



EuroDry Ltd.
Company Presentation
[NASDAQ: EDRY]
'Capital Link Webinar
January 2024

Forward-Looking Statements

Statements in this presentation may be "forward-looking statements" within the meaning of federal securities laws. The matters discussed herein that are forward-looking statements are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including, but not limited to, the need to manage our growth and integrate additional capital, acquire additional vessels, volatility in the 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 Eurodry 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 trade, the dry bulk and the dry bulk. 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

EuroDry - Introduction

- **EuroDry Ltd. (NASDAQ: EDRY) was spun-off from Euroseas Ltd. on May 30, 2018 as a pure drybulk carrier owner to provide worldwide ocean-going transportation services for ...**
 - ... major bulks (iron ore, coal and grains) and minor bulks (e.g steel products, bauxite, fertilizers etc.)..
 - ... by owning vessels in the middle of the size range of drybulk carriers, 50,000-85,000 dwt (Supramax to Kamsarmax), which present the most flexible employment opportunities
 - EDRY's fleet is currently comprised of 13 vessels with an average age of about 13.5 years and a carrying capacity of 919k dwt

- **Long tradition & experience in shipowning and ship management**
 - Our “former parent”, Euroseas Ltd., was formed in 2005 by the Pittas family which has owned/operated vessels since 1870; Euroseas accessed the capital markets in 2005 and has been listed on NASDAQ since 2007
 - Aristides J. Pittas, CEO & Dr. Tasos Aslidis, CFO have 30+ years of industry experience, Symeon Parios, CAO has 20+ years; all have been with the Company since inception
 - All members of the board hold leading positions in their respective industries and/or long investment experience in shipping

- **EuroDry's vessels are managed through Eurobulk & Eurobulk FE, which are affiliated companies**
 - Eurobulk was founded in 1995 and Eurobulk FE in 2015
 - Both are established and well-respected within the industry for their efficient & safe operating track record
 - “Vertically integrated”, carrying strong relationships with charterers, suppliers, bankers and other industry participants

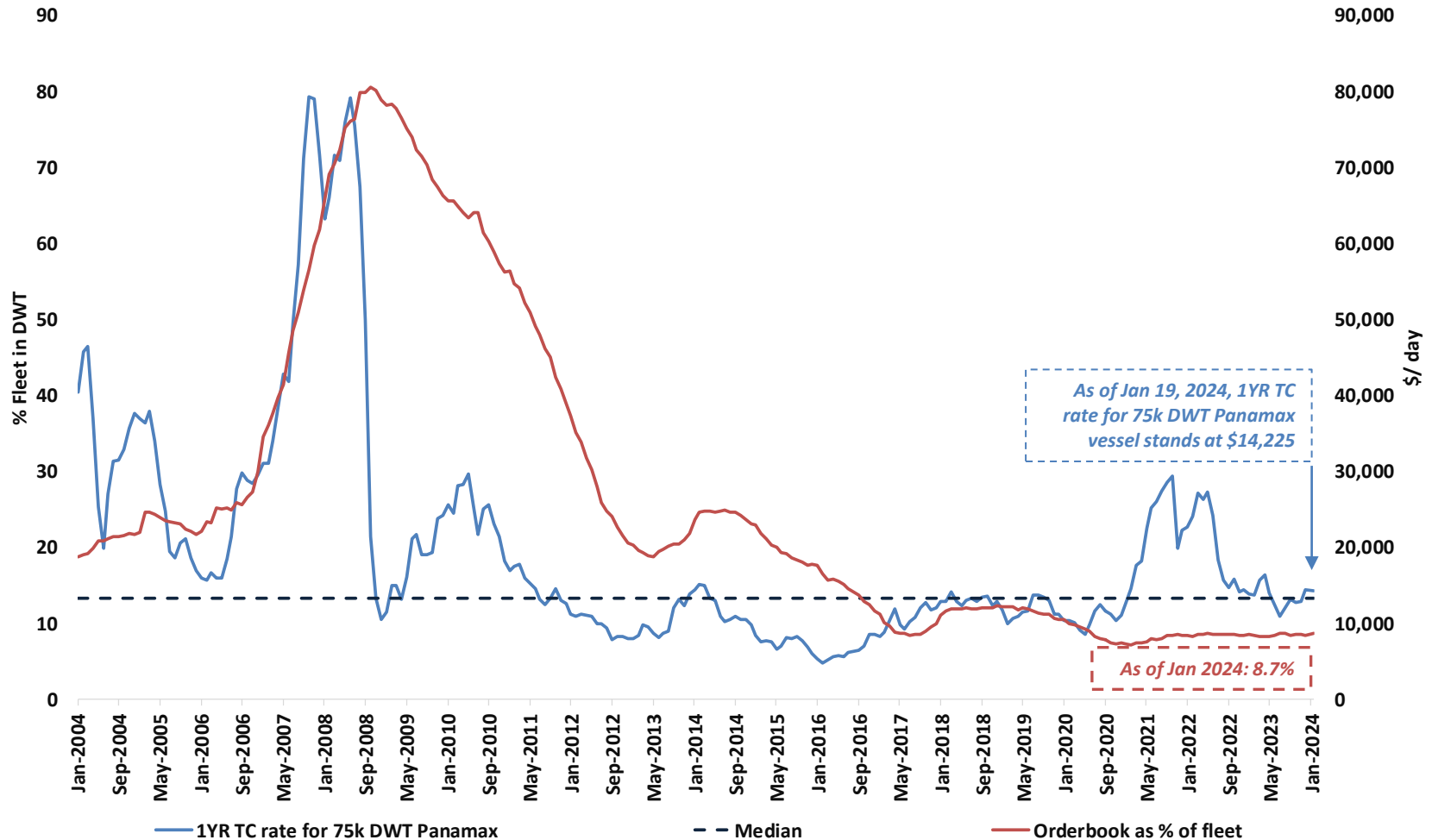
A large drybulk carrier ship is shown at sea, viewed from an elevated angle. The ship is white with a dark hull and has several masts and cranes visible. A star is on the funnel. The text is overlaid on the image.

