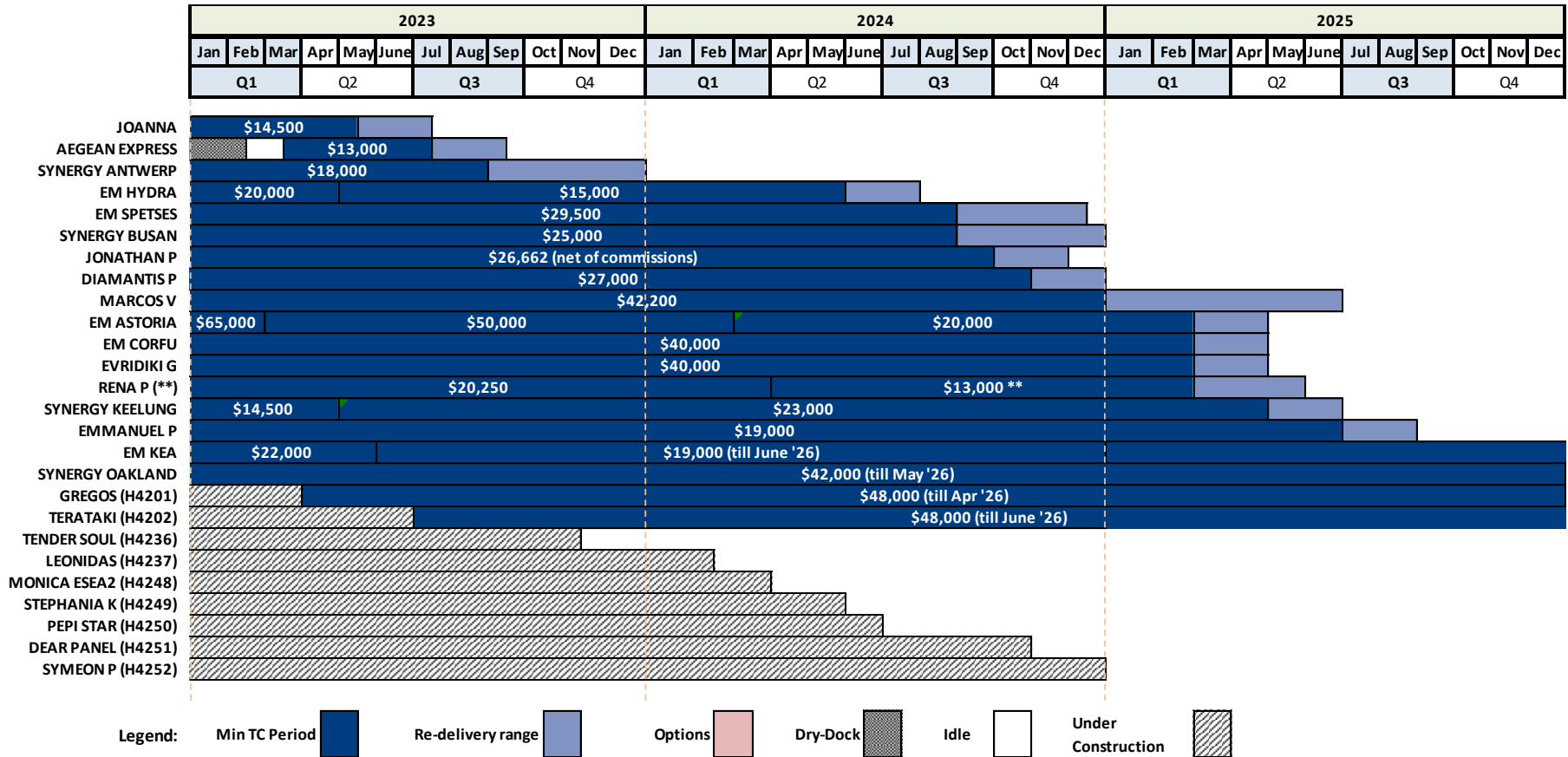


3x Feeders
Carrying Capacity: 1,800 teu each

Name	Type	DWT	Size	TEU	To be Delivered
<i>Vessels under construction</i>					
Terataki (H4202)	Feeder	37,237		2,800	Q3 2023
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	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	8	252,971		19,400	

Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



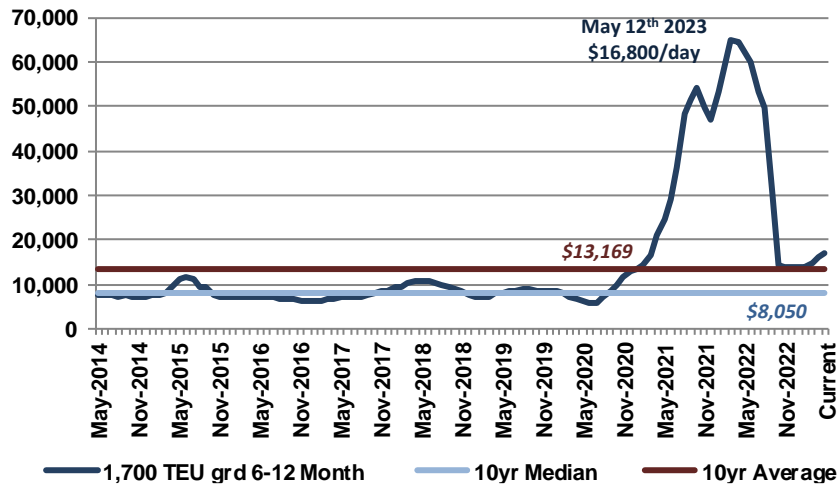
Charter coverage is approximately 91% for 2023 and almost 66% for 2024



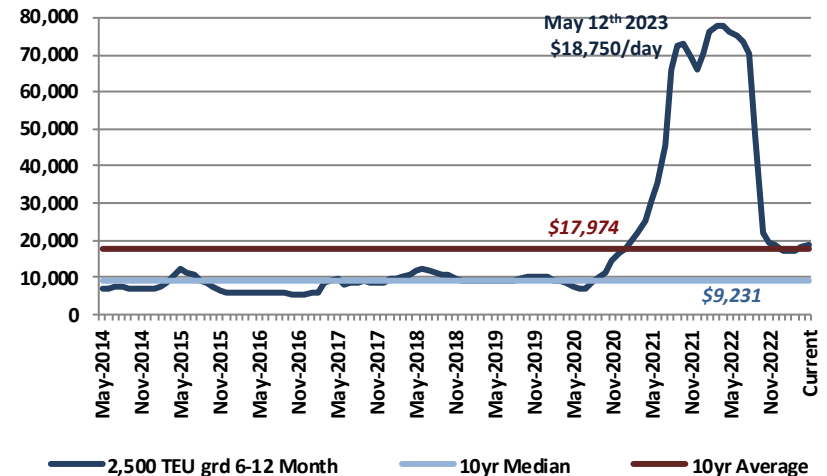
Market Overview

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

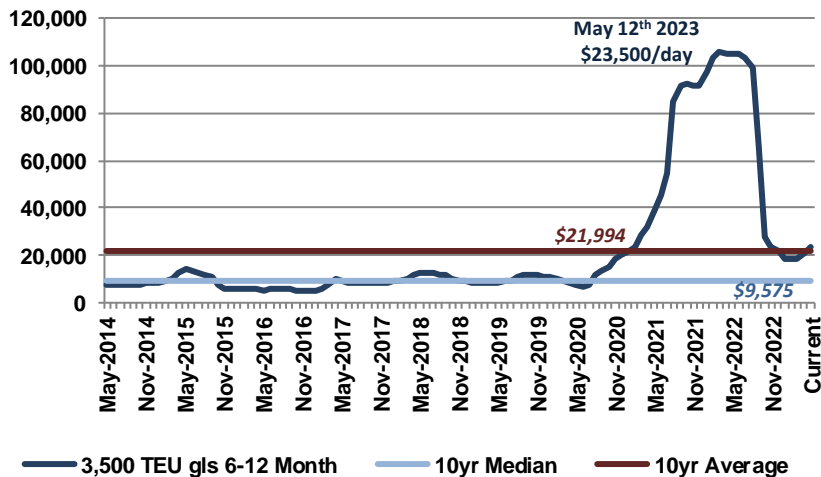
1,700 TEU grd



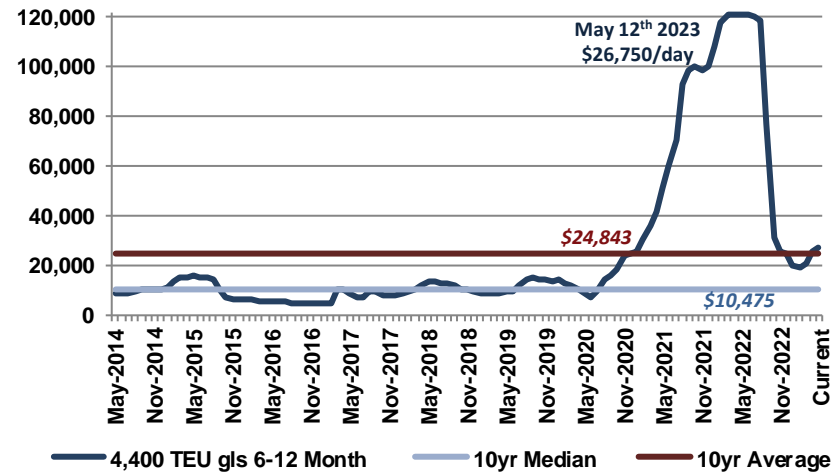
2,500 TEU grd



3,500 TEU gls



4,400 TEU gls



Containership Market Highlights – Q1 2023

- One-Year time charter rates across all segments have continued to ease during Q1, but have increased since by about 10-15%.

