



EURODRY_{LTD}

Earnings Presentation

Quarter Ended March 31, 2019

May 23, 2019





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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2019 First Quarter Financial Highlights

	2019-Q1	
Net Revenues	\$5.8 m	
Net Income	\$0.9 m	
Preferred Dividends	\$(0.5) m	
Net Income Attributable to Common Shareholders	\$0.4 m	\$0.18 / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$2.5 m	

- (1) See press release of 5/23/2019 for reconciliation of Adj. Net Income Attributable to Common Shareholders to Net Income and Adjusted EBITDA.
(2) Basic and diluted

Chartering & Operational

Chartering

- **Pantelis:** fixed for a trip for about 30 days at \$5,500/day, thereafter fixed for a trip of around 55 days at \$9,850/day
- **Tasos:** fixed for a trip of about 30 days at \$7,750/day, thereafter fixed for a trip of about 60 days at \$12,250/day + \$225K ballast bonus which should result in about \$7,000/day to \$7,500/day TC-equivalent and thereafter fixed for another trip of about 75 days at \$6,900/day
- **Starlight:** fixed with earliest redelivery July and latest October 2019 at \$9,000/day for the first 40 days and thereafter 100% BPI 4TC
- **FFA coverage**
 - For Q1-19 our short exposure of 40dpm (days per month) at \$11,950/day resulted in a profit of abt \$600K
 - Going forward we have 270days in Q3 at a rate of approximately \$11,128/day and 270days in Q4 at a rate of approx \$11,361/day*
- **No dry-dockings** or any repairs this quarter, for Q2 we expect to drydock MV Starlight

(*) The quoted average prices are gross before deducting commissions and clearing expenses which are roughly in the range of \$55/contract-day (0.1% commission i.e. ~\$11/contract-day and the rest clearing expenses). There are size, route and other important differences between FFA contracts and physical charters, notwithstanding the need to post cash security (margin) if the market changes against the contracts entered into (in our case, if the market increases)

EuroDry Fleet

Name	Type	Size DWT	Year Built
<u>Vessels in the water</u>			
Ekaterini	Kamsarmax	82,000	2018
Xenia	Kamsarmax	82,000	2016
Alexandros P	Ultramax	63,500	2017
Eirini P	Panamax	76,000	2004
Starlight	Panamax	75,845	2004
Pantelis	Panamax	74,020	2000
Tasos	Panamax	75,100	2000
Total	7 vessels	528,465	10.6

Vessels Employment Chart

Coverage (as of May-2019):

➤ ...effective average coverage of about 78% in 2019 including index and FFA's

	2019												2020												
	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	
	Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			
PANTELIS	\$9,050	\$5,500	\$9,850																						
TASOS	\$7,750	\$7,500	\$6,900																						
STARLIGHT	100% of BPI 4TC																								
ALEXANDROS P*	Guardian pool, 112% of BSI58																								
EIRINI P	103.25% of BPI 4 TC																								
XENIA	\$14,100																								
EKATERINI	\$13,000																								
Legend:																									
Min TC Period		Re-delivery range		Options		Positioning		Dry-Dock		Idle															

(*)Owners' Option has infinite duration. However, it has to be tendered 1 month prior to having the vessel delivered back.



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Market Overview



World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
USA	2.8(1.8)	1.9 (1.2)	2.4 (2.8)	2.6(3.6)	1.5(2.6)	2.3(2.3)	2.9(2.7)	2.3(2.5)	1.9(1.8)	1.8
Eurozone	-0.7 (-0.5)	-.05 (-0.4)	0.9 (1.0)	2.0(1.2)	1.8(1.7)	2.4(1.6)	1.8(2.2)	1.3(1.6)	1.5(1.7)	1.5
Japan	1.4(1.7)	1.5 (2.0)	-0.1 (1.7)	0.5(0.6)	1.0(1.0)	1.8(0.9)	1.0(1.2)	1.0(1.1)	0.5(0.5)	0.5
China	7.7 (8.2)	7.7 (7.6)	7.4 (7.5)	6.9 (6.8)	6.7(6.3)	6.8(6.7)	6.6(6.6)	6.3(6.2)	6.1(6.2)	6.0
India	3.2 (7.0)	4.4 (3.8)	7.2 (5.4)	7.6 (6.3)	7.1(7.5)	6.7(6.6)	7.1(7.4)	7.3(7.5)	7.5(7.7)	7.7
Russia	3.4 (3.0)	1.3 (1.5)	0.6 (2.0)	-3.7 (-3.0)	-0.2 (-1.0)	1.8(-0.6)	2.3(1.7)	1.6(1.6)	1.7(1.7)	1.7
Brazil	1.0 (3.0)	2.3 (2.5)	0.1 (2.3)	-3.8 (0.3)	-3.6(-3.5)	1.1(-3.5)	1.1(1.9)	2.1(2.5)	2.5(2.5)	2.2
ASEAN-5	6.2 (4.8)	5.2 (5.0)	4.6 (5.1)	4.8 (5.2)	4.9 (4.8)	5.3(4.8)	5.2(5.2)	5.1(5.1)	5.2(5.2)	5.2
World	3.1 (3.3)	3.4(3.5)	3.4 (3.7)	3.4(3.6)	3.2 (3.4)	3.7(3.4)	3.6(3.9)	3.3(3.5)	3.6(3.7)	3.6