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

Current Point in the Market Cycle (1/2)

TC rate for 75k DWT Panamax vs Fleet Orderbook

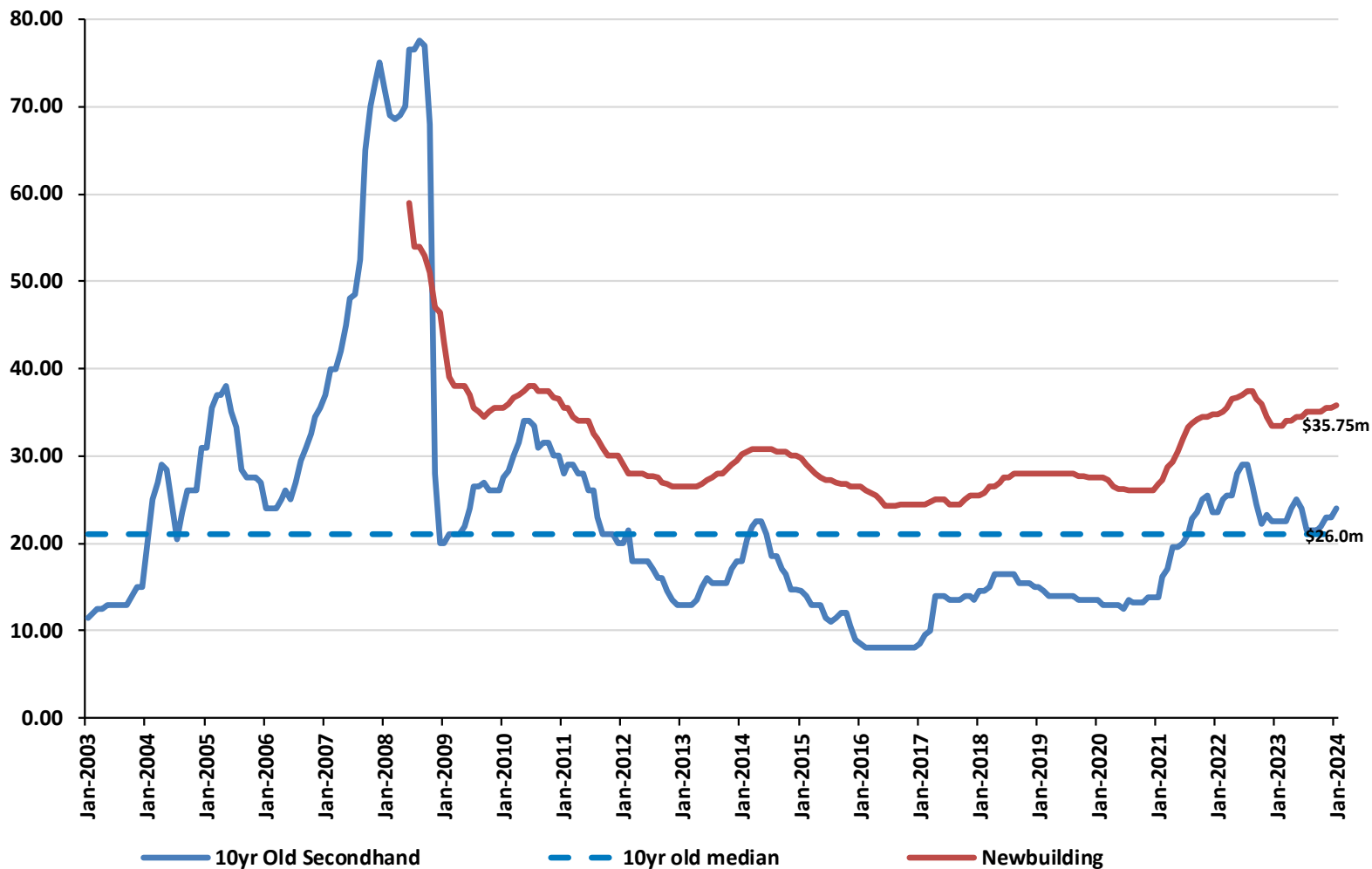
The orderbook in the sector, just 8.7% of the fleet, is nearing a 20-year historical low while there is also potential for increased