- Average rates (\$/day) during 2023Q1 were down by 18% compared to 2022Q4 as shown in the table below

Size (teu) / Type	22Q4 average	23Q1 average	May '23
1,700 geared	\$14,077	\$14,192	\$16,075
2,500 geared	\$19,935	\$17,262	\$18,148
4,400 g'less	\$26,673	\$20,019	\$24,405
6,800 g'less	\$48,750	\$32,327	\$36,322

- Average secondhand price index decreased on average by about 1.6% in 23Q1 over 22Q4
 - General sentiment remained negative into 2023Q1 as many parties remained apprehensive about transacting given current macro - economic headwinds and uncertainty regarding the impact of environmental regulations.
- Newbuilding price index has remained roughly stable in 23Q1 over 22Q4.
 - Newbuilding prices have eased a little over recent months in some sizes but generally remain high amid cost inflation and extended yard forward cover.
- Idle fleet: 0.38m teu as of April 24, 2023, or 1.4% of the fleet, this peaked at 0.8m teu in February and is now trending down.
- Recycling Activity: 30 vessels accounting for 59,000teu were sent to scrapyards in YTD
 - Recycling activity has picked up in 2023 Q1 and is expected to continue for the rest of 2023 and 2024.
 - Scrapping prices have improved a little in 2023Q1 at ~\$560/lwt, ~40% above the 2019 average
- The fleet has grown by 1.8% in YTD (without accounting for idle vessels reactivation/idling)

World GDP & Shipping Demand Growth

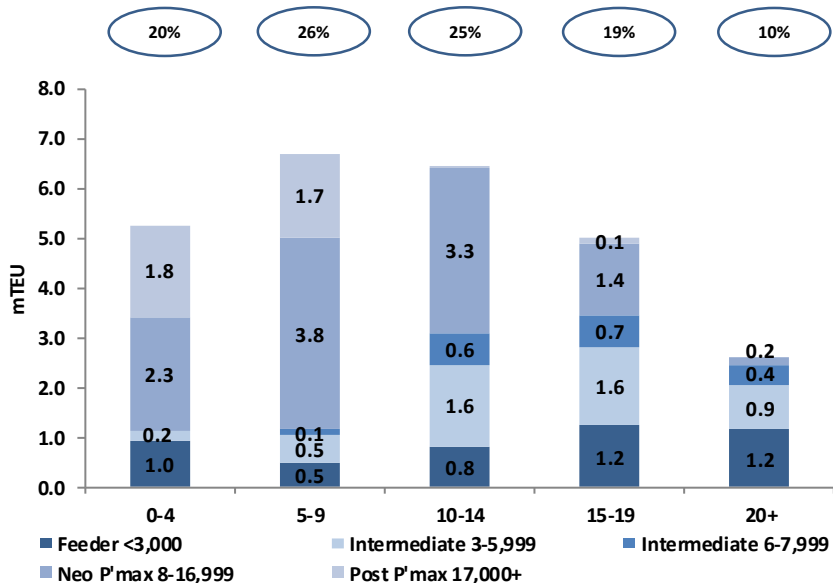
Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021	2022e	2023p	2024p
USA	2.6	1.5	2.	2.9	2.3	-3.5	5.9	2.1(2.0)	1.6(1.4)	1.1(1.0)
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	5.3	3.5(3.5)	0.8(0.7)	1.4(1.6)
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.1	1.1(1.4)	1.3(1.8)	1.0(0.9)
China	6.9	6.7	6.8	6.6	6.1	2.3	8.4	3.0(3.0)	5.2(5.2)	4.5(4.5)
India	7.6	7.1	6.7	7.1	4.2	-8.0	8.7	6.8(6.8)	5.9(6.1)	6.3(6.8)
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.7	-2.1(-2.2)	0.7(0.3)	1.3(2.1)
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.0	2.9(3.1)	0.9(1.2)	1.5(1.5)
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	3.8	5.5(5.2)	4.5(4.3)	4.6(4.7)
World	3.4	3.2	3.7	3.6	2.9	-3.3	6.2	3.4(3.4)	2.8(2.9)	3.0(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	-5.1(-5.0)	-2.1(-0.3)	3.3(3.1)

