

EUROSEAS LTD.  
Form 6-K  
November 12, 2013

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the month of November 2013

Commission File Number: 001-33283

**EUROSEAS LTD.**

(Translation of registrant's name into English)

4 Messogiou & Evropis Street  
151 24 Maroussi, Greece  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [  ].

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [  ].

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

**INFORMATION CONTAINED IN THIS FORM 6-K REPORT**

Attached to this Report on Form 6-K as Exhibit 1 is a copy of the press release issued by Euroseas Ltd. (the Company ) on November 12, 2013: Euroseas Ltd. Reports Results for the Nine-Month Period and Quarter Ended September 30, 2013.

**Euroseas Ltd. Reports Results for the Nine-Month Period and Quarter Ended September 30, 2013**

**Maroussi, Athens, Greece November 12, 2013** Euroseas Ltd. (NASDAQ: ESEA), an owner and operator of drybulk and container carrier vessels and provider of seaborne transportation for drybulk and containerized cargoes, announced today its results for the three and nine month periods ended September 30, 2013.

**Third Quarter 2013 Highlights:**

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Net loss of \$3.8 million or \$0.08 loss per share basic and diluted on total net revenues of \$9.0 million. Adjusted net loss<sup>1</sup> for the period was \$5.0 million or \$0.11 loss per share basic and diluted.

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Adjusted EBITDA<sup>1</sup> was \$(0.5) million.

- 

An average of 14.28 vessels were owned and operated during the third quarter of 2013 earning an average time charter equivalent rate of \$7,320 per day.

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Suspended the quarterly dividend to focus all its resources in exploiting investment opportunities in the markets.

**First Nine Months 2013 Highlights:**

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Net loss of \$17.3 million or \$0.38 net loss per share basic and diluted on total net revenues of \$29.5 million. Adjusted net loss<sup>1</sup> for the period was \$15.3 million, or \$0.34 net loss per share basic and diluted.

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Adjusted EBITDA<sup>1</sup> was \$(1.6) million.

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An average of 14.75 vessels were owned and operated during the first nine months of 2013 earning an average time charter equivalent rate of \$7,953 per day.

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<sup>1</sup> Adjusted EBITDA, Adjusted net loss and Adjusted loss per share are not recognized measurements under GAAP. Refer to a subsequent section of the Press Release for the definitions and reconciliation of these measurements to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

**Aristides Pittas, Chairman and CEO of Euroseas commented:** During the third quarter and through October of 2013, the containership market showed some signs of improvement, especially, in the small vessel sizes that we operate, however the market should still be characterized as depressed. On the contrary, drybulk rates increased significantly in September and early October driven by the strength of the Capesize market only to decline later but they remain at higher levels than earlier in the year, especially, for Panamax size vessels like ours. We expect to benefit from the higher rates as our vessels roll-over their existing charters.

We are guardedly optimistic for 2014 for both sectors, as we see supply pressures moderating and the focus shifting to demand and economic growth. We believe that the current rather depressed environment presents us with opportunities to acquire quality vessels at attractive prices and position ourselves to benefit from a turnaround of the market. We have recently made a commitment to invest an additional \$5m in our Euromar containership joint venture while, in parallel, continue to evaluate opportunities in the drybulk sector to which we would like to increase our exposure. In view of the above, the Board decided to suspend our quarterly dividend to help Euroseas grow faster at this low point in the cycle.

**Tasos Aslidis, Chief Financial Officer of Euroseas commented:** The results of the third quarter of 2013 were in line with our expectations and reflect the continued low level of containership charter rates and the relatively better charter rates earned on average by our drybulk vessels. Overall, lower revenues during the third quarter of 2013 were partly offset by lower operating expenses and a \$1.3 million gain from the sale of a vessel during the quarter as compared to the third quarter of 2012 resulting in a \$3.8 million loss as compared to a \$0.8 million loss during the third quarter of 2012.

Total daily vessel operating expenses, including management fees, general and administrative expenses but excluding drydocking costs, registered an increase of about 1.1% during the third quarter of 2013 compared to the same quarter of last year and an increase of about 2.2% for the nine month periods ended September 30, 2013 over the same period of 2012. Drydocking expenses expressed on a per vessel per day basis were higher by 363.1% in the nine month period of 2013 and 77.1% lower for the third quarter of 2013, respectively, as compared to the same periods in 2012. As always, we want to emphasize that cost control remains a key component of our strategy.

