



**Euroseas Ltd.**  
**Company Presentation**  
**[NASDAQ: ESEA]**

**October 2021**



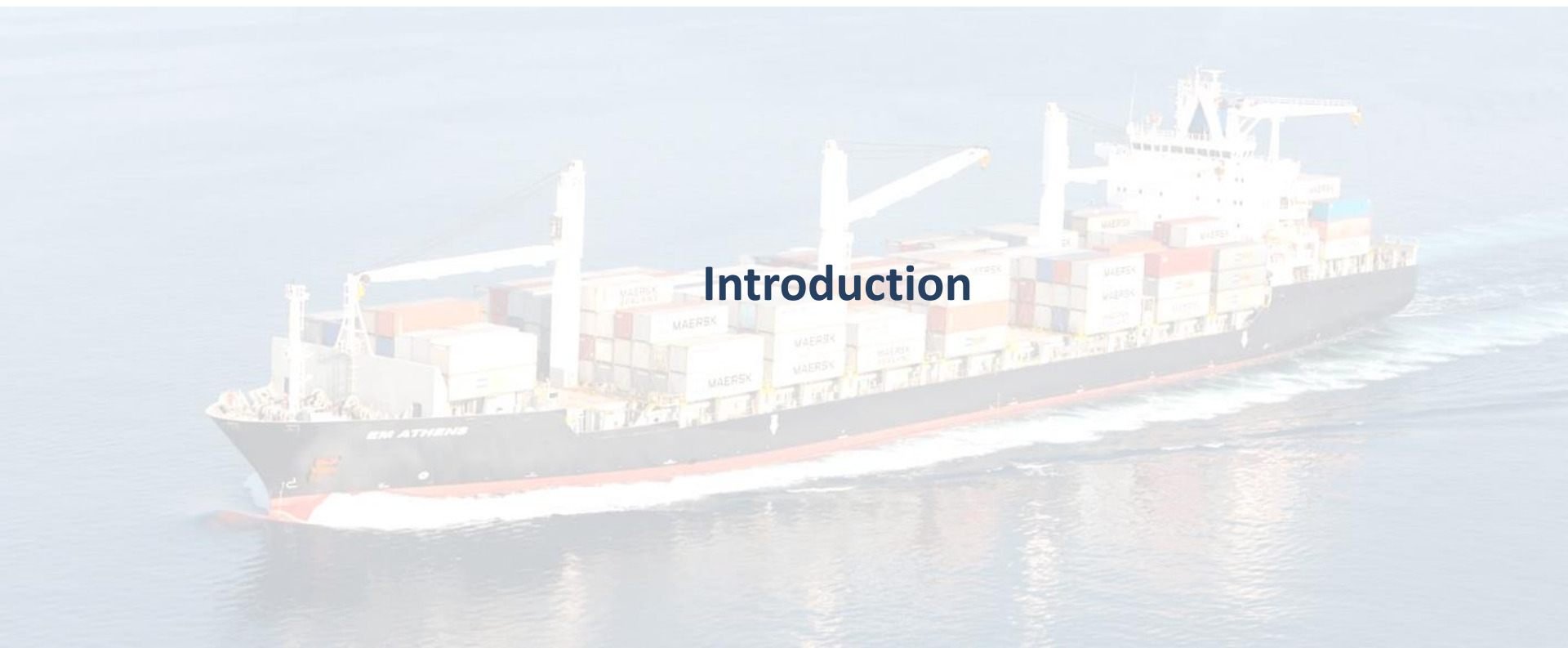
# Forward-Looking Statements

*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.*

*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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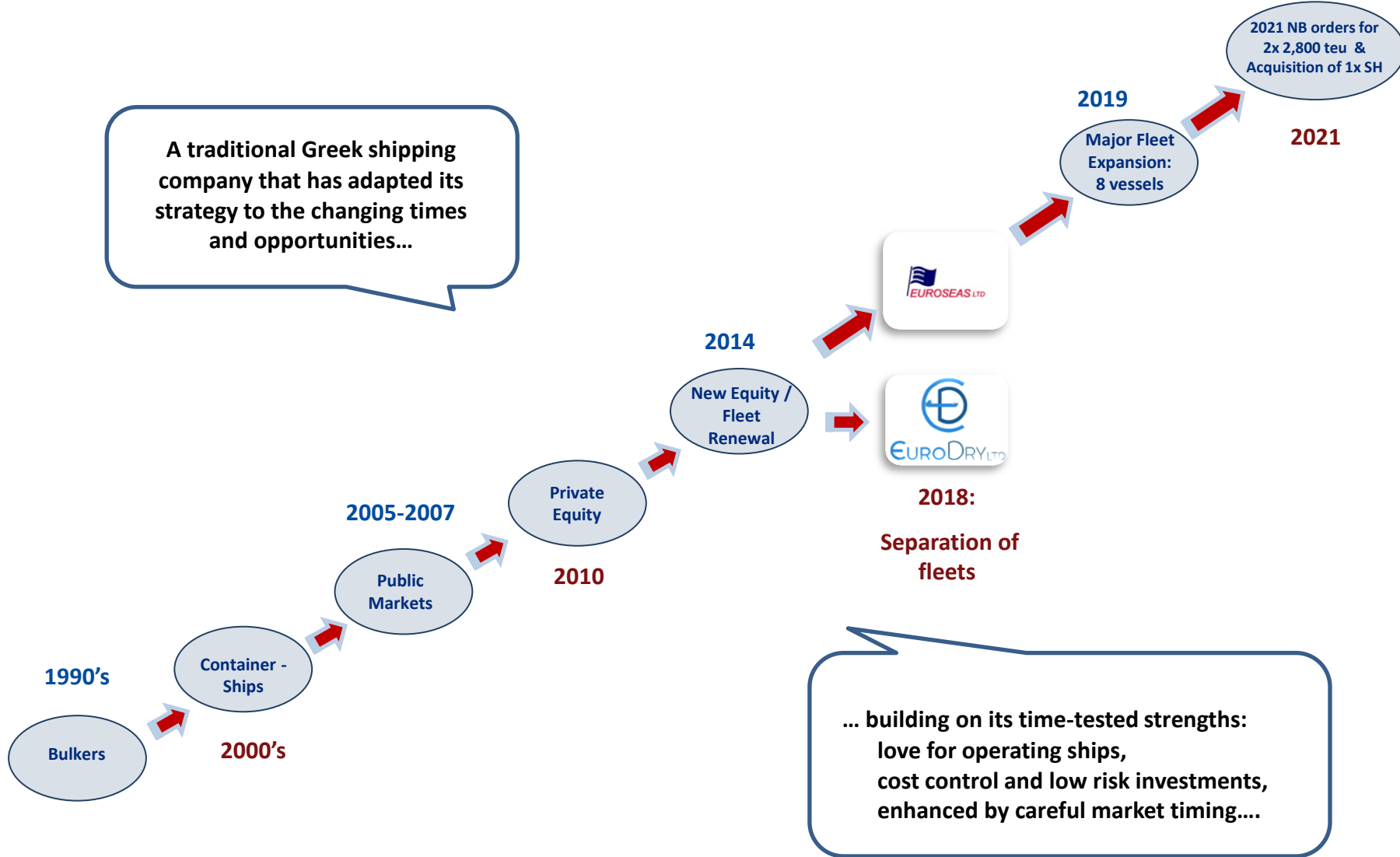
## Introduction