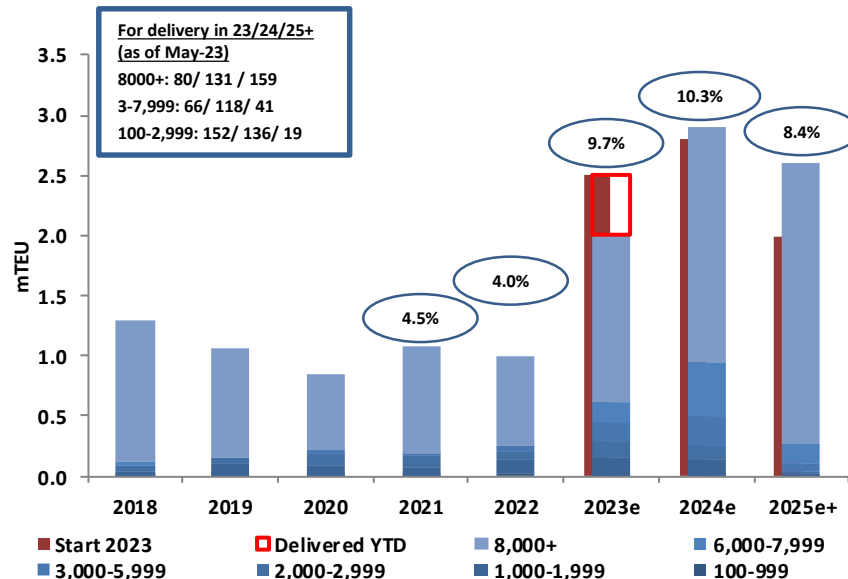
Trade and growth projections are being continuously revised as the effects in the financial sector, inflation and geopolitical tensions between Russia and Ukraine on world growth and trade are being assessed.

