



## **Earnings Presentation**

**Third quarter and nine-month period ended September  
30, 2016**

**November 10, 2016**

## 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 dry-bulk 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 dry bulk and containerized trade, dry bulk and containership fleet and dry bulk and 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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## 2016 Third Quarter & Nine Months Overview

- Financial Highlights - 2016:**

	Third Quarter		Nine Months	
Net Revenues	\$7.2 m		\$21.1 m	
Net Loss	(\$4.6) m		(\$26.6) m	
Loss on Termination of Newbuilding Contract	(\$1.8) m		(\$3.2) m	
Equity Loss	(\$0.7) m		(\$1.4) m	
Impairment of Investment in JV	\$0.0 m		(\$14.0)m	
Adj. Net Loss Available to Common Shareholders <sup>(1)</sup>	(\$3.3) m	(\$0.40)/ share <sup>(2)</sup>	(\$10.5) m	(\$1.29)/ share <sup>(2)</sup>
Adj. EBITDA <sup>(1)</sup>	\$0.3 m		(\$0.8) m	

(1) See press release of 11/10/2016 for reconciliation of Adj. Net Loss Available to Common Shareholders to Net Loss and Adjusted EBITDA to Net Loss and Cash Flow from Operations

(2) Basic and diluted

# Operational Highlights

## ➤ **Vessel S&P**

- c/v Aegean express 1400 teu/1997 bought for \$3m and delivered on 29/9

## ➤ **Repairs/DD**

- Monica P: the vessel performed its drydocking during 12 Aug-7 Sept

## ➤ **Containerships**

- Joanna: Was idle in the Med since Sep. 13, vessel was put on cold laid-up on November 3, as market is not expected to improve before end-March 2017
- Ninos: Extended as of November 20 @\$7,000 for a period of 150-175 days
- Kuo Hsuing: Was extended with current charterers @\$7,000 for a period of 150-175 days. Ship will be delivered to charterers as soon as its current drydock ends
- Aegean Express: Its previous employment was extended and is expected to be redelivered to us between March'17 to May'17

## ➤ **Bulkers**

- Eleni P: Fixed for a 55 day trip @\$7,400 plus \$240K ballast bonus and then fixed again for a 25 days trip @\$7,500
- Monica P: Fixed for a 80 days trip @ \$4,500
- Pantelis: Fixed for a 40 days trip @\$5,000 and then fixed for a 80 days trip @\$6,800

# Newbuilding Program Developments

## ➤ *Newbuildings:*

- Ultramax 1 & 2: The yard failed to deliver the vessels within the cancelling dates. Thus, we cancelled the contracts requesting refund of our deposits plus interest and certain other expenses. Arbitration procedures have commenced; claim is for about \$18m for payments, interest and other expenses
- Kamsarmax 2: We signed a contract addendum with the yard agreeing to a new delivery date in Q1 2018 or conversion of the contract to a different vessel type or use of the payment already effected to acquire a different vessel from the yard. In addition, we got the option to cancel the shipbuilding contract by the end of December 2016 with no extra payments/penalty.

# Current Fleet (not including Euromar vessels)

	Name	Type	Size		Year
			DWT	TEU	Built
Drybulk Carriers	<b><u>Newbuilding Program</u></b>				
	Hull No YZJ 117	Kamsarmax	82,000		2018
	<b>Sub Total - NBs</b>	<b>1 vessel</b>	<b>82,000</b>		
	<b><u>Vessels in the water</u></b>				
	Xenia P	Kamsarmax	82,000		2016
	Eirini P	Panamax	76,000	-	2004
Pantelis	Panamax	74,020	-	2000	
Eleni P	Panamax	72,110	-	1997	
Monica P	Handymax	46,667	-	1998	
<b>Sub Total-Drybulk</b>	<b>5 vessels</b>	<b>350,797</b>		<b>13.0</b>	
Containerships	Evridiki G	Intermediate	34,677	2,556	2001
	Aggeliki P	Intermediate	30,360	2,008	1998
	Joanna	Handysize	22,301	1,732	1999
	Manolis P.	Handysize	20,346	1,452	1995
	Aegean Express	Handysize	18,581	1,439	1997
	Ninos	Feeder	18,253	1,169	1990
	Kuo Hsiung	Feeder	18,154	1,169	1993
	<b>Sub Total-Containership</b>	<b>7 vessels</b>	<b>162,672</b>	<b>11,525</b>	<b>19.9</b>
<b>Total (w/o NBs)</b>	<b>12 vessels</b>	<b>513,469</b>	<b>11,525</b>	<b>16.7</b>	
<b>Total</b>	<b>13 vessels</b>	<b>595,469</b>	<b>11,525</b>	<b>15.5</b>	