# 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
  - Its fleet accounts for 14, soon to be 15, vessels comprising of 10 Feeder and 5 Intermediate containerships with a cargo capacity of 44,021 teu; and of, 2 feeder containership newbuildings to be delivered in the first half of 2023 increasing the total carrying capacity to 49,621 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
  
- Vessel management is done through Eurobulk Ltd., an affiliated company
  - Founded in 1995
  - Established and well-respected within the industry for its efficient and safe operating track record
  - Strong relationships established with charterers, suppliers, bankers and other industry participants

# Strategic Evolution

A traditional Greek shipping company that has adapted its strategy to the changing times and opportunities...



... building on its time-tested strengths: love for operating ships, cost control and low risk investments, enhanced by careful market timing....

# Latest Developments

- **Euroseas Ltd. Announces Agreement to Acquire a 1,740 teu Container Vessel, built in 2006 and Agreement to Enter into a Three-year Charter for the Vessel**
  - Agreed to acquire M/V Piraeus Trader, a 1,740 teu container feeder vessel built in 2006, for \$25.5 million. The vessel, which is expected to be delivered to the Company within October 2021 will be renamed M/V Jonathan P. Contemporaneously with the acquisition, the vessel will enter into a three-year time charter contract for about \$26,700 per day net to the Company
  
- **Euroseas Ltd. Signs New Building Agreements for the Acquisition of Two Fuel Efficient 2,800 teu Feeder Containerships**
  - Signed an agreement for the construction of two Eco design fuel efficient 2,800 teu containerships at Hyundai Mipo Dockyard Co. in Korea. The vessels are scheduled to be delivered during the first and second quarter of 2023, respectively. The total consideration for these two newbuilding contracts is about \$76 million which will be financed with a combination of debt and equity
  - The two vessels create value for our shareholders by increasing our carrying capacity by more than 13% while adhering to our ESG commitment of having a more environment-friendly fleet. In that respect, it is noteworthy that the new vessels will consume about 30% less fuel than previous generation, non-eco ships
    - After the delivery of the vessels the average age of our fleet will be ~10% lower (almost 2 years)
  
- **Series B preferred shares conversion into common equity**
  - In June 2021 both BlackRock and Preferred Friends , the owners of the ~\$6.4m of Series B preferred shares outstanding, exercised their option to convert all outstanding preferred shared into common equity, which:
    - Shows shareholders confidence in the prospects of the company
    - Simplifies our capital structure

# Current Fleet Profile - Our Assets (1/2)

Fleet in-the-water		Vessels on-order	
	<b>10x Feeder</b> Avg. Age: 18.5 years Carrying Capacity: 23.9k TEU		<b>5x Intermediate</b> Avg. Age: 13.2 years Carrying Capacity: 22.6k TEU
			<b>2x Feeder</b> Carrying Capacity: 5.6k TEU

Name	Type	DWT	Size	TEU	Year Built
<b>On the water fleet</b>					
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
<b>On the water fleet total</b>	<b>15</b>	<b>562,844</b>		<b>44,021</b>	<b>16.0<sup>(1)</sup></b>
<b>Vessels on order</b>					
H4201	Feeder	37,237		2,800	Q1 2023
H4202	Feeder	37,237		2,800	Q2 2023
<b>On order vessels total</b>	<b>2</b>	<b>74,474</b>		<b>5,600</b>	
<b>Total Fleet on fully delivered basis</b>	<b>17</b>	<b>637,318</b>		<b>49,621</b>	

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

**Note:**

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

# Euroseas' Management & Board of Directors - Our Assets (2/2)

## ➤ Management team

- Aristides J. Pittas, Chief Executive Officer & President
  - 30+ years of experience as owner, executive and investor
- Dr. Tasos Aslidis, Chief Financial Officer & Treasurer
  - 30+ years of experience as executive, risk manager and consultant
- Simos Pariaros, Chief Administrative Officer
  - 20+ years of experience as executive, commercial manager and broker

## ➤ Board of Directors

- Aristides J. Pittas, Chairman
- Aristides P. Pittas, Vice-Chairman
- Dr. Tasos Aslidis
- Panos Kyriakopoulos, Chairman of Audit Committee
- George Taniskidis, Audit Committee member
- Apostolos Tamvakakis, Audit Committee member
- Andreas Papathomas