Age Profile and Orderbook, Total Fleet

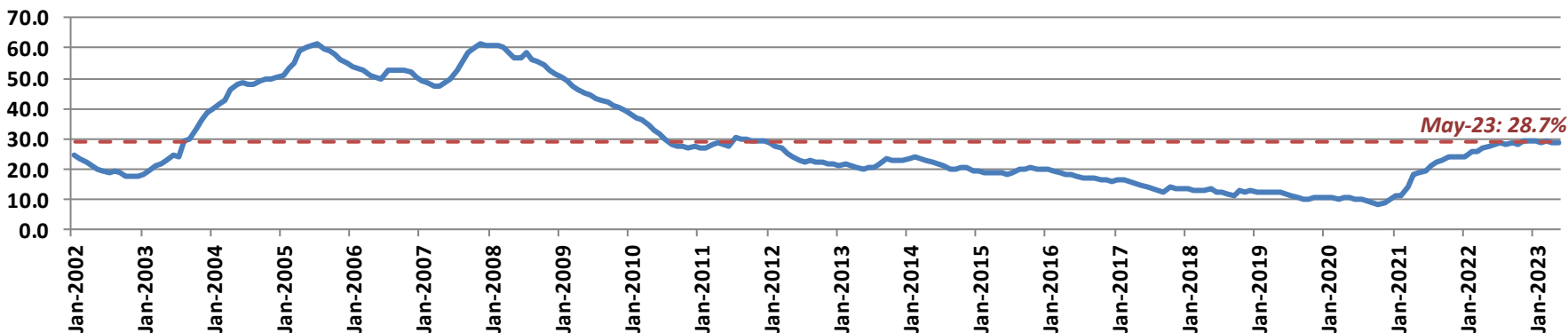
Age Profile



Containership Orderbook



Orderbook as % of fleet

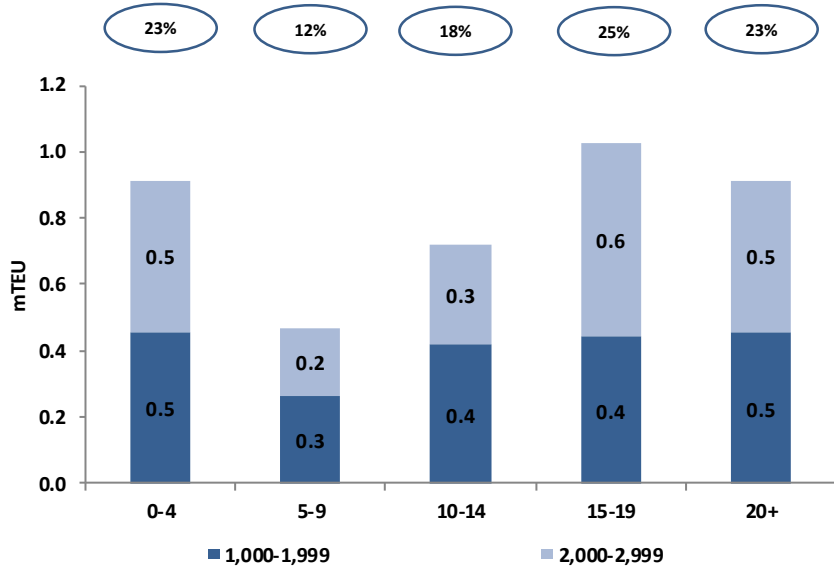


Source: Clarksons Research

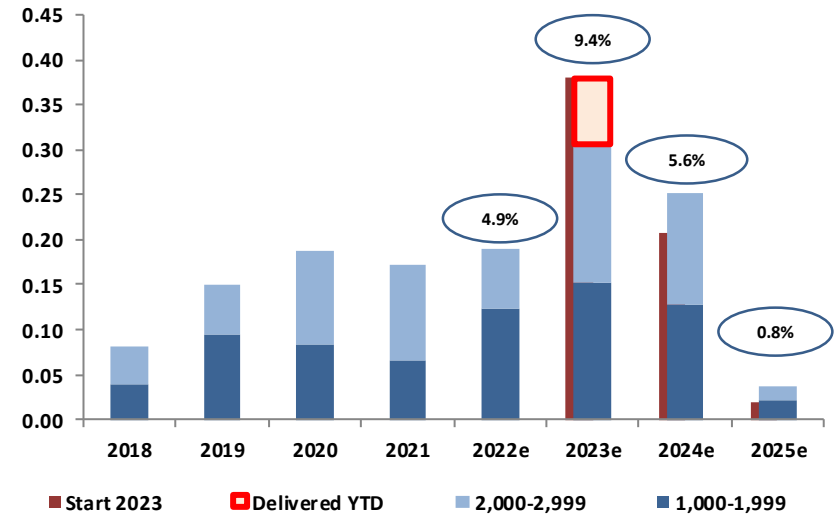
(*) Percentage figures for years 2023-2025 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