recycling from 2024 amid the introduction of new environmental regulations.



Current Point in the Market Cycle (2/2)

Panamax⁽¹⁾ vessel prices (\$m)

Values over the last twelve months have been rather stable potentially creating opportunities



Source: Clarksons Research

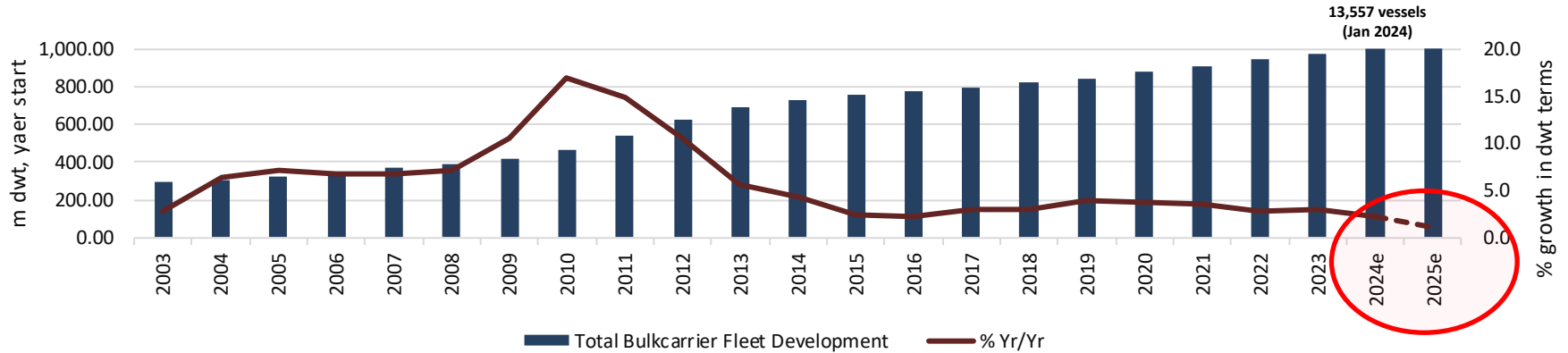
Note:

1) Panamax Bulkcarrier 82k dwt

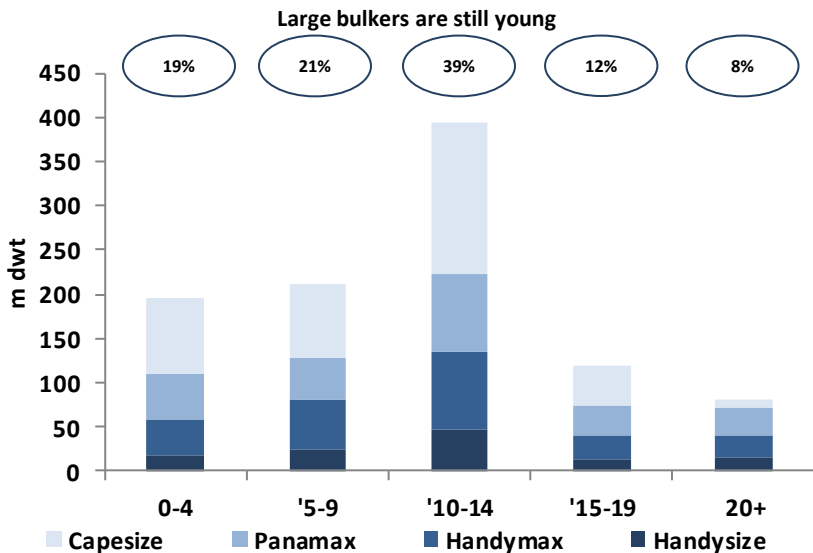


Drybulk Fleet Overview

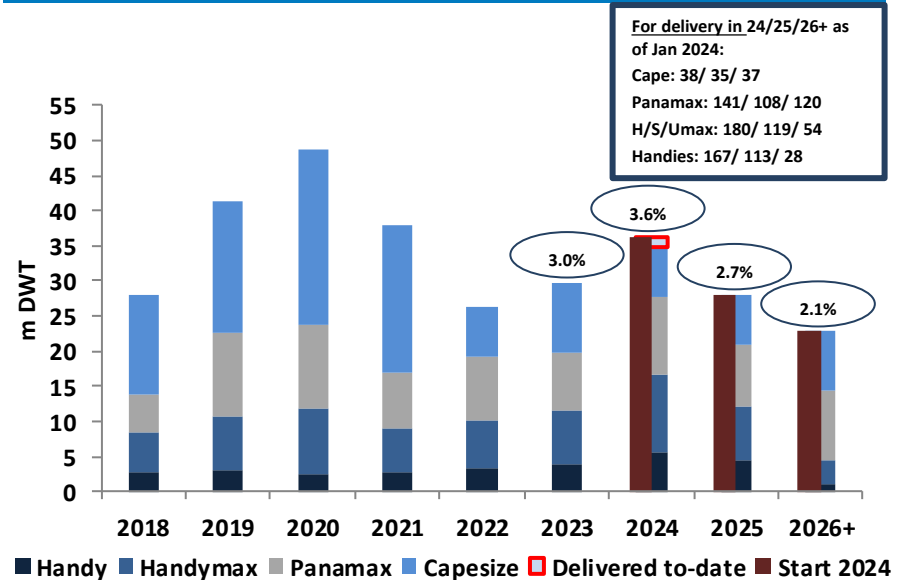
Fleet Development – Lowest Fleet Growth in the last 20 years!