As of September 30, 2013, our outstanding debt was \$52.1 million versus restricted and unrestricted cash of about \$29.4 million. All our debt covenants were satisfied as of September 30, 2013.

### **Third Quarter 2013 Results:**

For the third quarter of 2013, the Company reported total net revenues of \$9.0 million representing a 32.8% decrease over total net revenues of \$13.4 million during the third quarter of 2012. The Company reported a net loss for the period of \$0.08 per share as compared to net loss of \$0.02 per share for the third quarter of 2012. The results for the third quarter of 2013 include a \$0.3 million unrealized gain on derivatives, a \$0.4 million realized loss on derivatives and \$1.3 million gain on sale of a vessel, as compared to \$0.2 million unrealized gain on derivatives and \$0.4 million realized loss on derivatives for the same period of 2012.

Depreciation expenses for the third quarter of 2013 were \$4.0 million, compared to the \$4.3 million of the same period of 2012. On average, 14.28 vessels were owned and operated during the third quarter of 2013 earning an average time charter equivalent rate of \$7,320 per day compared to 15.00 vessels in the same period of 2012 earning on average \$10,246 per day.

Adjusted EBITDA for the third quarter of 2013 was \$(0.5) million, a 112.5% decrease from \$4.0 million achieved during the third quarter of 2012. Basic and diluted loss per share for the third quarter of 2013 was \$0.08, calculated on 45,511,005 basic and diluted weighted average number of shares outstanding, compared to \$0.02 loss per share for the third quarter of 2012, calculated on 45,210,705 basic and diluted weighted average number of shares outstanding.

Excluding the effect on the loss for the quarter of the gain on sale of a vessel, the unrealized gain on derivatives and the realized loss on derivatives, the adjusted loss per share for the quarter ended September 30, 2013 would have been \$0.11 per share basic and diluted compared to loss of \$0.01 per share for the quarter ended September 30, 2012. Usually, security analysts do not include the above items in their published estimates of earnings per share.

### **First Nine Months 2013 Results:**

For the first nine months of 2013, the Company reported total net revenues of \$29.5 million representing a 26.4% decrease over total net revenues of \$40.1 million during the first nine months of 2012. The Company reported a net loss for the period of \$17.3 million as compared to net loss of \$11.2 million for the first nine months of 2012. The results for the first nine months of 2013 include a \$1.2 million unrealized gain on derivatives, a \$1.3 million realized loss on derivatives and a \$1.9 million net loss on sale of vessels as compared to a \$0.7 million unrealized gain on derivatives and realized gain on trading securities, a \$1.3 million realized loss on derivatives and a \$8.6 million loss on sale of a vessel, for the same period of 2012.

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Depreciation expenses for the first nine months of 2013 were \$12.6 million compared to \$13.1 million during the same period of 2012. On average, 14.75 vessels were owned and operated during the first nine months of 2013 earning an average time charter equivalent rate of \$7,953 per day compared to 15.28 vessels in the same period of 2012 earning on average \$10,373 per day.

Adjusted EBITDA for the first nine months of 2013 was \$(1.6) million, a 113% decrease from \$12.3 million achieved during the first nine months of 2012. Please see below for Adjusted EBITDA reconciliation to net loss and cash flow provided by operating activities.

Basic and diluted net loss per share for the first nine months of 2013 were \$0.38, calculated on 45,383,405 weighted average number of shares outstanding basic and diluted, respectively, compared to basic and diluted net loss per share of \$0.30 for the first nine months of 2012, calculated on 36,806,388 weighted average number of shares outstanding basic and diluted, respectively.

Excluding the effect on the loss for the first nine months of 2013 of the unrealized gain on derivatives, realized loss on derivatives, realized gain on trading securities and the net loss on sale of vessels, the adjusted loss per share for the nine-month period ended September 30, 2013 would have been \$0.34 per share basic and diluted compared to loss of \$0.05 per share basic and diluted for the same period in 2012. Usually, security analysts do not include the above items in their published estimates of earnings per share.

