



Earnings Presentation

Quarter Ended June 30th, 2018

August 10th, 2018



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.

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 Eurodry or persons acting on its behalf are qualified by these cautionary statements.

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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Key 2018 Developments: The EuroDry Spin-off

The EuroDry spin-off took place as planned on 5/30/2018 in order to create two pure play Nasdaq listed shipping companies as Management believed that the mixed fleet nature of Euroseas was keeping shareholder value low and precluding the company from proceeding with focused growth opportunities

- In the process 6 drybulk vessels were contributed to EuroDry along with their respective loans and other assets and liabilities
- The preferred equity was split 50/50 between the 2 companies
- All corporate governance procedures and policies were copied from Euroseas
- The Management team and BOD remained the same as in Euroseas
- Since 5/31/2018, EuroDry and Euroseas started trading separately each reflecting, respectively, the drybulk and feeder containership fleet of the pre-spinoff Euroseas
- The combined valuation of both companies increased about 40% above the pre spin-off Euroseas valuation
- Eurodry is currently trading at around \$7 which is still less than 50% of the company's NAV
- Friends Investment Co, Directors & Officers and other affiliates hold about 46% of the Company's outstanding common stock (increased since the spin-off)
 - Blackrock holds about 8% of common stock with the remaining 46% held by the general public
 - Blackrock also owns about 81% of the Company's preferred stock

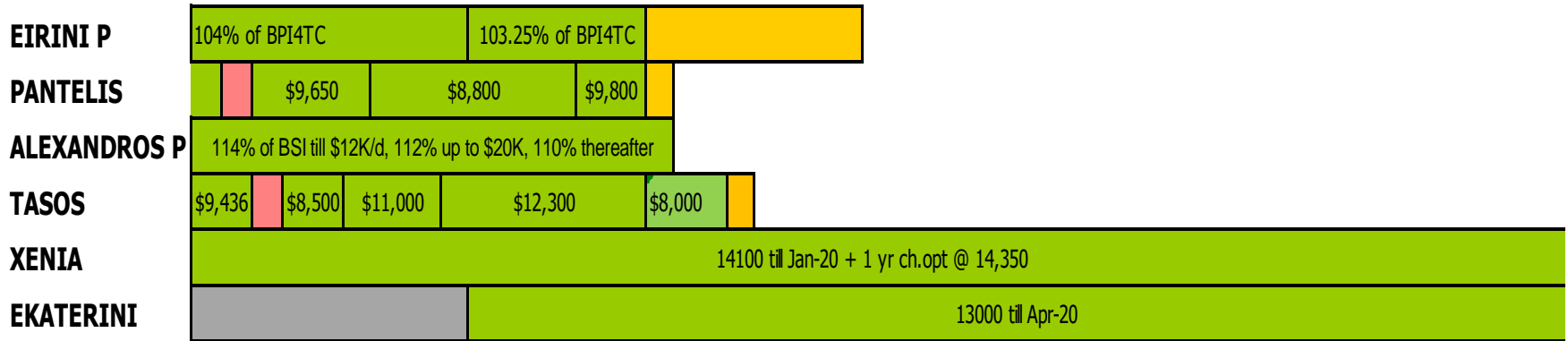
EuroDry Ltd. - DRYBULK CARRIERS

| Name | Type | Size DWT | Year Built |
|-------------------------|------------------|----------------|---------------|
| Ekaterini | Kamsarmax | 82,000 | 2018 |
| Xenia | Kamsarmax | 82,000 | 2016 |
| Alexandros P | Ultramax | 63,500 | 2017 |
| Eirini P | Panamax | 76,000 | 2004 |
| Pantelis | Panamax | 74,020 | 2000 |
| Tasos | Panamax | 75,100 | 2000 |
| Total / avg. age | 6 vessels | 452,620 | 8.9 |

Employment Chart – Bulkers

Coverage: As of August, 2018 : 40% in 2018 & 33% in 2019 basis min durations

| 2018 | | | | | | | | | | | | 2019 | | | | | | | | | | | |
|------|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|
| 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 | | |



Legend: Min TC Period (Green), Re-delivery range (Yellow), Options (Blue), Positioning (Light Blue), Dry-Dock (Red), Idle (Black), pre-purchase period (Grey)