Dry Bulk Age Profile



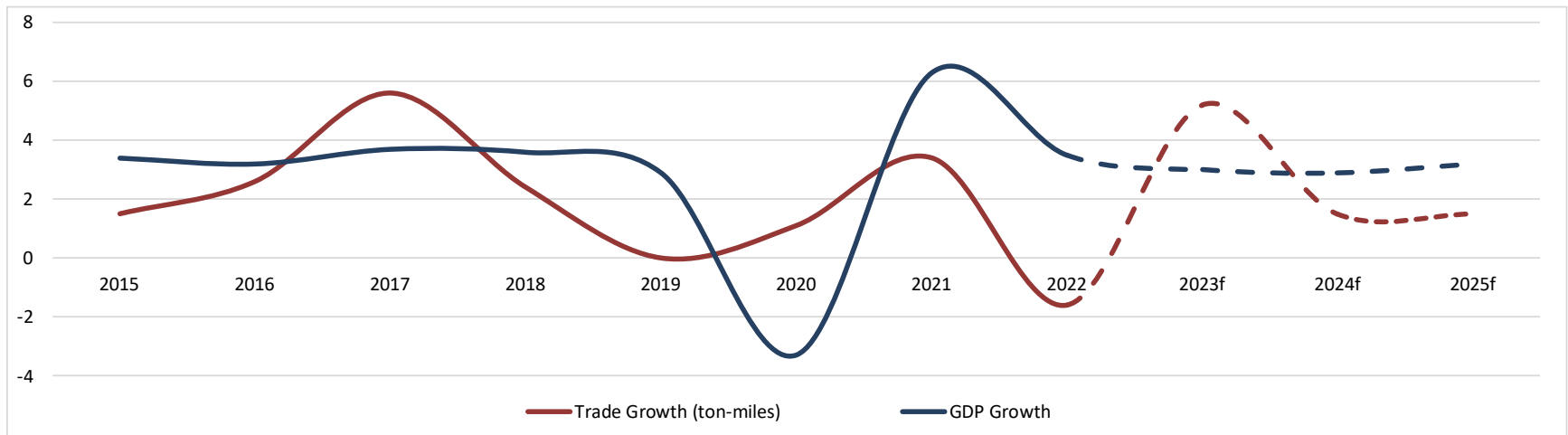
Orderbook



Drybulk Trade Demand Growth

- Demand growth for drybulk vessels is primarily a function of drybulk trade growth which is typically linked to world GDP growth
 - ...and, especially, economic developments in China as it accounts the majority of trade growth

Drybulk Trade Growth Vs World GDP Growth



- ...but it is also affected by other factors like
 - Potential changes in the use of certain bulk commodities, like the shift away from fossil fuels (like steam coal)
 - The routes over which trade moves
 - Port and canal congestion or throughput limitations
 - Speed “restrictions”, i.e. slow-steaming, due to fuel price or emissions limitations

...examples being Panama canal capacity restrictions, avoidance of Red Sea / Suez Canal due to hostilities and CII limits are current examples increasing “effective” demand for vessels at least in the near term

DryBulk Market: Outlook Summary

- Dry bulk shipping experienced robust gains throughout 2023Q4, with the Panamax freight index reaching \$17,158 per day in December 2023—the highest level since mid-2022. Nevertheless, 2023 has been a relatively moderate year for bulker earnings, as diminished fleet inefficiencies and the cumulative growth of the fleet in recent years have offset a strong trade rebound.
- In 2024, the dry bulk sector is on track to rebound if vessel supply tightens, possibly resulting in spikes, as freight markets demonstrate a remarkable sensitivity to changes in the vessel supply/ demand balance.
- On the supply side, ordering of new ships has been very limited due to lack of available slots in shipyards and the lack of clarity for the “fuel of the future”
 - Orderbook to fleet ratio is near the lowest historical levels creating the backdrop for a charter rate recovery if demand returns to “normal” levels....furthermore, introduction of emissions regulation related measures (EEXI and CII) could further curtail supply via increased scrapping or slower operational speed for a portion of the fleet
- On the demand side, key area to watch is China and GDP growth in developed economies. Also, certain unprecedented developments could result in demand growth
 - Drought of Panama Canal has led to prolonged wait times, capacity constraints, and increased pressure on shipping schedules. The redirection of trade from the Panama Canal to the Suez Canal has led to a noticeable surge in freight rates, and the subsequent rise in ton-miles has heightened the demand for dry bulk vessels.
 - Disruption in the Red Sea has led to a decline in dry cargo ship traffic through this route, as shipping companies are forced to either suspend their voyages or reroute them to the Cape of Good Hope.