Stefania Karmiri, Corporate Secretary

## ➤ Our Manager, Eurobulk

- Vertically integrated providing services in all aspects of ship management
- 80+ strong team in Athens; also, offices in Manila & Shanghai



# Effective Vessel Management

- Euroseas leverages Eurobulk's industry expertise, established relationships and significant resources
  - Top management – average of 30+ years of shipping experience
  - 26+ year history of managing dry-cargo vessels
  - Outstanding safety and environmental record
- Master services agreement between Euroseas and Eurobulk
  - Standard industry agreement between ship-owning subsidiaries and Eurobulk
  - Overall management fees and G&A costs are among the lowest of US publicly listed companies
- Access to reputable charterers via Eurobulk
  - History of repeat and long-term relationships

## Eurobulk Services

- **Operations & technical**
- **Repair & maintenance**
- **Crewing & provisioning**
- **Insurance**
- **Executive services**
- **Commercial management**



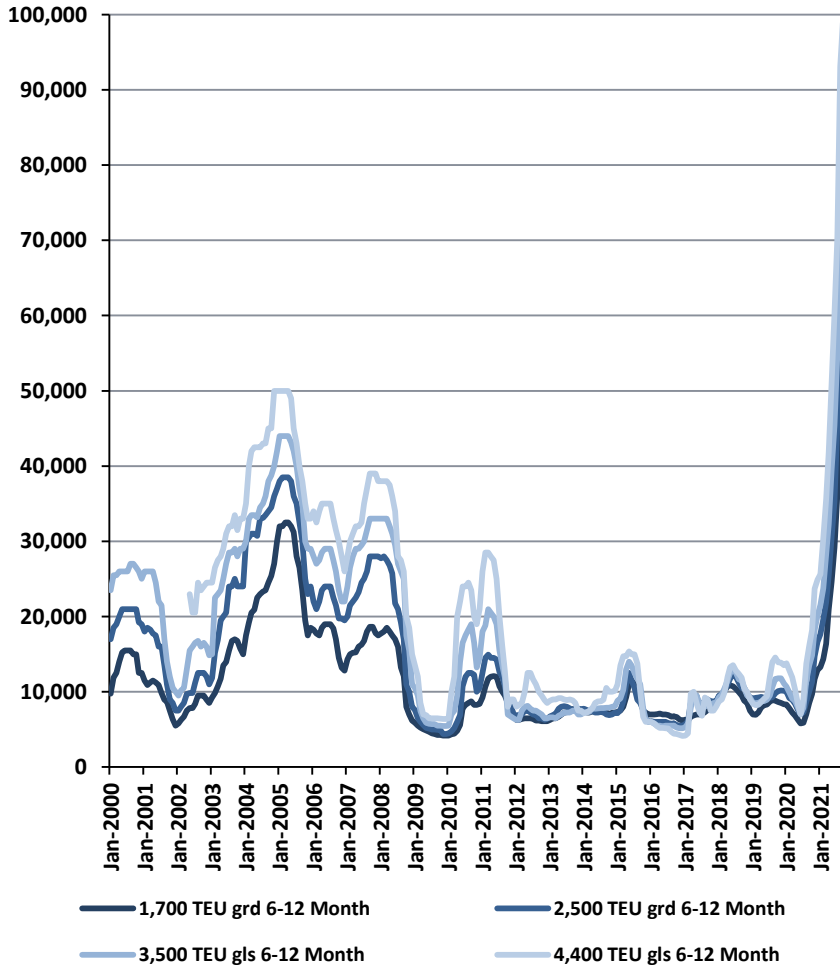
**Container Sector Overview:  
Favorable Supply/Demand  
Fundamentals**



# Current point in the Market

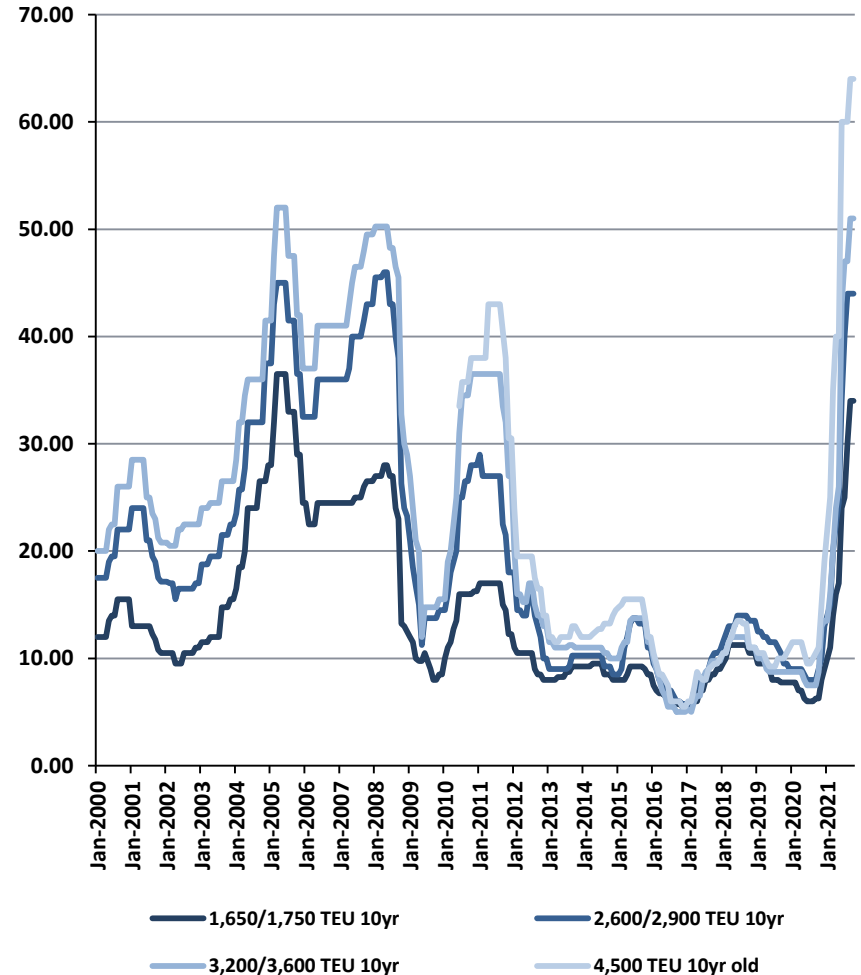
## 6 – 12m TC rate (\$/day)