**Fleet Profile:**

The Euroseas Ltd. fleet profile is as follows:

|                                | Type    | Dwt    | TEU | Year Built | Employment(*)                   | TCE Rate (\$/day)                             |
|--------------------------------|---------|--------|-----|------------|---------------------------------|---|
| <b><u>Dry Bulk Vessels</u></b> |         |        |     |            |                                 |   |
|                                |         |        |     |            | TC til Feb-14 +                 | \$11,200 +50/50 Profit Share                  |
| PANTELIS                       | Panamax | 74,020 |     | 2000       |                                 |   |
|                                |         |        |     |            | 1 Year in Charterers Option     | \$14,200                                      |
| ELENI P                        | Panamax | 72,119 |     | 1997       | Baumarine Pool till mid Nov-13, | Spot earnings since February 2013 (Baumarine) |

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|  |              |                |       |      | then TC<br>Oct-14                 | till   | BPI - linked       |
|--|--------------|----------------|-------|------|-----------------------------------|--|--------------------|
| ARISTIDES N.P.                           | Panamax      | 69,268         |       | 1993 | TC                                | til Feb-14   | \$7,500            |
| MONICA P                                 | Handymax     | 46,667         |       | 1998 | TC                                | 'til Sep-14  | \$7,500            |
| <b>Total Dry Bulk Vessels</b>            | <b>4</b>     | <b>262,074</b> |       |      |                                   |  |                    |
| <b><u>Container Carriers</u></b>         |              |                |       |      |                                   |  |                    |
| EVRIDIKI G                               | Intermediate | 34,677         | 2,556 | 2001 | TC                                | til Apr-14   | \$8,000<br>\$6,000 |
| TIGER BRIDGE                             | Intermediate | 31,627         | 2,228 | 1990 | TC                                | till Nov-13  |                    |
| AGGELIKI P                               | Intermediate | 30,360         | 2,008 | 1998 | TC                                | til Feb-14   | \$6,000            |
| DESPINA P                                | Handy size   | 33,667         | 1,932 | 1990 | TC                                | til Feb-14   | \$6,400<br>\$6,500 |
| CAPTAIN COSTAS<br>(ex-OEL<br>TRANSWORLD) | Handy size   | 30,007         | 1,742 | 1992 | TC                                | til March -14<br>+ 12 months in<br>Charterers Option | \$11,500           |
| JOANNA                                   | Handy size   | 22,301         | 1,732 | 1999 | TC                                | til Apr-14   | \$7,500            |
| MARINOS                                  | Handy size   | 23,596         | 1,599 | 1993 | TC                                | till Dec -13   | \$6,250            |
|  |              |                |       |      | then                              | till Mar-14  | \$7,150            |
| MANOLIS P                                | Handy size   | 20,346         | 1,452 | 1995 | TC                                | til Apr-14   | \$7,200            |
| NINOS<br>(ex-YM QINGDAO I)               | Feeder       | 18,253         | 1,169 | 1990 | TC                                | til Nov-13   | \$7,690            |
|  |              |                |       |      | TC                                | till Mar-14 +  | \$7,700            |
| KUO HSIUNG                               | Feeder       | 18,154         | 1,169 | 1993 | 12 months in<br>Charterers Option |  | \$11,500           |

|                                 |           |                |               |
|---------------------------------|-----------|----------------|---------------|
| <b>Total Container Carriers</b> | <b>10</b> | <b>262,988</b> | <b>17,587</b> |
| <b>Fleet Grand Total</b>        | <b>14</b> | <b>525,062</b> | <b>17,587</b> |

(\*) Dates indicate earliest re-delivery of the vessels

**Summary Fleet Data:**

|  | <b>Three Months,<br/>Ended</b> | <b>Nine Months,<br/>Ended</b> | <b>Nine<br/>Months, Ended</b> |         |
|--|--------------------------------|-------------------------------|-------------------------------|---------|
|  | <b>September 30,<br/>2012</b>  | <b>September 30,<br/>2013</b> | <b>September 30,<br/>2012</b> |         |
|  |                                |                               | <b>September 30,<br/>2013</b> |         |
| <b>FLEET DATA</b>  |                                |                               |                               |         |
| Average number of vessels (1)                            | 15.00                          | 14.28                         | 15.28                         | 14.75   |
| Calendar days for fleet (2)                              | 1,380.0                        | 1,314.0                       | 4,186.0                       | 4,025.0 |
| Scheduled off-hire days incl. laid-up (3)                | 13.1                           | 26.5                          | 16.1                          | 126.9   |
| Available days for fleet (4) = (2) - (3)                 | 1,366.9                        | 1,287.5                       | 4,169.9                       | 3,898.1 |
| Commercial off-hire days (5)                             | 13.5                           | 34.7                          | 205.8                         | 167.2   |
| Operational off-hire days (6)                            | 6.6                            | 22.0                          | 21.2                          | 41.4    |
| Voyage days for fleet (7) = (4) - (5) - (6)              | 1,346.8                        | 1,230.8                       | 3,942.9                       | 3,689.6 |
| Fleet utilization (8) = (7) / (4)                        | 98.5%                          | 95.6%                         | 94.6%                         | 94.6%   |
| Fleet utilization, commercial (9) = ((4) - (5)) / (4)    | 99.0%                          | 97.3%                         | 95.1%                         | 95.7%   |
| Fleet utilization, operational (10) = ((4) - (6)) / (4)  | 99.5%                          | 98.3%                         | 99.5%                         | 98.9%   |
| <b>AVERAGE DAILY RESULTS</b>                             |                                |                               |                               |         |
| Time charter equivalent rate (11)                        | 10,246                         | 7,320                         | 10,373                        | 7,953   |
| Vessel operating expenses excl. drydocking expenses (12) | 5,491                          | 5,637                         | 5,407                         | 5,575   |
| General and administrative expenses (13)                 | 653                            | 572                           | 659                           | 622     |
| Total vessel operating expenses (14)                     | 6,144                          | 6,209                         | 6,066                         | 6,197   |
| Drydocking expenses (15)                                 | 238                            | 421                           | 184                           | 853     |