Balance Sheet & Income Statement Highlights

EuroDry: Key Balance Sheet Items - June 30

(million USD)

| | | | |
|----------------------------------|----------------|---|----------------|
| Book Value of Vessels | \$103.4 | Total Debt | \$53.1 |
| Cash (Unrestricted & Restricted) | \$4.5 | Current Liabilities | \$3.0 |
| Other Current Assets | \$7.8 | Preferred Equity | \$18.3 |
| Other Long Term Assets | \$0.2 | Shareholders' Equity | \$41.4 |
| Total Assets | \$115.9 | Total Liab., Preferred & S'holders' Equity | \$115.9 |

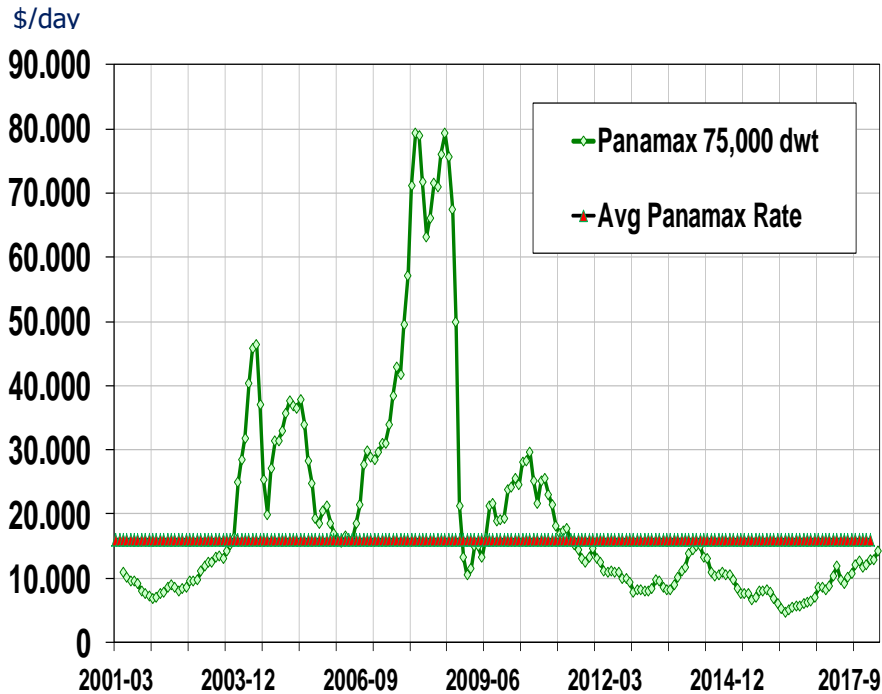
EuroDry: Income statement highlights- 2nd Quarter 2018

(million USD except share amounts)

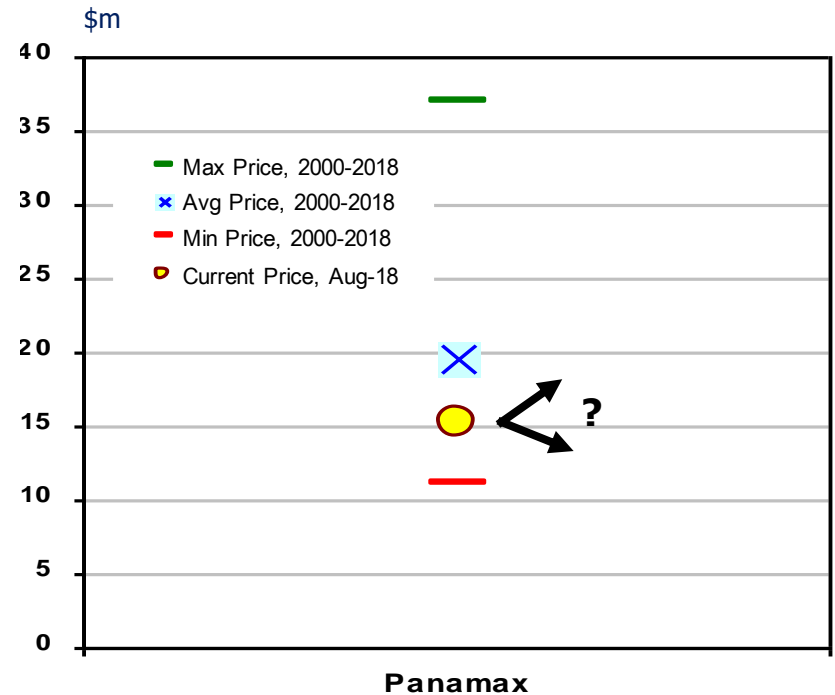
| | | | |
|---------------------|-------|-----------------------------------|--------|
| Net Revenues | \$6.1 | Net Income to Common Shareholders | \$0.4 |
| EBITDA (Adj) | \$2.4 | EPS, basic & diluted | \$0.17 |
| Share Price (08/08) | \$6.5 | P/E Ratio (annualized) | 9.6 |