# Euromar Joint Venture

Name	Type	Size		Year
		DWT	TEU	Built
<b>AKINADA BRIDGE</b>	<b>Post Panamax</b>	<b>71,366</b>	<b>5,600</b>	<b>2001</b>
<b>CAP EGMONT</b>	<b>Intermediate</b>	<b>41,850</b>	<b>3,091</b>	<b>2007</b>
<b>ALANCA SAN MARTIN</b>	<b>Intermediate</b>	<b>37,180</b>	<b>2,785</b>	<b>2007</b>
<b>EM ASTORIA</b>	<b>Intermediate</b>	<b>35,600</b>	<b>2,778</b>	<b>2004</b>
<b>EM CORFU</b>	<b>Intermediate</b>	<b>34,654</b>	<b>2,556</b>	<b>2001</b>
<b>EM CHIOS</b>	<b>Intermediate</b>	<b>32,350</b>	<b>2,506</b>	<b>2000</b>
<b>EM ATHENS</b>	<b>Intermediate</b>	<b>32,350</b>	<b>2,506</b>	<b>2000</b>
<b>EM ANDROS</b>	<b>Intermediate</b>	<b>33,216</b>	<b>2,450</b>	<b>2003</b>
<b>EM HYDRA</b>	<b>Handysize</b>	<b>23,400</b>	<b>1,736</b>	<b>2005</b>
<b>EM SPETSES</b>	<b>Handysize</b>	<b>23,400</b>	<b>1,736</b>	<b>2007</b>
<b>Total</b>	<b>10 vessels</b>	<b>365,366</b>	<b>27,744</b>	<b>13 yrs</b>

Containerships

- Euroseas owns 14.3% of the company's common equity and \$4.4m of preferred equity
- \$4.0m further commitment to be invested as preferred equity at Euromar's option
- Cash position of about \$14.8m as of Q3 2016.



**Market Overview**



## Market Highlights – M9 2016

### Bulkers:

- After hitting a low of 290 points in February the BDI increased to 612 points at the start of Q3 and ended up at 875 points by September 30. Currently it stands at 954 points (November 09)
  - BALTIC Cape (172Kdwt) spot rates averaged \$1,424/day in Q1, \$5,682/day in Q2 and \$6,882/day in Q3
  - BALTIC Panamax (74Kdwt) spot rates averaged \$3,068/day in Q1 \$4,899/day in Q2 and \$5,746/day in Q3
  - BALTIC Supramax (52Kdwt) spot rates averaged \$3,801/day in Q1 \$5,795/day in Q2 and \$7,064/day in Q3 but,
  - Currently (Nov' 09) BALTIC spot rates stand at \$13,338/day for Capes \$7,409/day for Panamaxes, \$7,346/day for Supramaxes
- One-year TC rates increased significantly for all sizes:
  - Capes from 5,250/day (January average) to \$8,750/day (October average)
  - Panamaxes from \$5,370/day (January average) to \$7,009/day (October average)
  - Supramaxes from \$4,850/day (January average) to \$6,750/day (October average)
  - As of 09 November 2016, TC rates stood at about \$9,000/day for Capes, \$7,300/day for Panamaxes and \$6,500/day for Supramaxes
- Secondhand prices for vessels of about 10yrs old have increased between 30% to 50%, from the lows seen at the start of the year. Whilst for vessels of around 15yrs old the increase seen is about 10%
- No newbuilding orders were placed but there were some resales by owners who did not have capacity to pay for them or yards which have taken them over
  - These resales are at levels of \$18/19m for Ultramaxs , \$19/20m for Kamsarmaxes and \$33/34m for Capes. These levels are roughly 30-40% lower than the price they were originally ordered



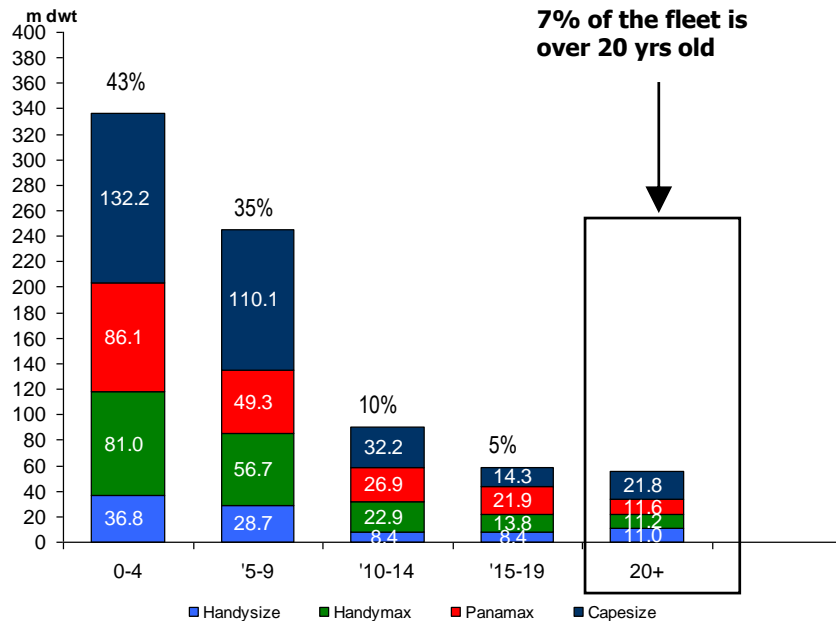
## Market Highlights – M9 2016

### Containerships:

- Time charter rates in M9 for vessels below 5,500 teu have dropped and are in the region of \$4,500-\$6,500, with the 1,700 teu vessels still earning the most
- Secondhand prices dropped even further with 15 yrs old vessels below 3,000 teu valued at their scrap price whilst for panamaxes where the biggest percentage of idle fleet exists even some 10yrs old vessels has been scrapped
- New building prices were stable however activity was minimal in the last quarter
- Idle fleet which had been falling from 1.55m teus in mid-March to about 900k teus in the summer peak season rose again to 1.2m teus by the middle of September and continues to rise since then to 1.59m teus as of October 31<sup>st</sup> representing 7.8% of the total fleet
- Scrapping has accelerated in the past couple of months and should this pace continue we are heading for a record scrapping year for containers at around 650,000 teus