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of calendar days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.

(2) Calendar days. We define calendar days as the total number of days in a period during which each vessel in our fleet was in our possession including off-hire days associated with major repairs, drydockings or special or intermediate surveys or days of vessels in lay-up. Calendar days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during that period.

(3) The scheduled off-hire days including vessels laid-up are days associated with scheduled repairs, drydockings or special or intermediate surveys or days of vessels in lay-up. We use available days to measure the number of days in a period during which vessels were available to generate revenues.

(4) Available days. We define available days as the total number of days in a period during which each vessel in our fleet was in our possession net of scheduled off-hire days including days of vessels laid-up.

(5) Commercial off-hire days. We define commercial off-hire days as days waiting to find employment.

(6) Operational off-hire days. We define operational off-hire days as days associated with unscheduled repairs or other off-hire time related to the operation of the vessels.

(7) Voyage days. We define voyage days as the total number of days in a period during which each vessel in our fleet was in our possession net of commercial and operational off-hire days. We use voyage days to measure the number of days in a period during which vessels actually generate revenues.

(8) Fleet utilization. We calculate fleet utilization by dividing the number of our voyage days during a period by the number of our available days during that period. We use fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons such as unscheduled repairs or days waiting to find employment.

(9) Fleet utilization, commercial. We calculate commercial fleet utilization by dividing our available days net of commercial off-hire days during a period by our available days during that period.

(10) Fleet utilization, operational. We calculate operational fleet utilization by dividing our available days net of operational off-hire days during a period by our available days during that period.

(11) Time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing revenue generated net of voyage expenses by voyage days for the relevant time period. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract. TCE is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance despite changes in the mix of charter types (i.e., spot voyage charters, time charters and bareboat charters) under which the vessels may be employed between the periods.

(12) Daily vessel operating expenses, which includes crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs and management fees are calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period. Drydocking expenses are reported separately.

(13) Daily general and administrative expense is calculated by dividing general and administrative expense by fleet calendar days for the relevant time period.

(14) Total vessel operating expenses, or TVOE, is a measure of our total expenses associated with operating our vessels. TVOE is the sum of vessel operating expenses excluding drydocking expenses and general and administrative expenses. Daily TVOE is calculated by dividing TVOE by fleet calendar days for the relevant time period.

(15) Drydocking expenses, which include expenses during drydockings that would have been capitalized and amortized under the deferral method divided by the fleet calendar days for the relevant period. Drydocking expenses could vary substantially from period to period depending on how many vessels underwent drydocking during the period.

**Conference Call and Webcast:**

Later today, Tuesday, November 12, 2013 at 10:30 a.m. EST, the company's management will host a conference call to discuss the results.

**Conference Call details:**

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 819 7111 (from the US), 0800 953 0329 (from the UK) or +44 (0)1452 542 301 (from outside the US). Please quote Euroseas .

A replay of the conference call will be available until November 19, 2013. The United States replay number is 1(866) 247-4222; from the UK 0(800) 953-1533; the standard international replay number is (+44) (0) 1452 550 000 and the access code required for the replay is: 6973591#.