Over the past 52 weeks TC rates have been continuously on the rise, currently surpassing all time highs never seen before



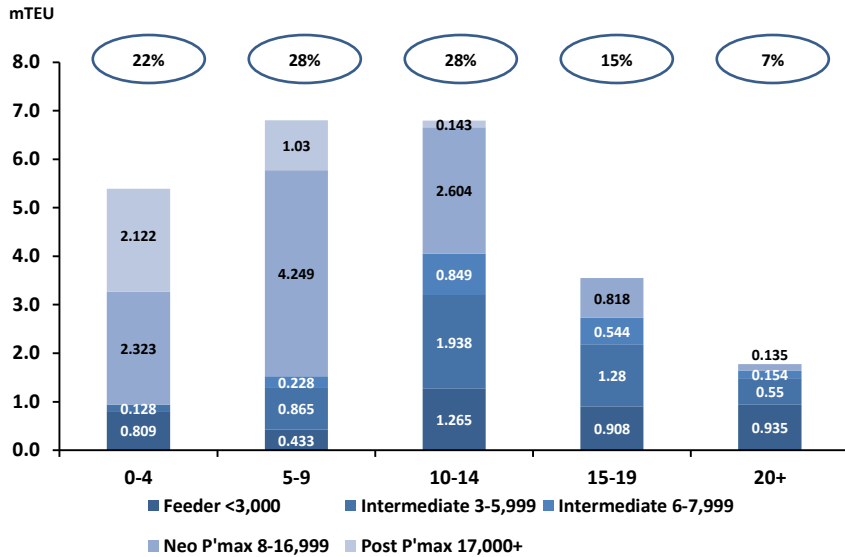
## 10 year old Second Hand Prices (\$m)

While rates have hit all time highs for all vessel sizes, second hand vessel prices have not reached the same levels yet, apart from the larger sizes

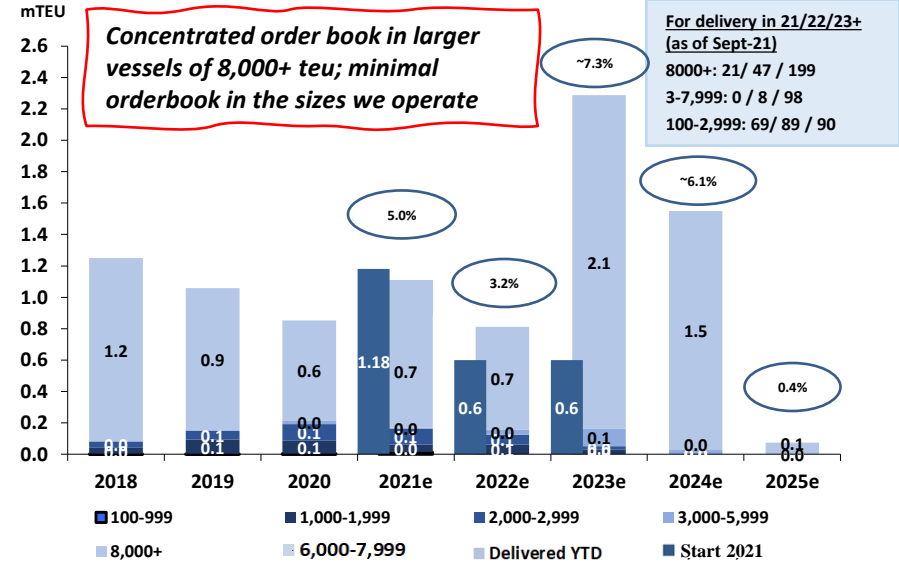


# Age Profile and Orderbook

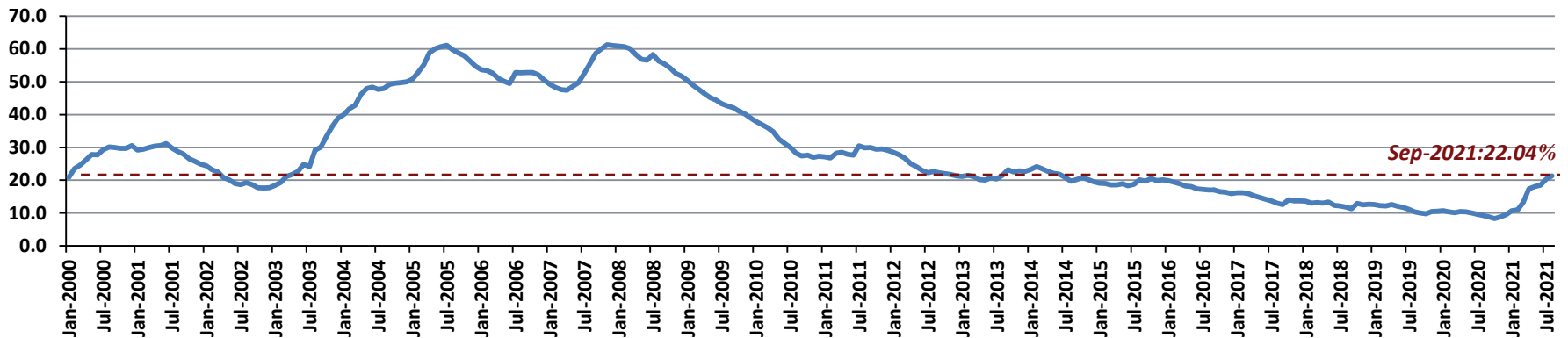
## Age Profile



## Containership Orderbook



## Orderbook as % of fleet



Source: Clarksons Research

(\*) Percentage figures for years 2021, 2022 and 2023 indicate scheduled deliveries only; percentages in previous years show net fleet growth accounting for scrapping and other fleet changes