Dry Bulk Trade (% p.a.)

Tonmiles	6.0 (4.0)	5.6(4.0)	6.0 (3.2)	0.9 (4.0)	2.3 (0.8)	4.7(2.3)	3.0(3.7)	2.4(3.1)	3.2(2.5)	2.5
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Sources:

GDP - International Monetary Fund: 2012-2018, (start of year estimates in parentheses), 2019 /20/21 IMF Forecasts (Apr-19).
In parentheses, previous estimates for 2019/20 as of Jan-19

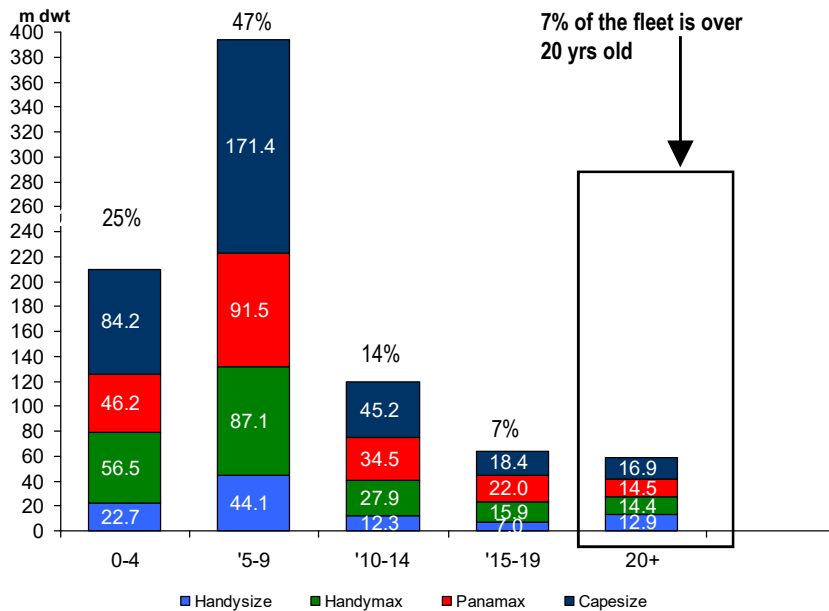
Trade – 2012-2018: Figures in parenthesis indicate beginning of Year estimates from Clarkson
2019/20: Clarkson (Mar-19), 2021 company estimates, 2019 Previous estimates in parenthesis from Clarkson (Dec-18), 2020
Company estimates