### Audio webcast Slides Presentation:

There will be a live and then archived audio webcast of the conference call, via the internet through the Euroseas website ([www.euroseas.gr](http://www.euroseas.gr)). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast. A slide presentation on the Third Quarter and First Nine Months 2013 results in PDF format will also be available 30 minutes prior to the conference call and webcast accessible on the company's website ([www.euroseas.gr](http://www.euroseas.gr)) on the webcast page. Participants to the webcast can download the PDF presentation.

## Euroseas Ltd.

### Unaudited Consolidated Condensed Statements of Operations

(All amounts expressed in U.S. Dollars except number of shares)

|   | Three Months<br>Ended<br>September 30,<br>2012 | Three Months<br>Ended<br>September 30,<br>2013 | Nine Months<br>Ended<br>September 30,<br>2012 | Nine Months Ended<br>September 30,<br>2013 |
|---|--|--|---|--|
| <b>Revenues</b>                           |  |  |   |  |
| Voyage revenue                            | 13,963,059                                     | 9,397,983                                      | 41,978,935                                    | 30,723,705                                 |
| Related party revenue                     | 60,000   | 60,000   | 180,000                                       | 180,000                                    |
| Commissions                               | (641,529)                                      | (460,891)                                      | (2,065,710)                                   | (1,423,174)                                |
| <b>Net revenues</b>                       | <b>13,381,530</b>                              | <b>8,997,092</b>                               | <b>40,093,225</b>                             | <b>29,480,531</b>                          |
| <b>Operating expenses</b>                 |  |  |   |  |
| Voyage expenses                           | 163,918  | 388,335  | 1,100,789                                     | 1,386,053                                  |
| Vessel operating expenses                 | 6,374,860                                      | 6,195,645                                      | 18,891,944                                    | 18,754,544                                 |
| Drydocking expenses                       | 328,032  | 553,007  | 770,648                                       | 3,431,651                                  |
| Depreciation                              | 4,283,094                                      | 4,048,209                                      | 13,102,514                                    | 12,550,102                                 |
| Management fees                           | 1,202,281                                      | 1,211,116                                      | 3,741,738                                     | 3,684,766                                  |
| Other general and administrative expenses | 901,233  | 751,110  | 2,759,194                                     | 2,505,506                                  |
| Net loss / (gain) on sale of vessels      | -  | (1,256,659)                                    | 8,568,234                                     | 1,935,019                                  |

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|  |                   |                    |                     |                     |
|--|-------------------|--------------------|---------------------|---------------------|
| Other income   | (101,500)         | -                  | (254,604)           | -                   |
| <b>Total operating expenses</b>                        | <b>13,151,918</b> | <b>11,890,763</b>  | <b>48,680,457</b>   | <b>44,247,641</b>   |
| <b>Operating income/(loss)</b>                         | <b>229,612</b>    | <b>(2,893,671)</b> | <b>(8,587,232)</b>  | <b>(14,767,110)</b> |
| <b>Other income/(expenses)</b>                         |                   |                    |                     |                     |
| Interest and finance cost                              | (475,589)         | (450,952)          | (1,504,102)         | (1,419,529)         |
| Loss on derivatives, net                               | (213,608)         | (106,115)          | (636,141)           | (108,142)           |
| Gain on trading securities                             | -                 | -                  | 20,373              | -                   |
| Foreign exchange (loss)/gain                           | (5,906)           | (1,167)            | 10,379              | 2,599               |
| Interest income  | 131,028           | 73,863             | 292,395             | 310,681             |
| <b>Other expenses, net</b>                             | <b>(564,075)</b>  | <b>(484,371)</b>   | <b>(1,817,096)</b>  | <b>(1,214,391)</b>  |
| Equity loss in joint venture                           | (491,960)         | (430,565)          | (776,411)           | (1,328,023)         |
| <b>Net loss</b>  | <b>(826,423)</b>  | <b>(3,808,607)</b> | <b>(11,180,739)</b> | <b>(17,309,524)</b> |
| Loss, per share, basic and diluted                     | (0.02)            | (0.08)             | (0.30)              | (0.38)              |
| Weighted average number of shares<br>basic and diluted | 45,210,705        | 45,511,005         | 36,806,388          | 45,383,405          |

**Euroseas Ltd.**

**Unaudited Consolidated Condensed Balance Sheets**

(All amounts expressed in U.S. Dollars except number of shares)