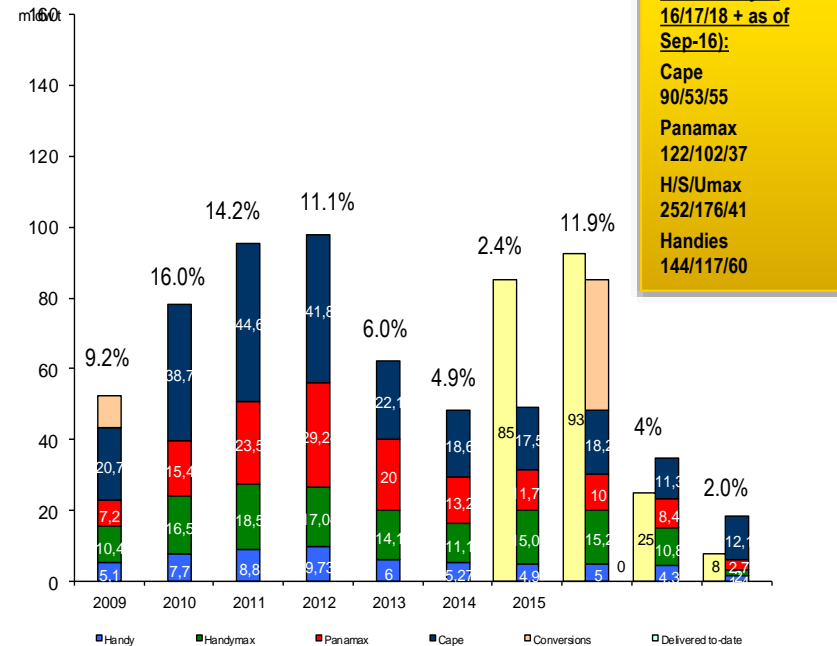
# Drybulk Age Profile & Orderbook Delivery Schedule

## Dry Bulk Age Profile



**Large bulkers are still young**

## Dry Bulk Orderbook



**Large Vessels Dominate Orderbook**

Source: Clarksons, as of September 2016, Age Profile; September 2016, Orderbook

Notes:

- As % of schedule deliveries
 

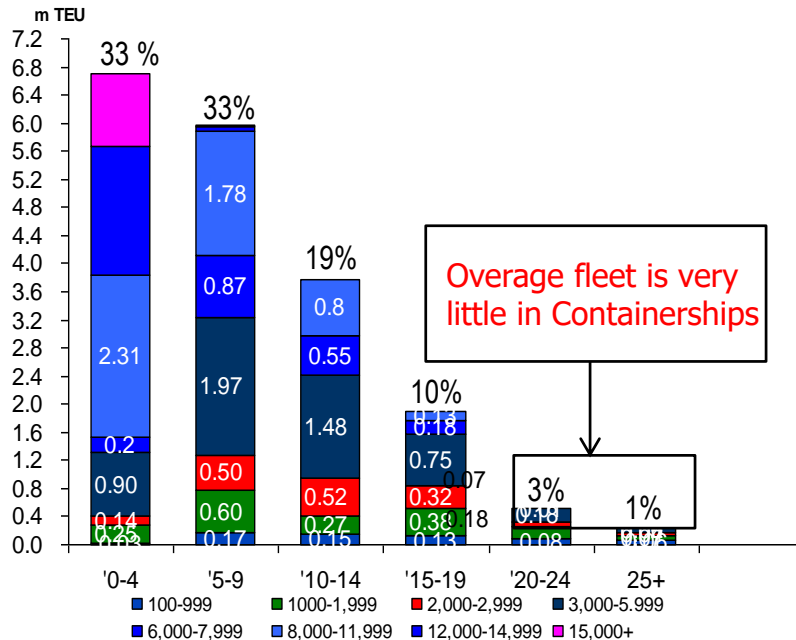
	2009	2010	2011	2012	2013	2014	2015
Scraping	10m-3%	5.7m-1.2%	22.2m-4.2%	32.9m-5.3%	21.6m-3.2%	15.9m-2.2%	30.5m-4.0%
Slippage & cancellations	28.5m-40%	47m-37%	43m-29%	40m-30%	39m-39%	27m-36%	36m-43%

2) Fleet percent change during 2009-2015 includes scrapping and other additions and removals.

In 2016/17/18 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.