Note 1: Clarkson re adjusts historical data almost quarterly

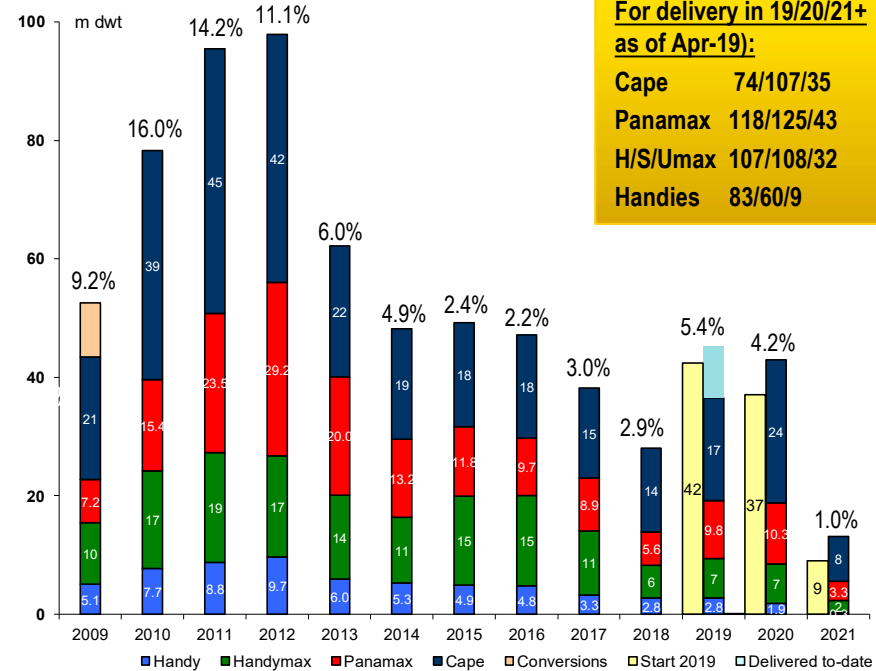
Note 2: Clarkson started publishing ton-mile demand sometime in 2017; historical information have been adjusted accordingly. However, the beginning of year historical trade forecasts for the same period are for tons (not ton-miles)

Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Dry Bulk Orderbook



Large bulkers are still young

Large Vessels Dominate Orderbook

Source: Clarksons, as of Mar 2019

Notes:

1) As % of schedule deliveries	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Scrapping	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%	29.1m-3.7%	14.5m-1.8%	4.1m-0.5%
Slippage & cancellations	28.5m-40%	47m-37%	43m-29%	40m-30%	39m-39%	27m-36%	36m-43%	46m-49%	25m-35%	6m-18%

2) Fleet percent change during 2009-2018 includes scrapping and other additions and removals.

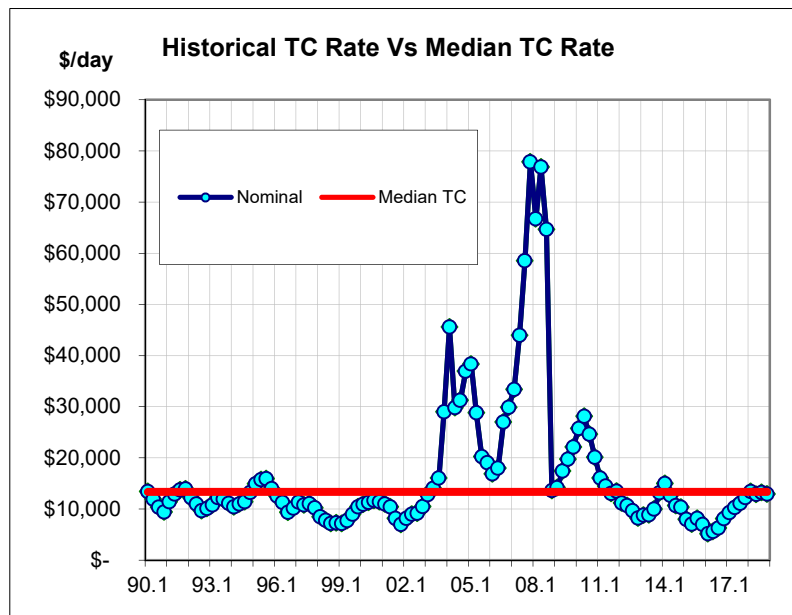
In 2019 /20/21 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.