**September 30,**

**2013**

**ASSETS**

**Current Assets:**

|                             |                   |                   |
|-----------------------------|-------------------|-------------------|
| Cash and cash equivalents   | 33,374,960        | 18,725,228        |
| Trade accounts receivable   | 1,425,171         | 2,240,870         |
| Other receivables, net      | 2,310,111         | 1,721,625         |
| Inventories                 | 1,812,636         | 1,576,882         |
| Due from related party      | 4,948,443         | 41,981            |
| Restricted cash             | 926,011           | 1,538,952         |
| Prepaid expenses            | 273,080           | 311,834           |
| <b>Total current assets</b> | <b>45,070,412</b> | <b>26,157,372</b> |

**Fixed assets:**

|   |                    |                    |
|---|--------------------|--------------------|
| Vessels, net  | 206,934,746        | 191,104,869        |
| <b>Long-term assets:</b>  |                    |                    |
| Restricted cash   | 9,000,000          | 9,100,000          |
| Deferred charges, net   | 318,578            | 202,834            |
| Investment in joint venture   | 16,989,061         | 21,911,037         |
| <b>Total long-term assets</b>   | <b>233,242,385</b> | <b>222,318,740</b> |
| <b>Total assets</b>   | <b>278,312,797</b> | <b>248,476,112</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                    |                    |
| <b>Current liabilities:</b>   |                    |                    |
| Long term debt, current portion   | 15,937,000         | 16,737,000         |
| Trade accounts payable  | 2,438,716          | 2,479,372          |
| Accrued expenses  | 1,143,626          | 726,754            |
| Accrued dividends   | 36,424             | 26,100             |
| Deferred revenue  | 1,093,317          | 1,296,307          |
| Derivatives   | 1,718,438          | 911,565            |
| <b>Total current liabilities</b>  | <b>22,367,521</b>  | <b>22,177,098</b>  |
| <b>Long-term liabilities:</b>   |                    |                    |
| Long term debt, net of current portion  | 45,644,000         | 35,320,000         |
| Derivatives   | 675,130            | 255,043            |
| <b>Total long-term liabilities</b>  | <b>46,319,130</b>  | <b>35,575,043</b>  |
| <b>Total liabilities</b>  | <b>68,686,651</b>  | <b>57,752,141</b>  |
| <b>Shareholders' equity:</b>  |                    |                    |
| Common stock (par value \$0.03,<br>200,000,000 shares authorized, 45,319,605<br>and 45,511,005 issued and outstanding,<br>respectively) | 1,359,588          | 1,365,328          |
| Preferred shares (par value \$0.01,<br>20,000,000 shares authorized, no shares<br>issued and outstanding)                               | -                  | -                  |
| Additional paid-in capital  | 251,758,459        | 252,227,639        |
| Accumulated deficit   | (43,491,901)       | (62,868,996)       |
| <b>Total shareholders' equity</b>   | <b>209,626,146</b> | <b>190,723,971</b> |
| <b>Total liabilities and shareholders' equity</b>   | <b>278,312,797</b> | <b>248,476,112</b> |

## Euroseas Ltd.

## Unaudited Consolidated Condensed Statements of Cash Flows

(All amounts expressed in U.S. Dollars)

**Nine Months Ended  
September 30, 2013**

**Cash flows from operating activities:**

|   |                  |                  |
|---|------------------|------------------|
| Net loss  | (11,180,739)     | (17,309,524)     |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                  |                  |
| Depreciation of vessels   | 13,102,514       | 12,550,102       |
| Amortization of deferred charges  | 104,449          | 115,744          |
| Loss in investment in joint venture   | 776,411          | 1,328,023        |
| Share-based compensation  | 517,731          | 474,920          |
| Unrealized gain on derivatives  | (634,420)        | (1,226,960)      |
| Loss on sale of vessels   | 8,568,234        | 1,935,019        |
| Gain on trading securities  | (20,373)         | -                |
| Proceeds from sale of trading securities  | 47,846           | -                |
| Changes in operating assets and liabilities                                     | (4,865,896)      | 4,703,023        |
| <b><i>Net cash provided by operating activities</i></b>                         | <b>6,415,757</b> | <b>2,570,347</b> |

**Cash flows from investing activities:**

|   |                    |                    |
|---|--------------------|--------------------|
| Contribution to joint venture                       | (3,750,000)        | (6,250,000)        |
| Purchase of a vessel                                | -                  | (5,978,062)        |
| Proceeds from sale of vessels                       | 4,250,843          | 7,322,818          |
| Change in restricted cash                           | (3,571,950)        | (712,941)          |
| <b><i>Net cash used in investing activities</i></b> | <b>(3,071,107)</b> | <b>(5,618,185)</b> |