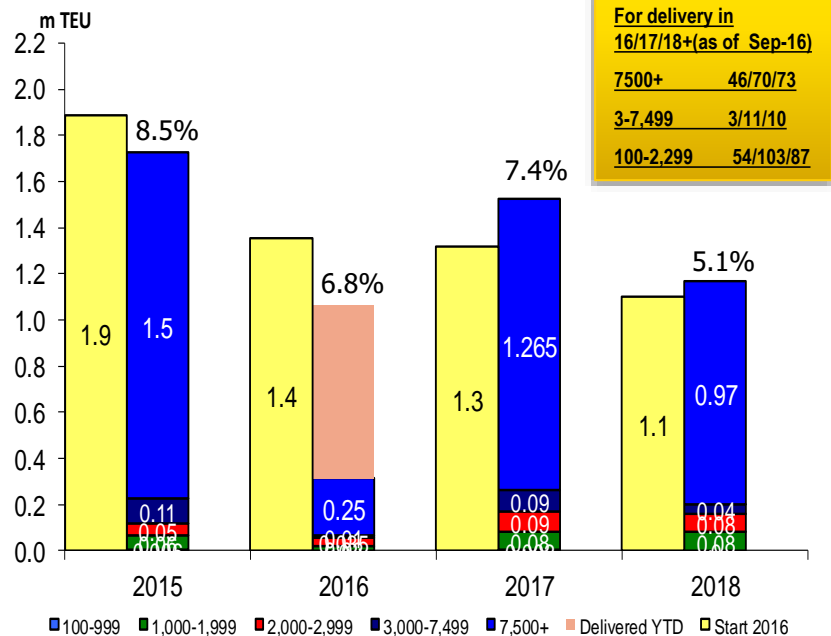
# Containership Age Profile & Orderbook Delivery Schedule

## Containership Age Profile



**Overall A Young Fleet**

## Container Orderbook



**Large Vessels Dominate Orderbook**

Source: Clarksons, as of September 2016, Age Profile; Alphaliner, September 2016, Orderbook

Notes:

- As % of schedule deliveries
 

	2009	2010	2011	2012	2013	2014	2015
Scrapping	0.3m -3%	0.3m -2%	0.m -0.5%	0.3m -2%	0.4m -3%	0.4m -2%	0.2m -1%
Slippage & cancellations	1.0m -50%	0.5m -25%	0.5m -27%	0.1m -10%	0.5m -27%	0.1m -9%	0.1m -8%

2) Fleet percent change in 2015 includes scrapping and other additions and removals.

In 2016/17/18 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.



# World Economic Growth

- World GDP growth continues to be slow, uncertainties globally remain
  - Trump's election needs to be digested
  
- Positives:
  - Brazil -under President Emer- seems to be on a reformist track
  - Better prospects for Russia
  - China seems to be avoiding a hard landing due to robust services growth
  - Most major financial markets close to 5 year highs
  
- Negatives:
  - Brexit negotiations to be triggered by April 2017
  - Protectionism gaining support in advanced economies
  - Conflicts and terrorism
  - Restricted policy space esp. in advanced economies
  - Concerns over bank viability in Europe
  - First OPEC production cut since 2008

# World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2012	2013	2014	2015	2016	2017	2018
USA	2.8(1.8)	1.9 (1.2)	2.4 (2.8)	2.6(3.6)	1.6(2.2)	2.2(2.5)	2.4
Eurozone	-0.7 (-0.5)	-.05 (-0.4)	0.9 (1.0)	2.0(1.2)	1.7(1.6)	1.5(1.4)	1.6
Japan	1.4(1.7)	1.5 (2.0)	-0.1 (1.7)	0.5(0.6)	0.5(0.3)	0.6(0.1)	0.4
China	7.7 (8.2)	7.7 (7.6)	7.4 (7.5)	6.9 (6.8)	6.6 (6.6)	6.2(6.2)	6.0
India	3.2 (7.0)	4.4 (3.8)	7.2 (5.4)	7.6 (6.3)	7.6(7.4)	7.6(7.6)	7.6
Russia	3.4 (3.0)	1.3 (1.5)	0.6 (2.0)	-3.7 (-3.0)	-0.8 (-1.2)	1.1(1.0)	1.0
Brazil	1.0 (3.0)	2.3 (2.5)	0.1 (2.3)	-3.8 (0.3)	-3.3(-3.3)	0.5(0.5)	1.0
ASEAN-5	6.2 (4.8)	5.2 (5.0)	4.6 (5.1)	4.8 (5.2)	4.8 (4.8)	5.1(5.1)	5.2
<b>World</b>	<b>3.1 (3.3)</b>	<b>3.4(3.5)</b>	<b>3.4 (3.7)</b>	<b>3.2(3.6)</b>	<b>3.1 (3.1)</b>	<b>3.4(3.4)</b>	<b>3.6</b>

## Dry Bulk Trade (% p.a.)

Tons	6.0 (4.0)	6.0(5.0)	5.0 (5.0)	0.0 (4.0)	0.9 (0.5)	2.5 (3.0)	2.5
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## Containerized Trade (% p.a.)

TEU	3.1 (7.0)	5.1 (4.8)	5.4 (6.1)	2.2(6.7)	3.4(3.8)	4.1(4.2)	4.0
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### Sources:

GDP - International Monetary Fund: 2012-2015 , (start of year estimates in parentheses), 2016/17/18 IMF Forecasts (Oct-16), (previous estimates 2016/17 from Jul-16 in parentheses)

Trade – Drybulk: 2012-2015: Figures in parenthesis indicate beginning of Year estimates from Clarkson  
 2016 – Clarksons, 2017/18 - Company Estimates. Previous Estimates figures in Parenthesis (May16)  
 For 2016-Clarkson (Sept.2016) estimates 0.9% trade growth, but YTD data Indicate a better demand for the year and, as a result, the Company revised forecast to 2% in estimating supply-demand balance.