Outlook Summary – Bulkera

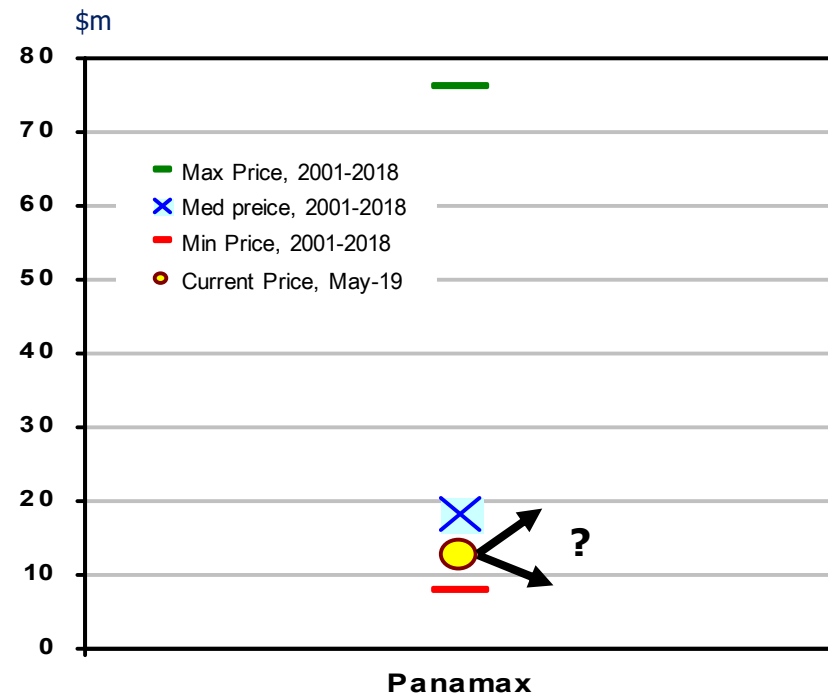
- Since the beginning of 2019, rates for the Capesize vessels dropped below Opex levels however a strong improvement recently has brought them around \$12,100/day. Panamax and Supras were much less affected by the Vale disaster and dropped much less before increasing again to about \$10,000/day and \$9,000/day accordingly
- The recent accident in VALE's iron ore mine in Brazil will reduce Brazilian Iron Ore exports between 50-70mt annually until the mines come back to operation;
 - Vale announced the return of about 30mt of Iron ore exports back in the market. However the local authorities AGAIN ordered the temporary seizure of the mines
 - The lost quantities can only be partially replaced by increasing production across other mines in the world
- Our analysis for 2019, 2020 and 2021 shows a slightly improving supply/demand balance which would suggest a strong H2 2019 considering the weak environment in Q1 and an even stronger 2020. For 2021 the current fundamentals look very promising as the order book stands only at 1% of the projected fleet
 - Longer term iron ore trading volume growth is at risk due to the lack of further mining/production investments in both Australia and Brazil, the two major producers
 - Coal imports despite the longer term concerns due to the overall desire to reduce coal use, are expected to further grow in 2019 as electricity demand growth remains robust
 - Grain trade is expected to rebound following a much desired trade agreement between China/US
- Environmental regulations coming into effect as of 2020 are the WILD CARD which may or may not create a tighter market and which are adding uncertainty into the future

Position on the Drybulk Market Cycle

Panamax 1-Year Time Charter Rate



Panamax 10-Year Old Historical Price Range



Note: The median rate for 2001-2018 of about \$13,300/day Similarly, the average price of \$18m

Source: Clarksons



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Financial Overview



Financial Highlights: 1st Quarter of 2018 and 2019

<i>(in million USD except per share amounts)</i>	First Quarter 2018	2019	Change %
Net Revenues	4.6	5.8	25%
Net (Loss) / Income	(1.4)	0.9	
Preferred Dividends	-	(0.5)	
Net (Loss) / Income attributable to Common Shareholders	(1.4)	0.4	
Interest & Finance Costs net <i>(incl. interest income)</i>	0.4	0.9	
Depreciation	1.2	1.6	
Unrealized & Realized Loss (Gain) On Derivatives	(0.1)	(0.9)	
Adjusted EBITDA ⁽¹⁾	0.1	2.5	2655%
Adj. Net Loss attributable to Common Shareholders	(1.5)	(0.5)	
Adj. Net Income per share, basic and diluted ⁽²⁾	(0.69)	(0.21)	

(1) See press release of 23-May-2019 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 2,226,753 & 2,254,803 for 2018 & 2019 respectively