**Cash flows from financing activities:**

|  |                  |                     |
|--|------------------|---------------------|
| Dividends paid                                 | (3,732,503)      | (2,077,894)         |
| Proceeds from shares issued                    | 15,237,303       | -                   |
| Offering expenses paid                         | (295,733)        | -                   |
| Repayment of long-term debt                    | (9,894,000)      | (9,524,000)         |
| <b><i>Net cash provided by / (used in)</i></b> | <b>1,315,067</b> | <b>(11,601,894)</b> |

*financing activities*

|  |                   |                   |
|--|-------------------|-------------------|
| Net increase / (decrease) in cash and cash equivalents | 4,659,717         | (14,649,732)      |
| Cash and cash equivalents at beginning of period       | 31,204,863        | 33,374,960        |
| <b>Cash and cash equivalents at end of period</b>      | <b>35,864,580</b> | <b>18,725,228</b> |

## Euroseas Ltd.

## Reconciliation of Adjusted EBITDA to

## Net loss and Cash Flow Provided By / (Used In) Operating Activities

(All amounts expressed in U.S. Dollars)

|  | Three Months Ended<br>September 30,<br>2012 | Three Months Ended<br>September 30,<br>2013 | Nine Months Ended<br>September 30,<br>2012 | Nine Months Ended<br>September 30,<br>2013 |
|--|---|---|--|--|
| <b>Net loss</b>  | (826,423)                                   | (3,808,607)                                 | (11,180,739)                               | (17,309,524)                               |
| Interest and finance costs, net<br>(incl. interest income) | 344,561                                     | 377,089                                     | 1,211,707                                  | 1,108,848                                  |
| Depreciation   | 4,283,094                                   | 4,048,209                                   | 13,102,514                                 | 12,550,102                                 |
| Net (gain) / loss on sale of<br>vessel                     | -   | (1,256,659)                                 | 8,568,234                                  | 1,935,019                                  |
| Loss on derivatives, net                                   | 213,608                                     | 106,115                                     | 636,141                                    | 108,142                                    |
| <b>Adjusted EBITDA</b>                                     | <b>4,014,840</b>                            | <b>(533,853)</b>                            | <b>12,337,857</b>                          | <b>(1,607,413)</b>                         |

|   |                               | <b>Three Months<br/>Ended</b> | <b>Nine Months<br/>Ended</b>  | <b>Nine Months<br/>Ended</b>  |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   | <b>September 30,<br/>2012</b> | <b>September 30,<br/>2013</b> | <b>September 30,<br/>2012</b> | <b>September 30,<br/>2013</b> |
| <b>Net cash flow provided by /<br/>(used in) operating<br/>activities</b>   | 243,126                       | (312,863)                     | 6,415,757                     | 2,570,347                     |
| Changes in operating assets /<br>liabilities  | 3,724,804                     | (478,653)                     | 4,865,896                     | (4,703,023)                   |
| Loss on derivatives, realized   | 419,766                       | 450,138                       | 1,270,560                     | 1,335,102                     |
| Proceeds from sale of trading<br>securities, gain on trading<br>securities and equity loss in<br>joint venture, net | (491,960)                     | (430,565)                     | (803,883)                     | (1,328,023)                   |
| Share-based compensation  | (191,235)                     | (107,491)                     | (517,731)                     | (474,920)                     |
| Interest, net   | 310,339                       | 345,581                       | 1,107,258                     | 993,104                       |
| <b>Adjusted EBITDA</b>  | <b>4,014,840</b>              | <b>(533,853)</b>              | <b>12,337,857</b>             | <b>(1,607,413)</b>            |

**Adjusted EBITDA Reconciliation:**

Euroseas Ltd. considers Adjusted EBITDA to represent net earnings / (loss) before interest, income taxes, depreciation, amortization, gain / loss in derivatives, net loss on sale of vessels. Adjusted EBITDA does not represent and should not be considered as an alternative to net income /(loss) or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies. Adjusted EBITDA is included herein because it is a basis upon which we assess our financial performance and liquidity position and because we believe that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness. The Company's definition of Adjusted EBITDA may not be the same as that used by other companies in the shipping or other industries.