Why Invest in EuroDry

Current Fleet Profile

EuroDry's fleet is comprised of 13 vessels with an average age of ~13.5 years and a carrying capacity of 919k dwt



	Name	Type	Size (dwt)	Year Built	Country of Build
<i>Current Fleet</i>					
Modern/NB Cluster	Ekaterini	Kamsarmax	82,000	2018	China
	Xenia	Kamsarmax	82,000	2016	China
	Alexandros P	Ultramax	63,500	2017	China
	Christos K ⁽¹⁾	Ultramax	63,197	2015	China
	Maria ⁽¹⁾	Ultramax	63,153	2015	China
	Yannis Pittas	Ultramax	63,177	2014	China
	Good Heart	Ultramax	62,996	2014	China
	Molyvos Luck	Supramax	57,924	2014	China
Panamax Cluster	Santa Cruz	Panamax	76,440	2005	Japan
	Blessed Luck	Panamax	76,704	2004	Japan
	Eirini P	Panamax	76,466	2004	Japan
	Starlight	Panamax	75,845	2004	Japan
	Tasos	Panamax	75,100	2000	Japan
Total	13 vessels		918,502	13.5	

⁽¹⁾ Vessel is 61% owned by EuroDry

Fleet is built around two clusters:

- 1) High quality Japanese vintage Panamaxs which are “cash-cows” in present markets with no risk of technological obsolescence
- 2) Own-contracted newbuildings in quality Chinese yards, and six high quality second hand vessels five Ultramax and one Supramax all of which are highly efficient eco designs with very attractive commercial characteristics in terms of fuel efficiency and operating requirements



Note:

1) Average age is weighted by the size of the vessels

Recent Acquisitions

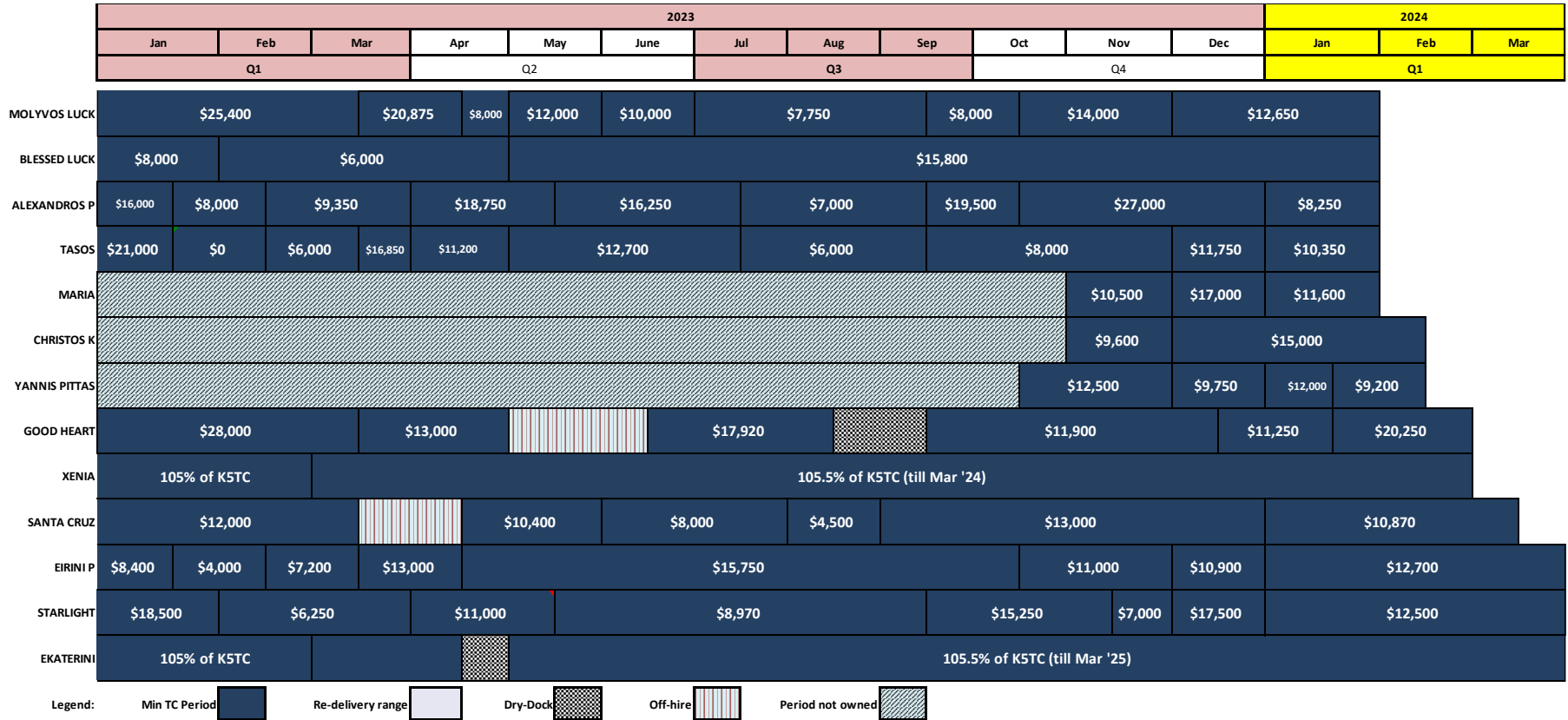
- In 2023Q4, acquired three Eco Ultramax drybulk vessels, all built during 2014 and 2015
 - M/V Yannis Pittas, built in 2014, and M/V Christos K and M/V Maria, built in 2015
 - The vessels are sisterships of M/V Alexandros P which was built at the same shipyard in 2017