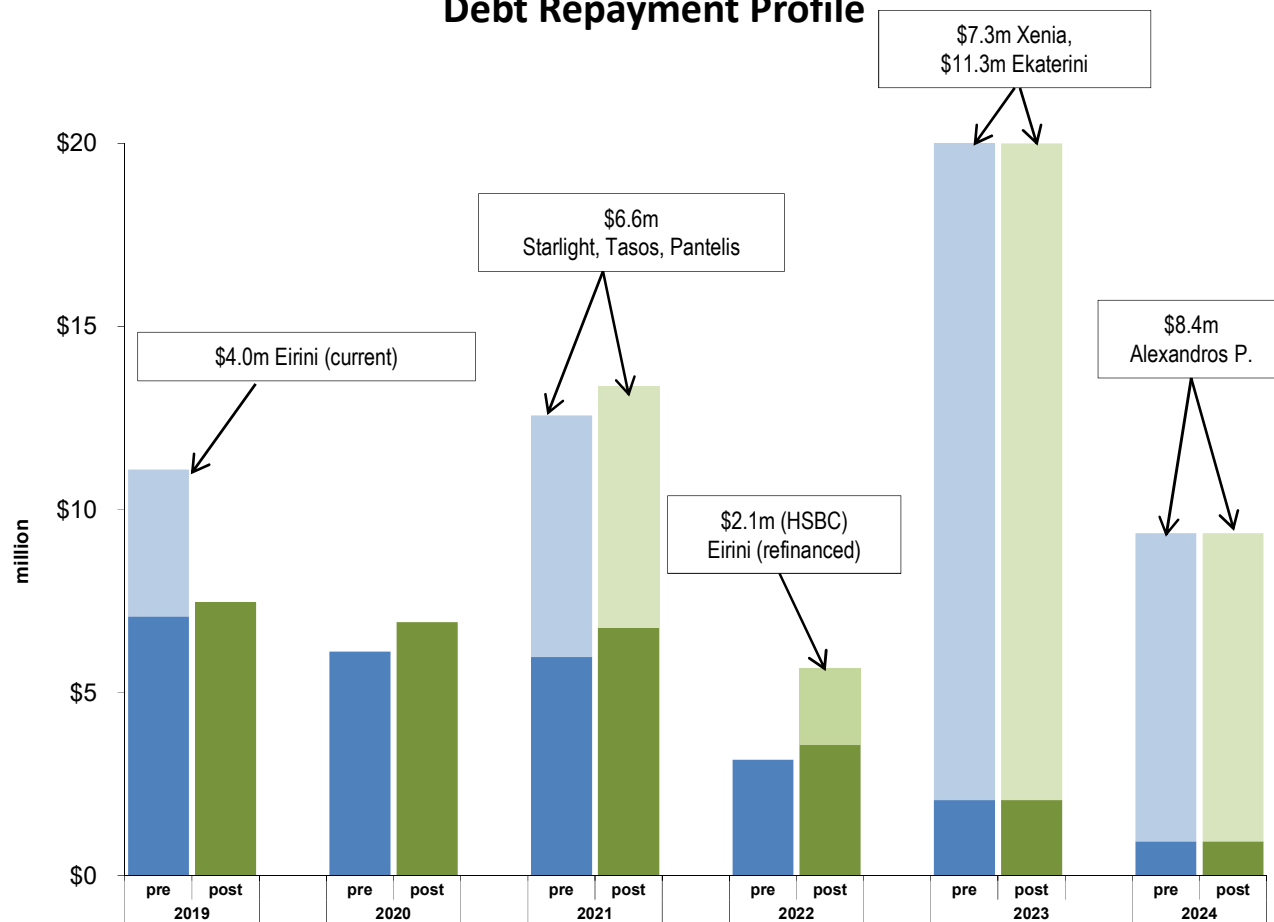
Fleet Data for the 1st Quarter of 2018 and 2019

	2018 (unaudited)	2019 (unaudited)
Number of vessels	5.0	7.0
Utilization Rate (%)		
Operational ⁽¹⁾	99.7%	99.7%
Commercial ⁽¹⁾	100.0%	100.0%
Overall ⁽¹⁾	99.7%	99.7%
<i>(usd/day/vessel)</i>		
Time Charter Equivalent (TCE)⁽²⁾	\$ 11,896	\$ 9,472
Operating Expenses		
Vessel Oper. Exp.excl. DD exp.	6,061	4,928
G&A Expenses	572	921
Total Operating Expenses	6,633	5,849
Interest Expense	950	1,512
Drydocking Expense	3,247	69
Loan Repayments without Balloons	2,793	3,503
Preferred dividend in cash	-	624
Breakeven/day	\$ 13,623	\$ 11,557