**Euroseas Ltd.**

**Reconciliation of Net loss to Adjusted net loss**

(All amounts expressed in U.S. Dollars except share data and number of shares)

|  | <b>Three Months<br/>Ended<br/>September 30,<br/>2012</b> | <b>Three<br/>Months Ended<br/>September 30,<br/>2013</b> | <b>Nine<br/>Months<br/>Ended<br/>September 30,<br/>2012</b> | <b>Nine<br/>Months Ended<br/>September 30,<br/>2013</b> |
|--|--|--|---|---|
| <b>Net loss</b>                                      | (826,423)  | (3,808,607)  | (11,180,739)  | (17,309,524)  |
| Unrealized gain on derivatives                       | (206,158)  | (344,023)  | (634,420)   | (1,226,960)   |
| Realized gain on trading securities                  | -  | -  | (20,373)  | -   |
| Realized loss on derivatives                         | 419,766  | 450,138  | 1,270,560   | 1,335,102   |
| Net loss / (gain) on sale of vessels                 | -  | (1,256,659)  | 8,568,234   | 1,935,019   |
| <b>Adjusted net loss</b>                             | <b>(612,815)</b>   | <b>(4,959,151)</b>                                       | <b>(1,996,738)</b>  | <b>(15,266,363)</b>                                     |
| Adjusted net loss per share, basic and diluted       | (0.01)   | (0.11)   | (0.05)  | (0.34)  |
| Weighted average number of shares, basic and diluted | 45,210,705   | 45,511,005   | 36,806,388  | 45,383,405  |

**Adjusted Net loss and Adjusted Net loss per share Reconciliation:**

Euroseas Ltd. considers Adjusted Net loss to represent net loss before gain / loss in derivatives, realized gain on trading securities, and net loss / (gain) on sale of vessels. Adjusted Net loss and Adjusted Net loss per share is included herein because we believe it assists our management and investors by increasing the comparability of the Company's fundamental performance from period to period by excluding the potentially disparate effects between periods of gain / loss in derivatives, realized gain on trading securities and net (gain) / loss on sale of vessels, which

items may significantly affect results of operations between periods.

Adjusted Net loss and Adjusted Net loss per share do not represent and should not be considered as an alternative to net loss or loss per share, as determined by U.S. GAAP, The Company's definition of Adjusted Net loss and Adjusted Net loss per share may not be the same as that used by other companies in the shipping or other industries.

#### **About Euroseas Ltd.**

Euroseas Ltd. was formed on May 5, 2005 under the laws of the Republic of the Marshall Islands to consolidate the ship owning interests of the Pittas family of Athens, Greece, which has been in the shipping business over the past 136 years. Euroseas trades on the NASDAQ Global Select Market under the ticker ESEA since January 31, 2007.

Euroseas operates in the dry cargo, drybulk and container shipping markets. Euroseas' operations are managed by Eurobulk Ltd., an ISO 9001:2008 certified affiliated ship management company, which is responsible for the day-to-day commercial and technical management and operations of the vessels. Euroseas employs its vessels on spot and period charters and through pool arrangements.

The Company has a fleet of 14 vessels, including 3 Panamax drybulk carriers and 1 Handymax drybulk carrier, 3 Intermediate containership, 5 Handysize containerships and 2 Feeder containerships. Euroseas` 4 drybulk carriers have a total cargo capacity of 262,074 dwt, its 10 containerships have a cargo capacity of 17,587 teu.

### **Forward Looking Statement**

This press release contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and the Company's growth strategy and measures to implement such strategy; including expected vessel acquisitions and entering into further time charters. Words such as expects, intends, plans, believes, anticipates, hopes, variations of such words and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to changes in the demand for dry bulk vessels and container ships, competitive factors in the market in which the Company operates; risks associated with operations outside the United States; and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

Visit our website [www.euroseas.gr](http://www.euroseas.gr)

#### **Company Contact**

Tasos Aslidis

Chief Financial Officer

Euroseas Ltd.

11 Canterbury Lane,

#### **Investor Relations / Financial Media**

Nicolas Bornozis

President

Capital Link, Inc.

230 Park Avenue, Suite 1536

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Watchung, NJ 07069

New York, NY 10169

Tel. (908) 301-9091

Tel. (212) 661-7566

E-mail: [aha@euroseas.gr](mailto:aha@euroseas.gr)

E-mail: [euroseas@capitalink.com](mailto:euroseas@capitalink.com)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EUROSEAS LTD.

Dated: November 12, 2013

|        |                                       |
|--------|---------------------------------------|
| By:    | /s/ Dr. Anastasios Aslidis            |
| Name:  | Dr. Anastasios Aslidis                |
| Title: | Chief Financial Officer and Treasurer |