- Joint ventures as a means for fleet growth
 - M/V Christos K and M/V Maria were acquired in partnership (a joint venture) with a number of investors
 - 61% of the vessels is owned by EuroDry and the remaining 39% by the investors
 - The vessels will be fully consolidated into EDRY's financial statements.
 - We believe that joint ventures can provide a new funding source for the growth of EDRY's fleet without diluting existing shareholders on an NAV-basis.
 - The specific joint venture has allowed us to establish close relationships in Norway with other capital providers, private in this case. We have the potential to repeat similar further transactions at opportune times



Vessel Employment

Fleet Open to Exploit Possibly Increasing Market



Financial Highlights

Nine-Month 2023 Highlights... ..and a glimpse of 2024

First nine-months of 2023 were quite profitable

- Total net revenues of \$31.7 million.
- Net loss of \$3.3 million or \$1.17 loss per share basic and diluted.
- Adjusted EBITDA was \$8.0 million.
- An average of 10.0 vessels were owned and operated during the first nine months of 2023 earning an average time charter equivalent rate of \$11,644 per day while the average BPI for the same period was \$10,379 per day.
- During the first nine months of 2023, we used about \$1.8m to repurchase 113,179 shares, or, about 4% of our outstanding stock

Beginning of 2024 seems quite promising ...

- The near term of 2024 appears quite firm with the current BPI at about \$12,096⁽¹⁾ per day...
.... looking ahead to the full year of 2024, a number of positive factors have potential to support the market, with the forward BPI for the year is around \$14,500⁽¹⁾ per day (which for our vessels translates to about \$15,000 per day on average). This projection suggests an increase compared to the levels observed in 2023, if realized