Containers: 2012-2015: Figures in parenthesis indicate beginning of Year estimates from Clarkson  
 2016/17 Clarkson (September-2016), 2018 Company Estimates Previous Estimates figures in parenthesis (Jun-16). Actual 2016 YTD figures run behind Clarksons estimate indicating similar to 2015 growth and , as a result the Company revised forecast to 2.5% for 2016 in estimating supply-demand balance, 3.5% for 2017 and 4%for 2018

# Outlook Summary – Bulkers

## Bulker trends

- Market fundamentals for 2016, after the worst quarter in drybulk shipping ever, have improved amidst very high scrapping and better than expected demand especially for Iron Ore and Coal
- Scrapping is needed to continue in a similar pace in 2017 in order to have an improving market
- However, the market still looks fragile and uncertainty is still very high
- China remains the main source of drybulk trade growth although its economy seems to be adjusting to a “new norm” of lower growth rate. Iron ore imports is the commodity with the greatest prospects despite the slower steel production
  - ✓ The Chinese government has announced plans to limit steel production by shutting down excess capacity of 100-150mt by 2020
  - ✓ ..and that it plans to shut down coal mines of about 500mt capacity annually within the next 3-5 years
  - ✓ However above is so far counterbalanced by increased Iron Ore and Coal imports due to the shut down of local uneconomical mines. So far this year it looks like this is what is happening as record Iron Ore Imports into China were recorded for M9 2016. Iron ore had 10%+ rise YoY and coal imports 10%+ YoY Solid grain imports and Chinese steel exports give great support to sub-panamax tonnage
- India still looking strong expecting coal trading to grow but less than expected a while ago as the Indian government is aiming for self sufficiency by developing domestic mines

# Outlook Summary – Containerships

## Containership trends

- We expect demand prospects to improve during the remaining of 2016, however with the lowest overall growth rate for the year ever recorded similar to 2015. Container Industry has entered maturing stage and growth rates of a growing industry of the past decade are not there any more
- We expect demand growth in 2016 to be similar to 2015, around the lowest ever recorded. Container Industry has entered maturing stage and growth rates of a growing industry of 7-10% of the past decade are not there any more
- We expect a supply/demand balance marginally in favor of demand in 2016 and flat/negative for 2017, looking more favorable for demand in 2018. The oversupply will be in the larger vessels but there is some hope for smaller vessels where new supply is lesser than respective scrapping and trade growth. Developing trading patterns and cascading will determine the smaller vessels market...
- For the time being ordering has halted but any continuing strategic ordering of Mega vessels from the various alliances, if they happen, will create further worries for 2018 onwards prospects
- The opening of the new Panama canal in late July has opened new trading patterns and introduction of ULCC's in the USA trades
  - ✓ Massive withdrawals of panamax and smaller post panamax vessels from those trades has created further uncertainties.
- No recovery is expected prior to the absorption of the idle fleet





**Chartering, Operations & Investment Strategy**



# Vessels Employment Chart – Bulkers

Coverage: 83% in 2016 basis min durations (includes ships on index charters)

	Jul 15 Q3	Aug 15 Q3	Sep 15 Q3	Oct 15 Q3	Nov 15 Q3	Dec 15 Q3	Jan 16 Q1	Feb 16 Q1	Mar 16 Q1	Apr 16 Q1	May 16 Q1	Jun 16 Q1	Jul 16 Q3	Aug 16 Q3	Sep 16 Q3	Oct 16 Q3	Nov 16 Q3	Dec 16 Q3	Jan 17 Q1	Feb 17 Q1	Mar 17 Q1	Apr 17 Q1	May 17 Q1	Jun 17 Q1	
<b>ELENI P</b>				97 % BPI 4-TC									\$5,250	\$6,00	\$5,10	\$5,500		\$7,500							
<b>MONICA P</b>	\$8,70	\$9,500	\$5,500	\$6,400	\$4,500	\$2,875	\$7,500	\$4,35	\$4,000							\$4,500									
<b>PANTELIS</b>				100,5% BPI 4-TC												\$5,000	\$6,800								
<b>EIRINI P</b>	(20 days), 103% BP						104% BPI 4-TC for 11-15 months																		
<b>XENIA</b>	DD						\$14,100 till Jan 2020 + \$14,350 One more year/CHOPT																		