Fleet Age Profile and Orderbook, 1000-3000 TEU

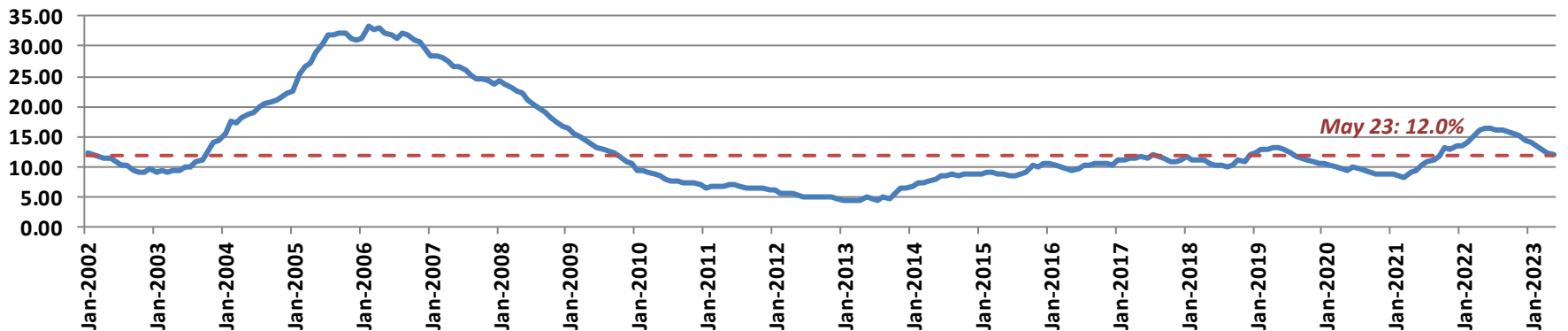
Age Profile



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

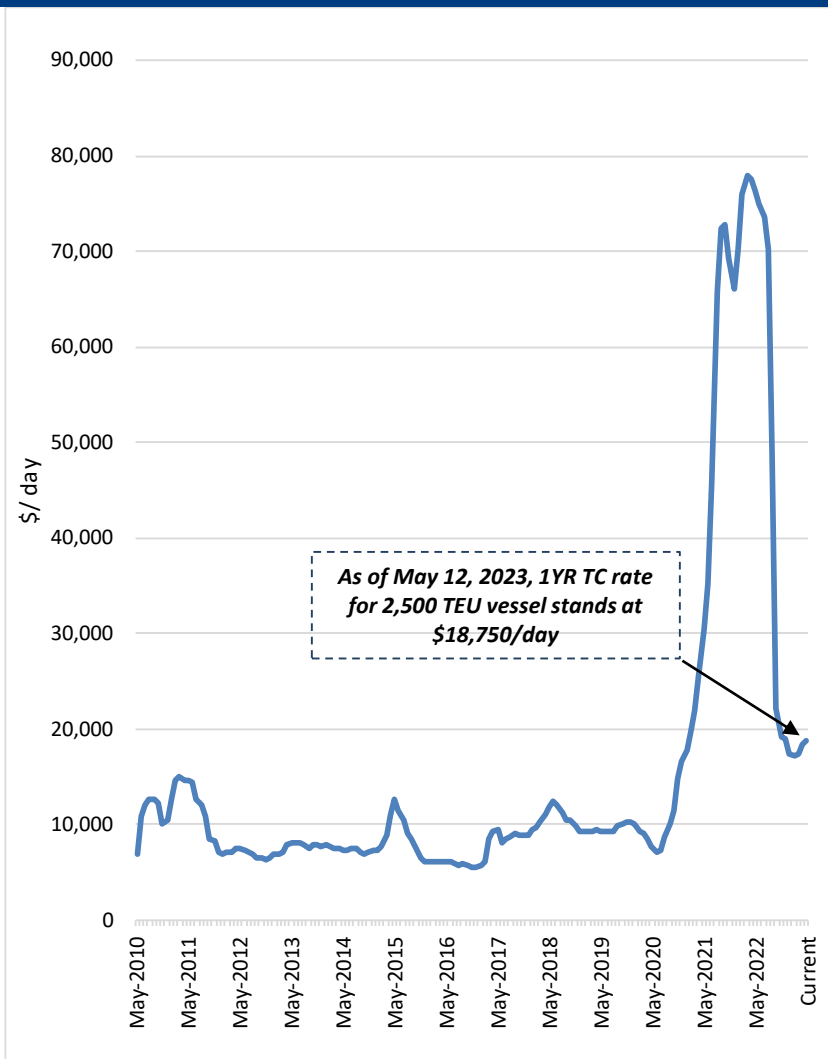


Outlook Summary

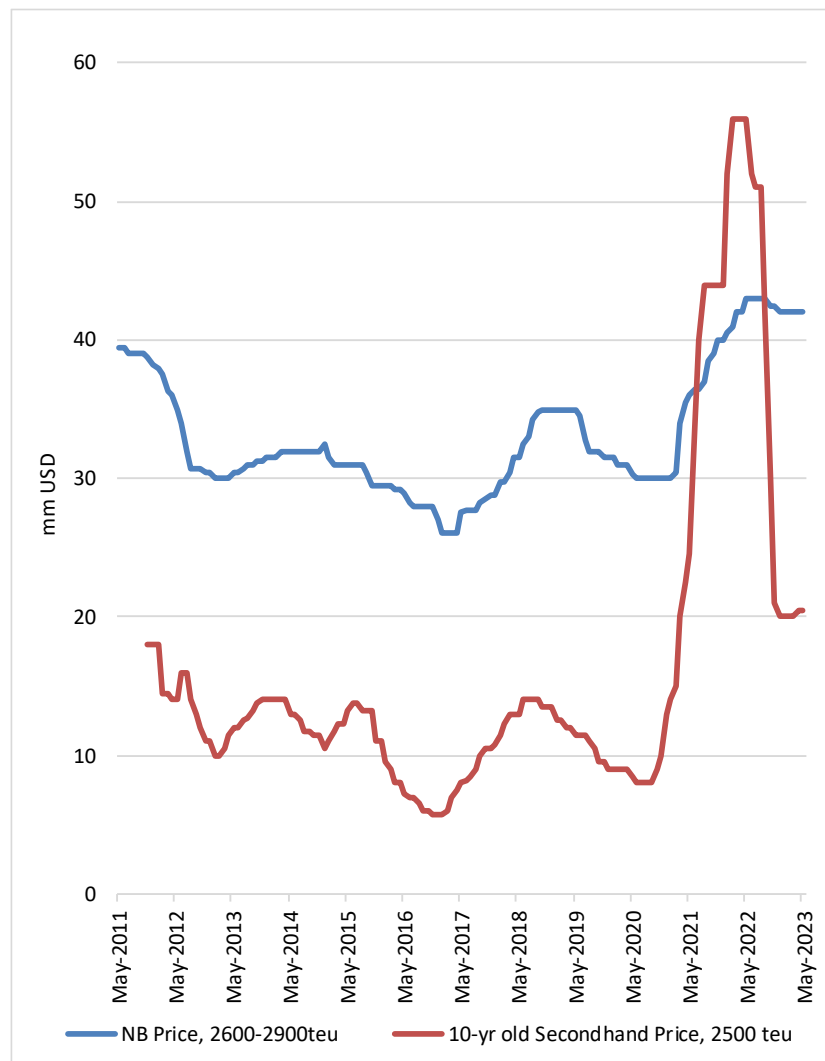
- Despite the fall in volumes, easing of congestion and relevant bottlenecks and huge orderbook expectations the container time charter market has shown admirable resilience and TC rates are still way above pre-pandemic levels
 - The 6-12 month TC rates have firmed and are currently 10% higher than the rates in 2023Q1, also standing at 165% above the pre-COVID 10-yr median.
 - The container freight index reversed course and recovered a bit compared to January 2023 levels. It now stands at a level 80% lower than the Jan-22 peak but still 5-10% above the pre-COVID 10yr median.
 - Container trade fell by 7.5% y-o-y.
 - Reversal of port congestion “released” a good portion of the fleet increasing effective supply
 - It seems though that vessel considerable slowdown has offset the increase in supply that the end of the congestion brought.
- For the remainder of 2023, there are still considerable challenges ahead
 - First, the delivery of the orderbook picks up steam mainly in 2023H2
 - And, secondly, the hard to forecast economic developments that will determine the shipping volumes and overall demand
- From 2024 onwards, a number of developments - quite difficult to assess yet - could come into play
 - Market conditions will remain challenging, as the rates may decline again due to a second 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 outlook is intricate and uncertain. The direction, speed, and metrics of the transition are yet to be fully determined.
 - 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 Price