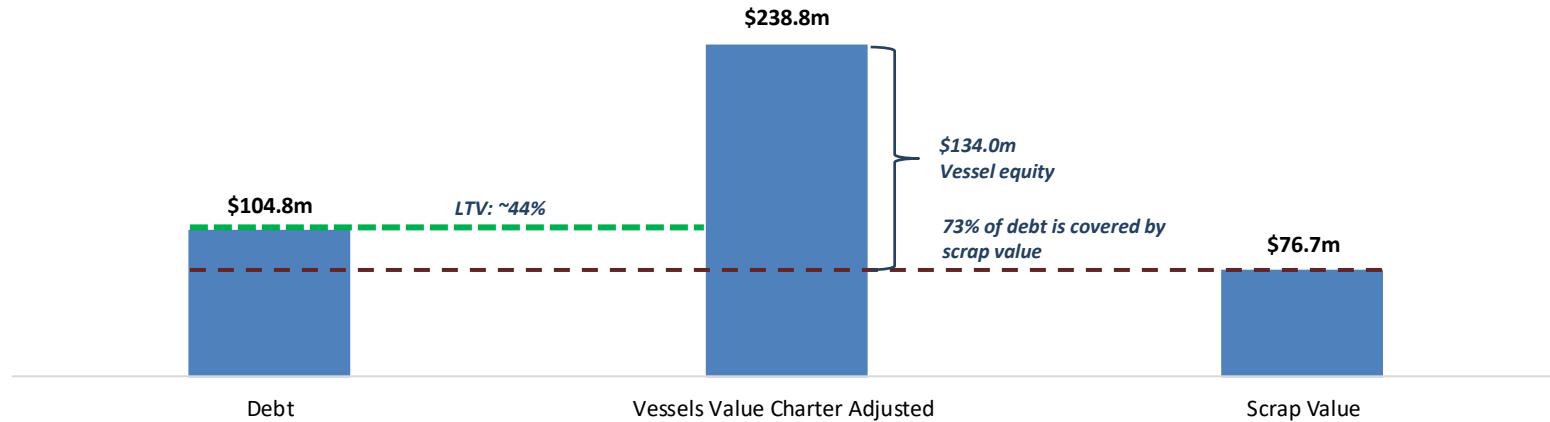


Source: (1) Index Date: 01/19/2024

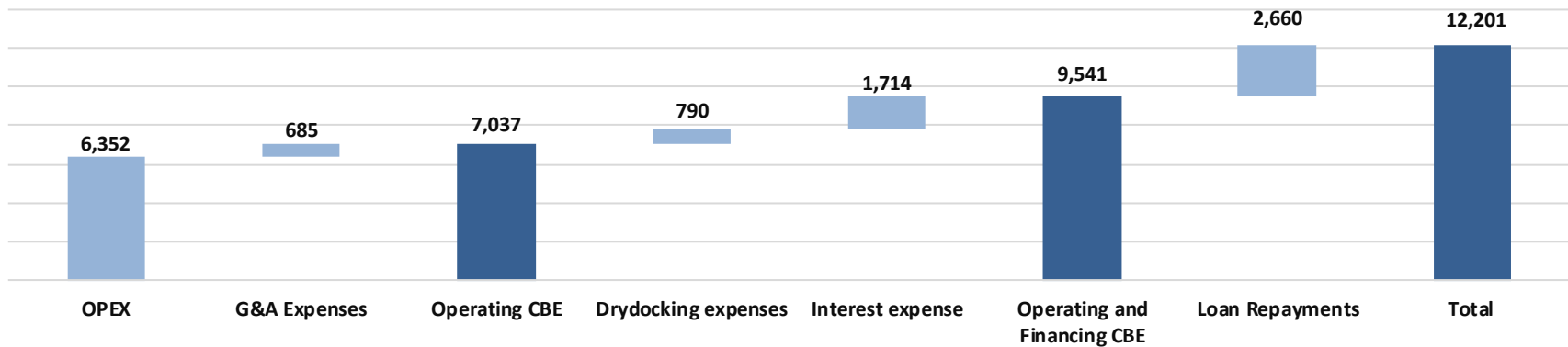
Note: Adjusted EBITDA, Adjusted net income/(loss) and Adjusted earnings/(loss) per share are not recognized measurements under US GAAP (GAAP) and should not be used in isolation or as a substitute for EuroDry's financial results presented in accordance with GAAP. Refer to a subsequent section of the Press Release for the definitions and reconciliation of these measurements to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Debt Repayment Profile & Cash Flow Breakeven Daily Rate

Debt vs Current Market Values (31-12-2023)



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



Why Invest in EuroDry

Three main reasons...

- Strong industry fundamentals: a rare squeeze of supply
- Healthy balance sheet & cash position would allow us to take advantage of current market weakness
- Attractive valuation: significant potential for appreciation
 - Current stock trading range of \$20-21/share still represents more than 50% discount of NAV despite having registered gains of about 25% over the last 12 months

...and quite a number more

- Fleet focused on mid-sized vessels that provide multiple trading possibilities
- Flexible vessel employment strategy – taking advantage of market trends
- Cost-efficient, safe vessel operations – maintaining a low, predictable operating cost level
- Experienced management team of industry veterans with strong track record
- A publicly-listed platform providing additional options for growth possibly consolidating other vessels / fleets



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