Minimum TC period
  Re-delivery range
  Optional period
  Under Construction

DD

# Vessels Employment Chart – Containerships

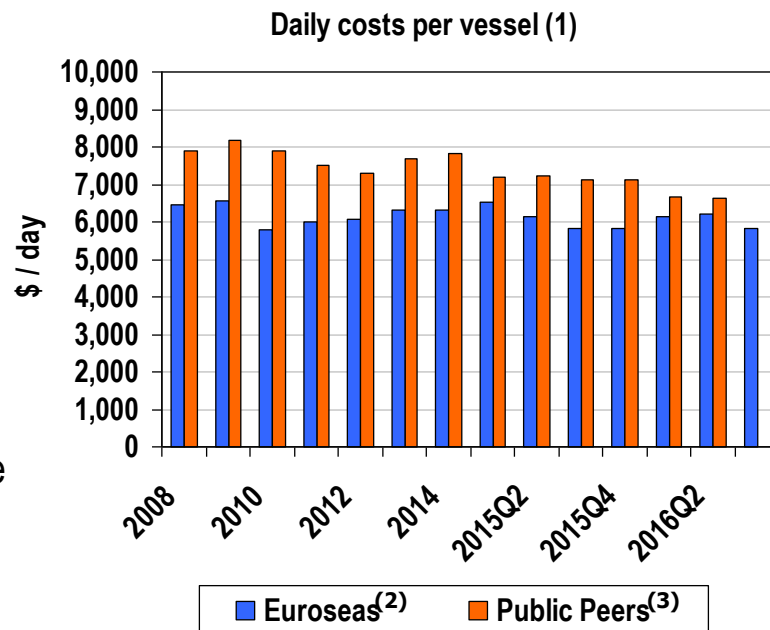
Coverage : *Abt 77 % in 2016 (based on min duration unless t/c rate is below market rate )*

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	15 Q3			15 Q4			16 Q1			16 Q2			16 Q3			16Q4			17 Q1			17 Q2		
<b>JOANNA</b>		\$10,450		Idle	\$7,000	Idle				\$7,250						Idle	Cold Lay-up							
<b>NINOS</b>	DD						\$11,500										\$7,000							
<b>KUO HSIUNG</b>	\$8,700	\$10,000				\$8,750				\$6,900							DD	\$7,000						
<b>AEGEAN EXPRESS</b>						N/A										\$6,300								
<b>MANOLIS P</b>		\$7,300				\$7,500				\$6,800	til min Feb-17 max Apr-17													
<b>AGGELIKI P</b>		\$9,800			\$7,950	\$7,000 til Jan-17 + 6 mos CHOPT @ 9,000																		
<b>EVRIDIKI G</b>	\$10,750				\$13,500																			\$11,000-Till Feb 2018

Minimum TC period
  Re-delivery range
  Optional period

# ESEA Fleet Management & Operational Performance

- Operational fleet utilization rate in excess of 99.4% over last 5 years.
  - Outstanding safety and environmental record.
  - For 2016Q3, operational fleet utilization 100% and commercial 96.7%.
  - For 2015Q3, operational fleet utilization 99.1% and commercial 98.0%.
  
- Overall costs achieved are amongst the lowest of the public shipping companies.



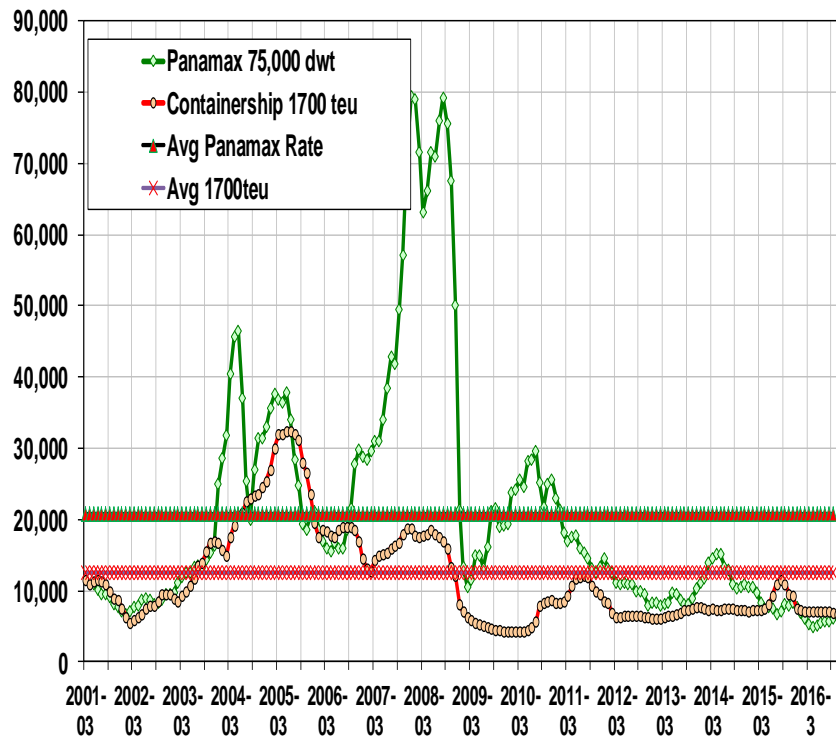
(1) Includes running cost, management fees and G&A expenses (not drydocking expenses)

(2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1 and 1 in 2010Q3);