# World GDP & Shipping Demand Growth

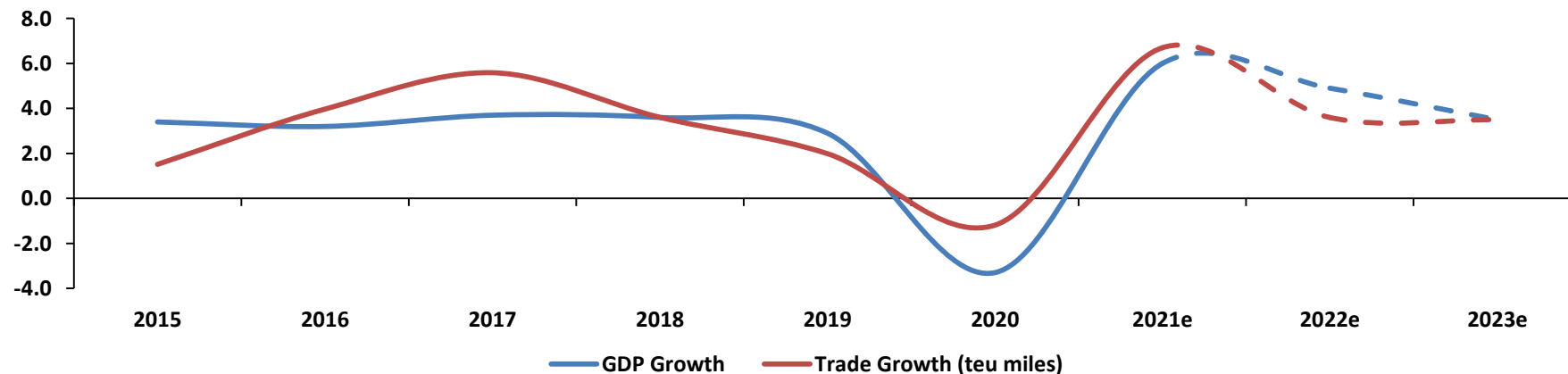
Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e
USA	2.6	1.5	2.3	2.9	2.3	-3.5	7.0	4.9	1.4
Eurozone	2.0	1.8	2.4	1.8	1.2	-6.6	4.6	4.3	1.9
Japan	0.5	1.0	1.8	1.0	0.7	-4.8	2.8	3.0	1.1
China	6.9	6.7	6.8	6.6	6.1	2.3	8.1	5.7	5.4
India	7.6	7.1	6.7	7.1	4.2	-8.0	9.5	8.5	6.8
Russia	-3.7	-0.2	1.8	2.3	1.3	-3.1	4.4	3.1	2.1
Brazil	-3.8	-3.6	1.1	1.1	1.1	-4.1	5.3	1.9	2.1
ASEAN-5	4.8	4.9	5.3	5.2	4.8	-3.4	4.3	6.3	5.7
<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>6.0</b>	<b>4.9</b>	<b>3.5</b>

## Containerized Trade (% p.a.)

TEU-miles	1.2	4.0	5.6	3.5	1.7	-1.2	6.7	3.6	3.5
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Trade and growth projections are being continuously revised as the Coronavirus (Covid-19) effects on world growth and trade are being assessed.

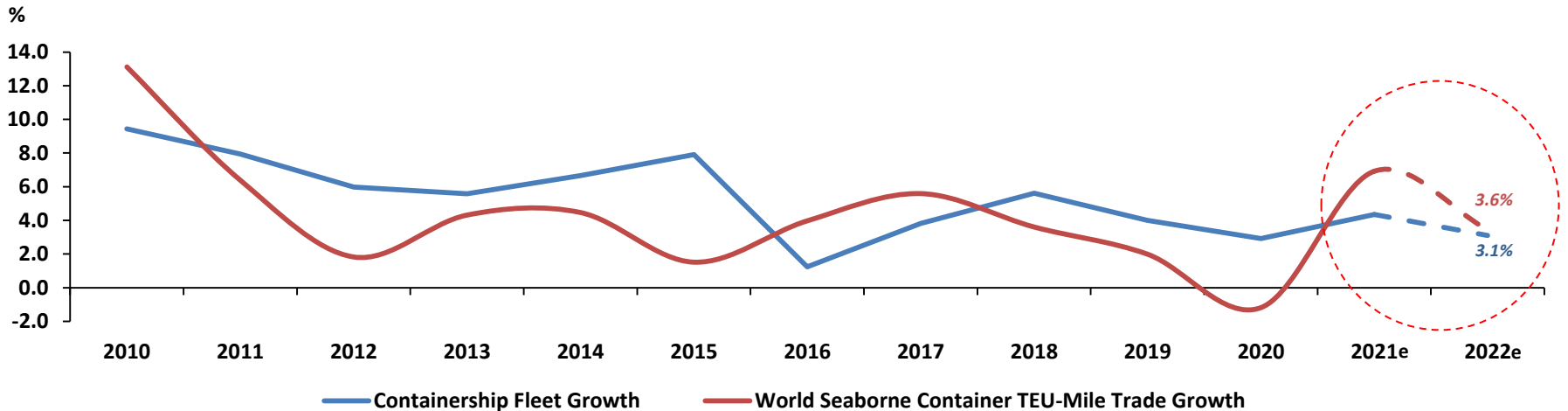
## Containerized Trade Growth Vs World GDP Growth



Containerized trade is rebounding after a low growth year in 2020  
(coronavirus effects are likely going to be temporary but they are yet to be fully assessed)