Point in Drybulk Market Cycle

Panamax 1-Year Time Charter Rate



Panamax 10-Year Old Historical Price Range



Note: The average rate for 2001-2018 of about \$16,000 shown excludes the eight highest & lowest quarters; including those the average rate is about \$19,800. Similarly, the average price of \$19.6m shown excludes the eight highest & lowest quarters; including those the average price is \$22.9m.

Source: Clarksons

Outlook Summary – Bulkers

- For 2018 we have already seen significant improvements across all sizes, with capesize rates leading the way lately
- Supply and demand fundamentals have been improving continuously since the lows of the market and the prospects appear well balanced for H2 2018 and 2019
- China remains the main source of drybulk trade growth
 - Iron ore imports, the largest contributor of dry bulk trade growth, have been strong but not as expected due to weather disruptions in Brazil, however in the last couple of months Brazilian exports are recovering and it seems they will reach beginning year expectations in H2 2018
 - Similar trends are witnessed in coal imports as local coal mines have been shut down due to inefficiencies and pollution concerns. However, the reversal of this trend could negatively affect the very positive outlook
- Environmental regulations coming into effect as of 2020 could provide an even tighter supply through slow steaming potentially pushing rates still higher
- Drybulk Market at an attractive point in the cycle for expansion
 - Orderbook at one of the lowest levels of the last 15 years → minimal supply side pressures
 - Synchronized Strong World economies – after a long time – should positively influence demand for shipping provided trade wars do not escalate significantly

Financial Highlights: 2nd Quarter and 1st Half of 2017 and 2018

| <i>(in million USD except per share amounts)</i> | Second Quarter | | Change % | First Half | | Change % |
|---|-----------------------|-------------|-------------|-------------------|---------------|-------------|
| | 2017 | 2018 | | 2017 | 2018 | |
| Net Revenues | 4.7 | 6.1 | 29% | 8.1 | 10.7 | 33% |
| Net (Loss)/Income | (0.3) | 0.5 | | (1.1) | (1.3) | |
| Preferred Dividends | | (0.1) | | | (0.1) | |
| Net (Loss)/Income available to Common Shareholders | (0.3) | 0.4 | | (1.1) | (1.4) | |
| Interest & Finance Costs net <i>(incl. interest income)</i> | 0.5 | 0.6 | | 0.9 | 1.0 | |
| Depreciation | 1.2 | 1.3 | | 2.4 | 2.5 | |
| Unrealized & Realized Loss (Gain) On Derivatives | | (0.0) | | | (0.1) | |
| Adjusted EBITDA ⁽¹⁾ | 1.4 | 2.4 | 68% | 2.2 | 2.1 | -5% |
| Adj. Net (Loss)/Income attributable to Common Shareholders | (0.3) | 0.4 | | (1.1) | (1.5) | |
| Adj. Net (Loss)/Income per share, basic & diluted ⁽²⁾ | (0.13) | 0.16 | | (0.49) | (0.69) | |

- (1) See press release of 10/Aug/2018 for Adjusted EBITDA reconciliation to Net (Loss)/Income and Cash Flow from Operations.
(2) Available to Common Shareholders; calculated on 2,212,332 & 2,206,151 for Q2 & H1 2017 and on 2,226,753 for 2018