- (1) Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up. Scheduled off-hire amounted to abt 44 days for the first quarter of 2018 and 0 days for the first quarter of 2019
- (2) TCE calculation shows the gross rate the vessels earn while employed; it excludes periods during which the vessels are laid-up or off-hire for commercial or operational reasons

Debt Profile

Debt Repayment Profile



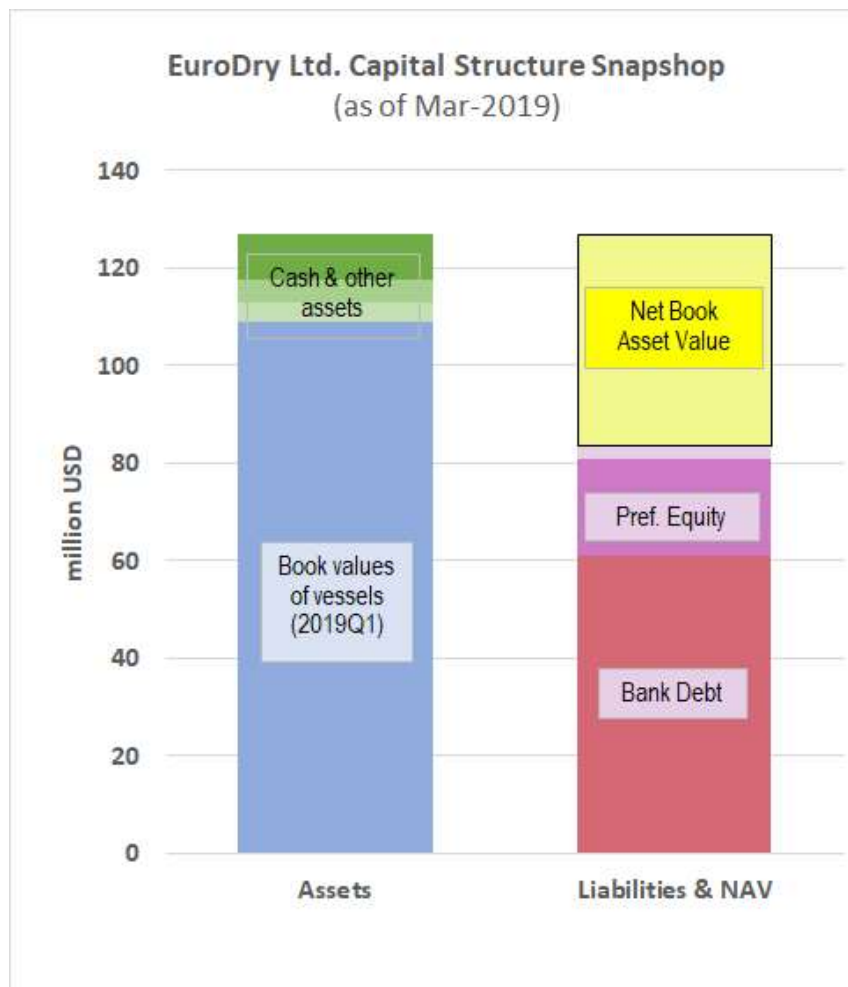
Cash Flow Breakeven

Budget estimate for next 12 months:

	<u>\$/vessel/day</u>
OPEX	\$ 5,125
G&A	\$ 900
Interest	\$ 1,400
Drydock	\$ 1,150
Pref. Dividend	\$ 925
Sub-total	\$ 9,500
<u>Loan Principal</u>	<u>\$ 2,850</u>
TOTAL	\$12,350

- On May 20 a new loan was signed with HSBC refinancing Eirini's balloon which was originally due in 2019Q2

Balance Sheet Highlights



Assets

- Cash / other liquidity
 - Unrestricted: \$9.4m
 - Restricted & Due from Related: \$4.4m
- Other assets: \$4.2 m
- Vessels book value: \$109.0m
 - within roughly 5% of market value as of end 2019Q1
- Total assets = \$127.0m

Liabilities

- Bank Debt: \$61.2m, i.e. ~ 50% of total assets
- Preferred Equity: \$19.7m, ~ 15% of total assets
- Other liabilities: \$2.9m, i.e. ~2% of total assets

Net Asset Value

- Net Book Value: \$43m, or, \$19/share...
...a couple of US\$ more than the NAV/share
- Share price around \$7.5 levels represents a significant discount to the value of the company

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