# Outlook Summary

## Containership Supply – Demand Outlook



- Supply/demand estimates suggest a firm/raising market for 2021 poised to continue in 2022
  - Order book has significantly increased focusing on the larger vessels currently standing at ~22.04% from about 11% just six months ago
  - Scrubber installations, crew replacement issues, port congestion & slow-steaming also limit availability of fleet supply in 2021
- Longer term fundamentals are harder to predict and, as always, will depend....
  - ... on the vessel ordering rate and the rate of growth of demand for containerships
- 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

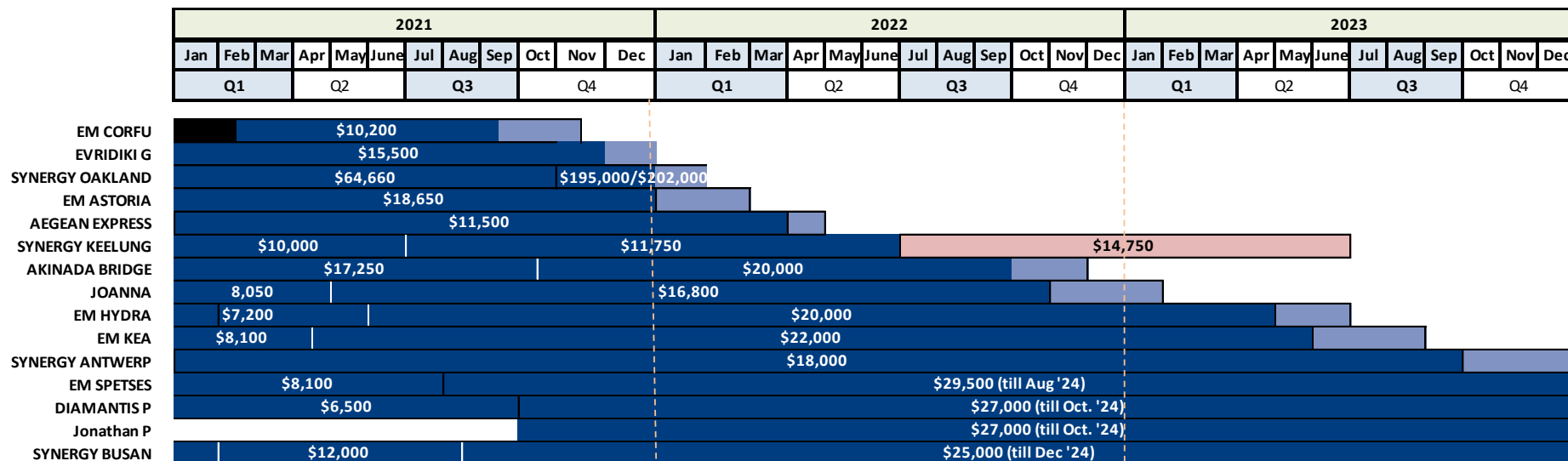


## **Euroseas Operations, Chartering & Strategy**



# Vessel Employment

Chartering strategy very important in maximizing revenues over the market cycle



Legend: Min TC Period ■ Re-delivery range ■ Options ■ Dry-Dock ■ Idle ■

EBITDA Calculator: 2021 to 2023	2021E (H2)	2022E	2023E
Calendar Days	2,659	5,110	5,936
Available days for hire	2,612	5,385	5,911
Contracted Days	2,456	3,485	2,167
<b>Coverage (%)</b>	<b>94%</b>	<b>65%</b>	<b>37%</b>
Average TC rate Contracted (\$/day)	24,691	21,883	24,845
<b>(A) Contracted EBITDA</b>	<b>40.7</b>	<b>48.4</b>	<b>36.2</b>
Open Days	156	1,900	3,744

Source: Company

Note:

- Given the strength of the current charter market, it is assumed that the existing charters will run to their maximum duration



# Indicative EBITDA Calculator, 2021H1-2023

This slide provides a calculation tool for our shareholders and investors to assess the earnings potential in 2021 onwards, based on our existing coverage as well as the potential incremental contribution from our open days

<b>EBITDA Calculator: 2021 to 2023</b>	<b>2021H2 Actual</b>	<b>2021Q3E</b>	<b>2021Q4E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Calendar Days	2,534	1,288	1,371	5,193	5,110	5,936
Available days for hire	2,492	1,266	1,346	5,104	5,385	5,911
Contracted Days	2,492	1,235	1,221	4,948	3,485	2,167
<b>Coverage (%)</b>	<b>98%</b>	<b>98%</b>	<b>91%</b>	<b>97%</b>	<b>65%</b>	<b>37%</b>
Average TC rate Contracted (\$/day)	13,523	19,535	29,908	19,066	21,883	24,845
<b>(A) Contracted EBITDA</b>	<b>15.9</b>	<b>14.4</b>	<b>26.3</b>	<b>56.6</b>	<b>48.4</b>	<b>36.2</b>
Open Days	0	31	125	156	1,900	3,744
<b>Indicative EBITDA Contribution assuming same rates as of current contracted rates</b>						
Assumed Average TC rate of open days		19,535	29,908	19,066	21,883	24,845
<b>(B) EBITDA Contribution, Open Days</b>		<b>0.4</b>	<b>2.7</b>	<b>3.1</b>	<b>26.4</b>	<b>62.5</b>
<b>(A+B) Total EBITDA</b>	<b>15.9</b>	<b>14.8</b>	<b>29.0</b>	<b>59.6</b>	<b>74.8</b>	<b>98.7</b>