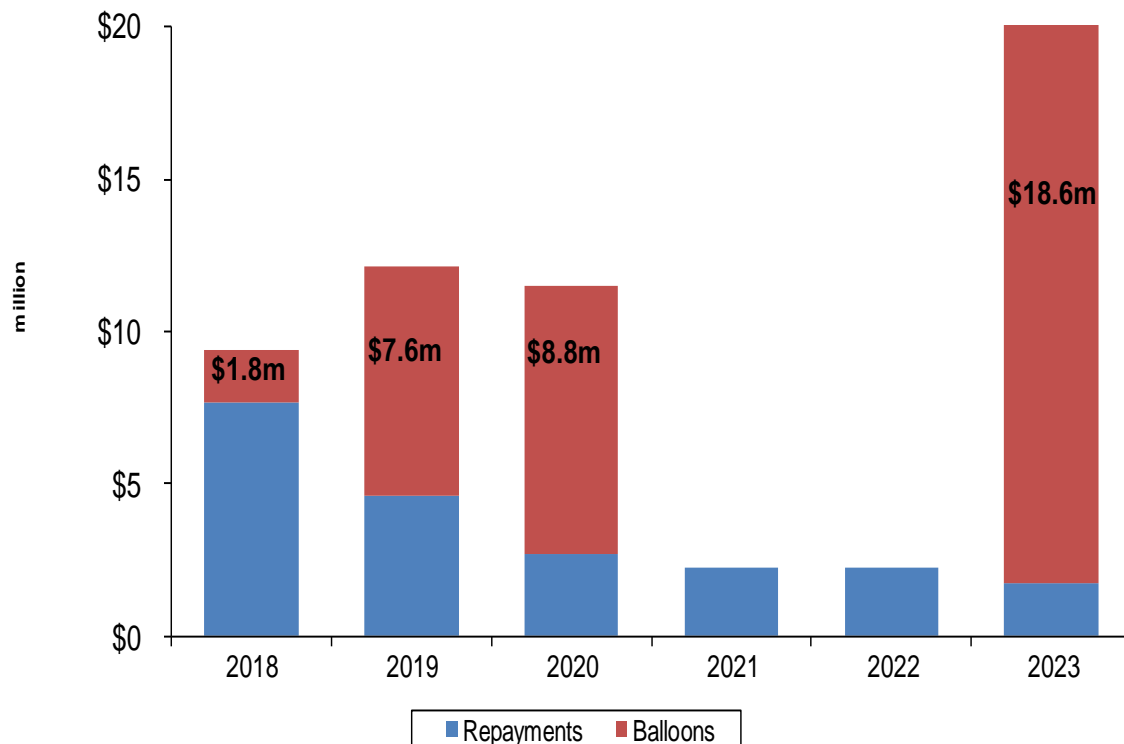
Fleet Data for 2nd Quarter and 1st Half of 2017 and 2018

| <u>Fleet Statistics</u> | Second Quarter | | First Half | |
|--|-----------------------|--------------------|--------------------|--------------------|
| | 2017 | 2018 | 2017 | 2018 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Number of vessels | 5.00 | 5.60 | 4.90 | 5.30 |
| Utilization Rate (%) | | | | |
| Operational ⁽¹⁾ | 99.8% | 100.0% | 97.7% | 99.6% |
| Commercial ⁽¹⁾ | 100.0% | 100.0% | 100.0% | 100.0% |
| Overall ⁽¹⁾ | 99.8% | 100.0% | 97.7% | 99.6% |
| Averages in usd/day/vessel | | | | |
| Time Charter Equivalent (TCE)⁽²⁾ | \$ 9,429 | \$ 12,069 | \$ 8,847 | \$ 11,649 |
| Operating Expenses | | | | |
| Vessel Oper. Exp. excl. laid-up | 5,067 | 4,898 | 4,901 | 5,462 |
| G&A Expenses | 559 | 1,828 | 552 | 1,239 |
| Total Operating Expenses | 5,626 | 6,726 | 5,453 | 6,701 |
| Interest Expense | 492 | 596 | 489 | 596 |
| Drydocking Expense | 40 | 37 | 92 | 1,503 |
| Loan Repayments without Balloons | 1,230 | 4,392 | 1,162 | 3,592 |
| Breakeven/day | \$ 7,388 | \$ 11,751 | \$ 7,196 | \$ 12,392 |

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

Drybulk Vessel Debt Repayment Profile & Cash Flow Breakeven

Drybulk Fleet Debt Repayment Schedule



Currently in advanced discussions with two banks for a new \$15m loan to refinance Alexandros P (current o/s abt \$10m, balloon \$8.8m in 2020) and for another \$15m facility to refinance the \$12m o/s under Pantelis, Eirini & Tasos facility (balloons \$1.8m & \$7.6m in 2018 & 2019)

Cash Flow Breakeven

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

| | <u>\$/vessel/day</u> |
|---------------------|----------------------|
| OPEX | \$ 5,000 |
| G&A | \$ 1,000 |
| Interest | \$ 1,400 |
| Drydock | \$ 100 |
| <u>Loan Rpmt(*)</u> | <u>\$ 3,300</u> |
| TOTAL | \$10,800 |

(*) Excludes total balloons of \$9.4m due in 2018 and 2019

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