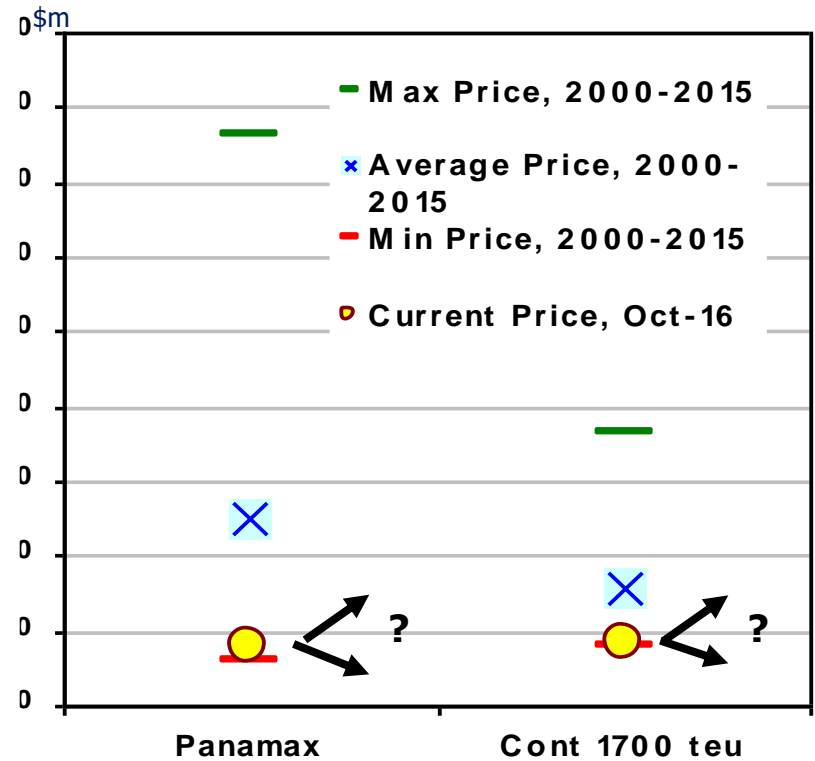
(3) Peer group currently includes DCIX, DSX, SSW, CMRE, SBLK, DAC & SB based on company filings.

# Market Snapshot – Investment Opportunities

## 1-Year Time Charter Rate



## 10-Year Historical Price Range





## Financial Highlights: 3rd Quarter and 9 Months of 2015 and 2016

(in million USD except per share amounts)	Third Quarter			Nine Months		
	2015	2016	change %	2015	2016	change %
<b>Net Revenues</b>	<b>\$11.3</b>	<b>\$7.2</b>	<b>-36.1%</b>	<b>\$28.9</b>	<b>\$21.1</b>	<b>-26.9%</b>
<b>Net Loss</b>	<b>(\$1.4)</b>	<b>(\$4.6)</b>		<b>(\$10.1)</b>	<b>(\$26.6)</b>	
<b>Preferred Dividends</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>		<b>(\$1.2)</b>	<b>(\$1.3)</b>	
<b>Net Loss available to Common Shareholders</b>	<b>(\$1.8)</b>	<b>(\$5.0)</b>		<b>(\$11.3)</b>	<b>(\$27.9)</b>	
<b>Depreciation</b>	<b>\$2.8</b>	<b>\$2.2</b>		<b>\$8.6</b>	<b>\$6.6</b>	
<b>Loss on Termination of NB Contract</b>	<b>\$0.0</b>	<b>\$1.8</b>		<b>\$0.0</b>	<b>\$3.2</b>	
<b>Impairment of Investment in JV</b>	<b>\$0.0</b>	<b>\$0.0</b>		<b>\$0.0</b>	<b>\$14.0</b>	
<b>Gain on Sale of Vessel</b>	<b>\$0.0</b>	<b>\$0.0</b>		<b>\$0.0</b>	<b>(\$0.0)</b>	
<b>Interest &amp; Finance Cost</b>	<b>\$0.4</b>	<b>\$0.9</b>		<b>\$1.2</b>	<b>\$1.8</b>	
<b>Loss on derivatives</b>	<b>\$0.2</b>	<b>(\$0.0)</b>		<b>\$0.4</b>	<b>\$0.2</b>	
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$2.02</b>	<b>\$0.25</b>		<b>\$0.09</b>	<b>(\$0.79)</b>	
<b>Adj. Net Loss available to Common Shareholders</b>	<b>(\$1.6)</b>	<b>(\$3.3)</b>		<b>(\$10.9)</b>	<b>(\$10.5)</b>	
<b>Adjusted net loss per share, basic and diluted<sup>(2)</sup></b>	<b>(\$0.26)</b>	<b>(\$0.40)</b>		<b>(\$1.85)</b>	<b>(\$1.29)</b>	

(1) See press release of 11/10/2016 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 6,140,438 and 5,903,609 for the third quarter and first nine months of 2015 and on 8,139,060 and 8,116,343 for the third quarter and nine months of 2016 .