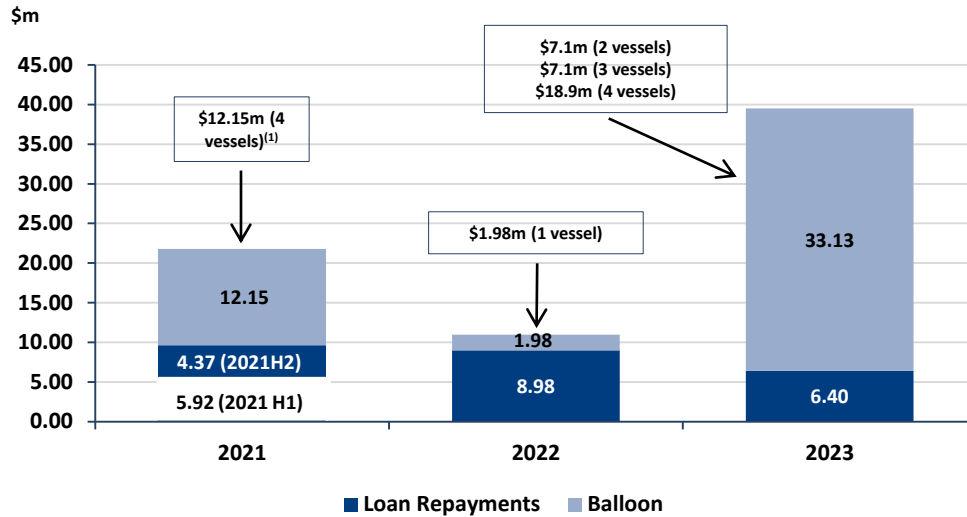
- Indicatively, Open Days in 2021 to 2023 are shown as earning the average of currently contracted TC rates
- However, at current market rates, the average daily earnings for Open Days would be about twice as high compared to the rates shown in the table, resulting in significantly higher EBITDA expectation

#### **EBITDA Calculation Assumptions (Q3-Q4 2021/2022/2023)**

1. "Available days for hire" reflects assumptions about schedule 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 \$6,900 for future periods; commissions of **5.00%** on market rates

# Debt Repayment Profile

## Debt Repayment Profile (as of June 30<sup>th</sup>)



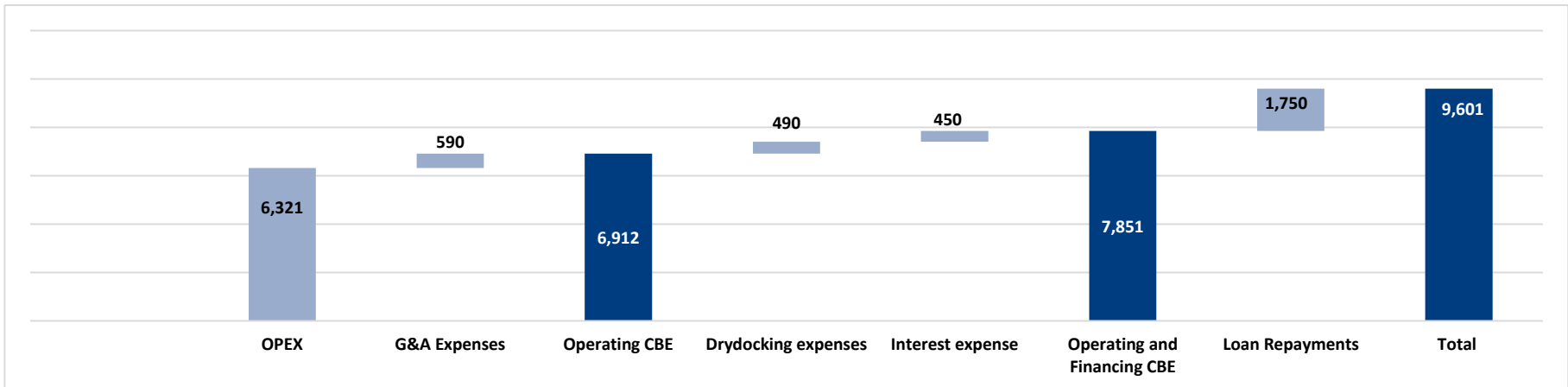
### Cost of funding:

Outstanding bank debt of \$62.0m with average margin of about 3.6%; assuming LIBOR of 0.3%, our cost of senior debt is 3.9%.

### Note:

1) Signed a new loan in the amount of \$10m with a 4 year profile secured by two of the four vessels (leaving one vessel unencumbered post payment and the other one with ~\$2.1m outstanding)

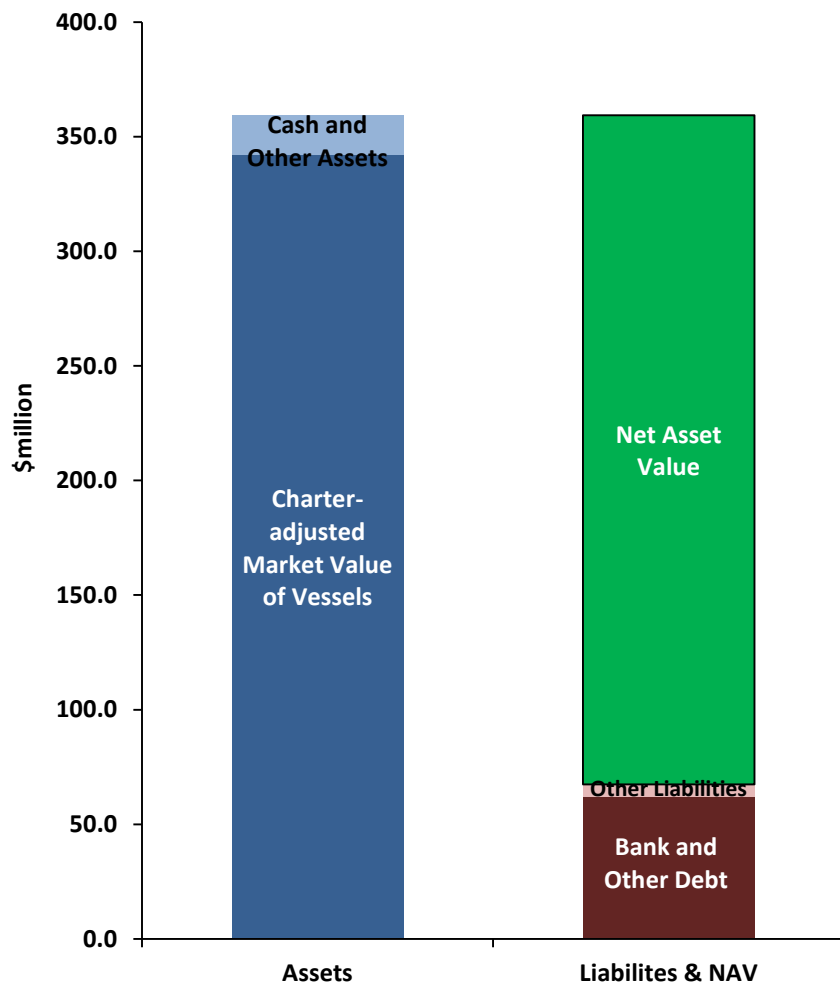
## Cash Flow Break Even Estimate for the Next 12 months (\$/day) (as of June 30<sup>th</sup>)