Financial Overview

Financial Highlights: First Quarter of 2022 and 2023

<i>(in million USD except per share amounts)</i>	First Quarter		Change
	2022	2023	%
Net Revenues	45.37	41.94	-7.6%
Net Income	29.94	28.75	-4%
Earnings per share, diluted	4.13	4.10	-1%
Interest & Finance Costs, net ⁽¹⁾	1.01	0.66	
Depreciation	3.72	5.27	
(Gain) / Loss on Sale of Vessels	0.00	(5.16)	
Amortization of below market charters	(1.22)	(3.80)	
Unrealized Loss (Gain) On Derivatives	(2.34)	0.24	
Adjusted EBITDA ⁽²⁾	31.11	25.97	-17%
Adj. Net Income	26.83	21.68	-19%
Adj. earnings per share, diluted	3.70	3.09	-16%
Weighted average numbers of shares, diluted	7,254,593	7,014,090	

Notes:

1) Including interest income

2) See press release of May 16, 2023 for Adjusted EBITDA reconciliation to Net Income

Fleet Data for the First Quarter of 2022 and 2023

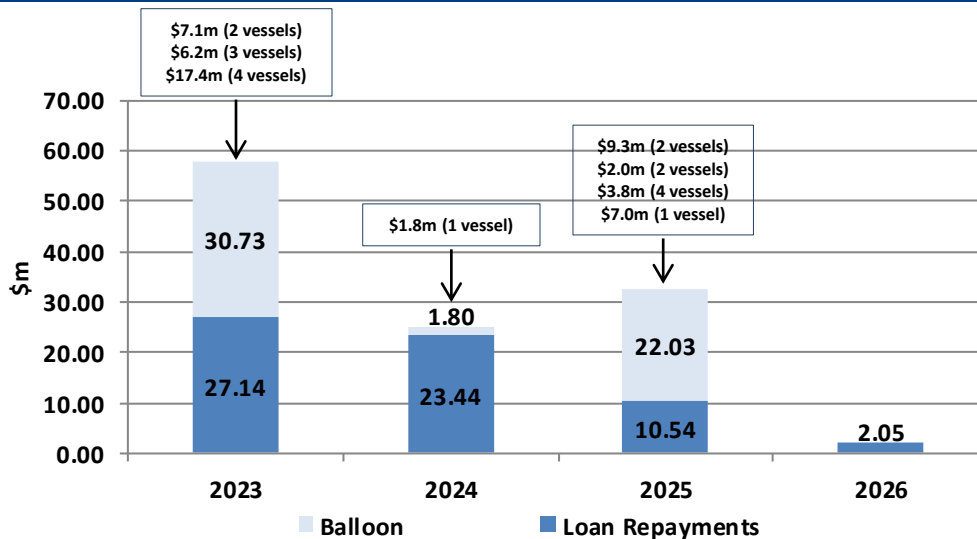
<i>(in million USD except per share amounts)</i>	First Quarter	
	2022	2023
Number of vessels	16.00	17.10
Utilization Rate⁽¹⁾		
Operational	99.5%	97.6%
Commercial	99.6%	98.1%
Overall	99.2%	95.7%
<i>(usd/day/vessel)</i>		
Time Charter Equivalent (TCE)⁽²⁾	\$33,986	\$29,231
Operating Expenses		
Vessel Oper. Exp.exlc. DD exp.	6,646	7,333
G&A Expenses	683	741
Total Operating Expenses	\$7,329	\$8,074
Interest Expenses	707	1,291
Drydocking Expenses	1,242	387
Loan Repayments without Balloons	4,782	4,409
Breakeven/day	\$14,059	\$14,160
Common dividend	0	2,292

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 52.4 days for the first quarter of 2022 and 0 days for the first quarter of 2023.
- 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:

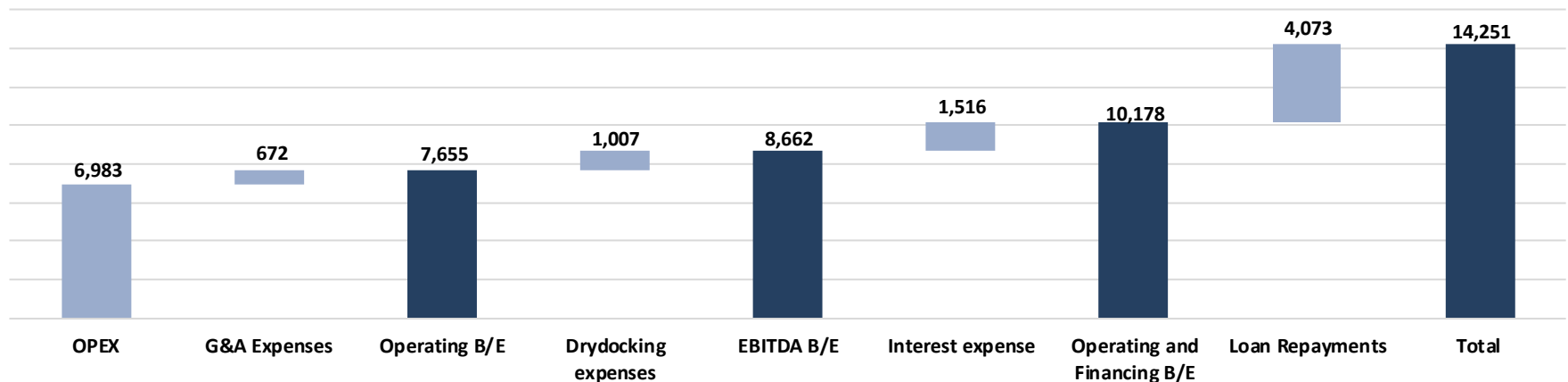
Outstanding bank debt of \$121m with average margin of about 2.71%; assuming 3M LIBOR ⁽¹⁾ of 5.34%, our cost of senior debt is 8.05%

- Including the cost of interest rate swaps, the total cost of our debt is approximately 6.25% as about 50% of our debt is "hedged" at an average of 1.7%

Newbuilding financing:

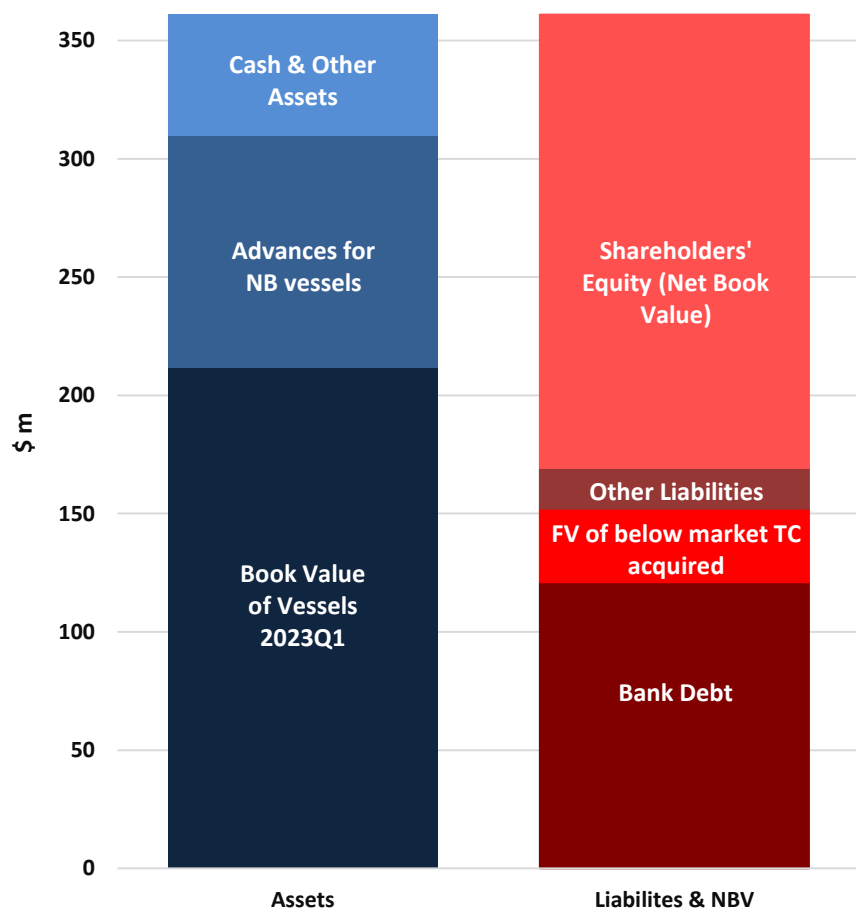
Additional debt - estimated around \$190m - will be assumed to finance the newbuilding program

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



Balance Sheet Highlights

Euroseas Capital Structure (03/31/23)



Notes

Assets

- Cash & Other assets: \$51.3m
- Advances for NB vessels: \$98.0m
- Vessels book value: \$211.8m
- Total assets (at book value): \$361.05m

Liabilities

- Bank & other debt (net of deferred charges): \$121m, i.e.~33.5% of total book value of assets
- FV of below market TC acquired: ~\$31.1m, i.e.~8.6% of total book value of assets
- Other liabilities: ~\$10.7m, i.e.~3.0% 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 \$328.1m⁽¹⁾
=> Net Asset Value around \$345.7m, or around \$49.3/share
- Recent share price trading around \$19/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
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
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
Tel: 212- 6617566
Fax: 212-6617526**