# Fleet Data for 3<sup>rd</sup> Quarter and 9 months of 2015 and 2016

## Fleet Statistics

	Third Quarter		Nine Months	
	2015	2016	2015	2016
	<u>(unaudited)</u>		<u>(unaudited)</u>	
<b>Number of vessels</b>	<b>15.00</b>	<b>11.02</b>	<b>15.00</b>	<b>11.33</b>
<b>Utilization Rate (%)</b>				
<b>Overall<sup>(1)</sup></b>	<b>97.1%</b>	<b>96.7%</b>	<b>96.7%</b>	<b>95.6%</b>
<b>Commercial<sup>(1)</sup></b>	<b>98.0%</b>	<b>96.7%</b>	<b>97.1%</b>	<b>95.8%</b>
<b>Operational<sup>(1)</sup></b>	<b>99.1%</b>	<b>100.0%</b>	<b>99.6%</b>	<b>99.8%</b>
<b>Averages in usd/day/vessel</b>				
<b>Time Charter Equivalent (TCE)<sup>(2)</sup></b>	<b>\$ 8,929</b>	<b>\$ 7,737</b>	<b>\$ 7,529</b>	<b>\$ 7,220</b>
<b>Operating Expenses</b>				
Vessel Oper. Exp. excl. laid-up	5,251	5,020	5,556	5,143
G&A Expenses	595	818	619	867
<b>Total Operating Expenses</b>	<b>5,846</b>	<b>5,838</b>	<b>6,175</b>	<b>6,010</b>
<b>Interest Expense</b>	<b>277</b>	<b>915</b>	<b>301</b>	<b>594</b>
<b>Drydocking Expense</b>	<b>647</b>	<b>544</b>	<b>460</b>	<b>556</b>
<b>Loan Repayments without Balloons</b>	<b>1,455</b>	<b>914</b>	<b>1,603</b>	<b>1,138</b>
<b>Total Cash Breakeven w/o Balloons</b>	<b>8,225</b>	<b>8,211</b>	<b>8,539</b>	<b>8,298</b>
<b>Loan Balloon Repayments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Breakeven with Balloons</b>	<b>8,225</b>	<b>8,211</b>	<b>8,539</b>	<b>8,298</b>

(1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys) and vessels in lay-up. Scheduled offhire amounted to 26.4 and 57.7 for the third quarter and first nine months of 2016.

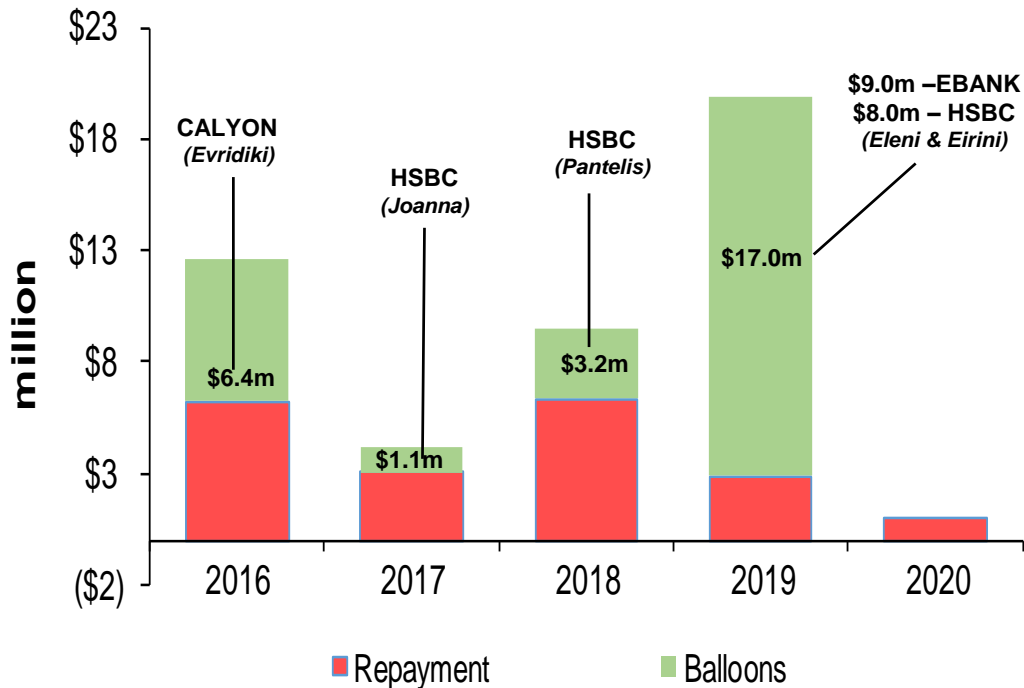
(2) TCE calculation shows the gross rate the vessels earn while employed; it excludes periods during which the vessels are laid-up or offhire for commercial or operational reasons.

(3) All balloons have been refinanced



# Debt Repayment Profile

## Debt Repayment Schedule



**Notes:**

We finalized the restructuring loan documentation with HSBC. The details for this agreement follow:

- Eirini & Eleni facility: we prepaid the \$1.25m (in October) we had as collateral and decreased the loan to \$11.6m and we got principal holiday till Q1'18.
- Joanna facility: principal holiday till Q4'17 when the loan must be repaid.
- Pantelis facility: extended from Q3'17 to Q4'18 with principal waiver till Q4'17.
- Currently negotiating with CALYON an extension of their facility

## Cash Flow Breakeven

» Cash Flow Breakeven - budget estimate for next 12 months:

	<u>\$/vessel/day</u>
<b>OPEX</b>	<b>\$ 5,250</b>
<b>G&amp;A</b>	<b>\$ 800</b>
<b>Interest</b>	<b>\$ 750</b>
<b>Drydock</b>	<b>\$ 400</b>
<b>Loan Rpmt(*)</b>	<b>\$ 1,350</b>
<b>TOTAL</b>	<b>\$ 8,550</b>

(\*) Excludes total balloons of \$6.4m due in 2016.

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