# Balance Sheet Highlights

## Euroseas Capital Structure (6/30/21)

*Pro forma Aug-21 Market Values*



## Notes

### Assets

- Cash & Other assets: \$17.4m
- Vessels book value: \$95.6m
- Total assets (at book value): \$113.0m

### Liabilities

- Bank & other debt: \$62.0m
- Other liabilities: \$5.3m

### Net Asset Value

- Using the charter-adjusted market value of vessels estimated about \$358m<sup>(\*)</sup>  
=> Net Asset Value around \$300m, or, around \$42.5/share
- Recent share price trading range of ~\$35/share represents a discount to the value of the company

*(\*) Based on Company estimates as of end August 2021; includes deposits for newbuilding contracts*

# What Is Next - Growth Strategy

- Remain focused on growth by providing a public consolidation platform, or, growing organically
  - We continuously evaluate opportunities that would allow us to expand or renew our fleet
  - Could fund growth by issuance of shares in shares-for-ships transactions (like in 2019) or, increasingly, by generating funds from operations if the present charter rate levels continue
  
- Current healthy markets – if continued, as expected – are to generate significant cash flow
  - Enhance balance sheet and reward shareholders
  - Selective investments
  
- Growth by investing in properly structured acquisitions
  - Disciplined & consistent framework of investment evaluation
  - Risk management via long term charter coverage and conservative/flexible financing



**Thank you!**



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## Appendix – 2021Q1 Earnings Highlights



# Financial Highlights: Second Quarter and First half 2020 and 2021

<i>(in million USD except per share amounts)</i>	Second Quarter		Change	Six months		Change
	2020	2021	%	2020	2021	%
Net Revenues	13.5	18.3	35.4%	28.9	32.6	12.6%
Net Income	1.3	7.9	515.9%	3.2	11.7	261.4%
Preferred & Preferred Deemed Dividends	(0.2)	(0.4)		(0.3)	(0.6)	
Net Income attributable to Common Shareholders	1.1	7.6		2.9	11.1	
Interest & Finance Costs net <i>(incl. interest income)</i>	(1.1)	(0.7)		(2.4)	(1.4)	
Depreciation	1.7	1.6		3.4	3.2	
Gain/(loss) on Sale of Vessel	(0.1)	-		(0.1)	(0.01)	
Amortisation of below market charters	0.3	-		1.2	-	
Unrealized Loss (Gain) On Derivatives	(0.5)	(0.1)		(0.5)	0.4	
Adjusted EBITDA <sup>(1)</sup>	4.4	10.3	137%	8.4	15.9	89%
<b>Adj. Net Income attributable to Common Shareholders</b>	<b>1.4</b>	<b>7.6</b>		<b>2.3</b>	<b>10.7</b>	
<b>Adj. Net Income per share, basic</b>	<b>0.25</b>	<b>1.12</b>		<b>0.42</b>	<b>1.58</b>	
<b>Adj. Net Income per share, diluted</b>	<b>0.25</b>	<b>1.12</b>	348%	<b>0.42</b>	<b>1.57</b>	274%

**Note:**

1) See press release of Aug. 11, 2021 for Adjusted EBITDA reconciliation to Net Income / (Loss)



# Fleet Data for the Second Quarter and First half 2020 and 2021

<i>(in million USD except per share amounts)</i>	Second Quarter		Six months	
	2020	2021	2020	2021
<b>Number of vessels</b>	<b>19.0</b>	<b>14.0</b>	<b>19.0</b>	<b>14.0</b>
<b>Utilization Rate (%)</b>				
	Operational <sup>(1)</sup>	99.7%	99.9%	97.9%
	Commercial <sup>(1)</sup>	94.6%	100.0%	96.9%
	Overall <sup>(1)</sup>	94.4%	99.9%	94.8%
<i>(usd/day/vessel)</i>				
<b>Time Charter Equivalent (TCE)<sup>(2)</sup></b>	<b>\$9,458</b>	<b>\$14,853</b>	<b>\$9,541</b>	<b>\$13,523</b>
Operating Expenses				
	Vessel Oper. Exp.exlc. DD exp.	5,665	6,279	5,544
	G&A Expenses	455	581	459
<b>Total Operating Expenses</b>	<b>\$6,120</b>	<b>\$6,860</b>	<b>\$6,003</b>	<b>\$6,887</b>
	Interest Expense	658	540	691
	Drydocking Expense	210	116	109
	Loan Repayments without Balloons	1,524	2,422	1,712
	Preferred dividend in cash <sup>(3)</sup>	-	92	43
<b>Breakeven/day</b>	<b>\$8,512</b>	<b>\$10,030</b>	<b>\$8,558</b>	<b>\$9,702</b>

## 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 210.3 for the second quarter and first half of 2020 and 0 days for the second quarter and first half of 2021 respectively
- 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
- 3) Preferred dividend in cash is presented as of the period the obligation to pay in cash was generated (previous presentations shown period when the actual payment took place)