



EURODRY LTD

Earnings Presentation

Quarter Ended June 30, 2019

August 9, 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 Second Quarter Financial Highlights

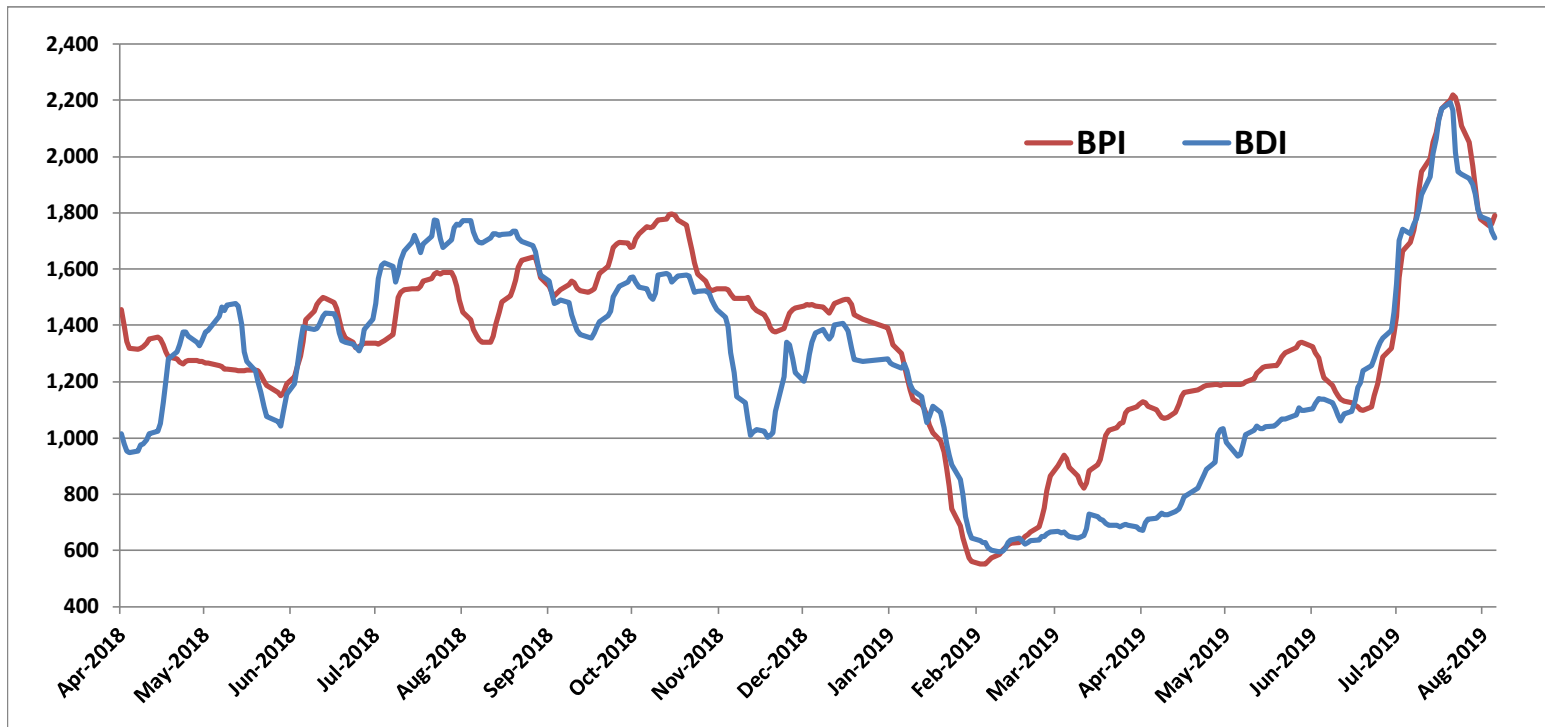
	2019-Q2	
Net Revenues	\$6.2 m	
Net Income / (Loss)	\$(1.8) m	
Preferred Dividends	\$(0.7) m	
Net Income / (Loss) Attributable to Common Shareholders	\$(2.6) m	\$(1.14) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$1.8 m	

- (1) See press release of 8/8/2019 for reconciliation of Adj. Net Income Attributable to Common Shareholders to Net Income and Adjusted EBITDA.
 (2) Basic and diluted

Market Highlights Q2 2019

Spot Rates	Cape-180k	Panamax-75k	Supramax-58k
Q2-2019 Average	\$11,490	\$9,672	\$9,593
Q2-2019 last day 28/6	\$19,875	\$10,375	\$10,275
Current Rates-Aug 8	\$23,782	\$14,701	\$10,938

One Year TC Rate	Cape-180k	Panamax-75k	Supramax-58k
Q1-2019 Average	\$14,231	\$10,777	\$10,644
Q2-2019 Average	\$15,817	\$11,344	\$10,202
Current Rates-August 2	\$20,750	\$12,800	\$11,625



Chartering & Operational

Chartering

- **Pantelis:** fixed for a trip for about 50-60 days at \$9,500/day and thereafter rechartered for abt 100 days at \$11,500
- **Starlight :** extended for a period until September 2020 / January 2021 @ 100% of the 4TC BPI average
- **Tasos:** fixed for a trip of about 60 days at \$14,400/day plus \$440K ballast bonus which translates to roughly \$10,500/day time-charter equivalent rate

- **FFA coverage**
 - For Q1-19 our short exposure of 40 dpm (days per month) @ \$11,950 resulted in a profit of abt \$600k
 - For Q2-19 our short exposure of 90 dpm @ \$11,261, resulted in a profit of abt \$462k
 - At the beginning of Q3 we saw the market rising and decided to close our hedges for Q3 and Q4 resulting in a loss of about \$500,000
 - Overall our FFA coverage in 2019 resulted in a profit of about \$550,000

- **Dry-dockings**
 - **Starlight:** completed in Q2 2019 in about 35 days at a cost of approximately \$1.45m including the BWTP.
 - **Eirini P:** entered drydock in July and is expected to return to service around mid-August

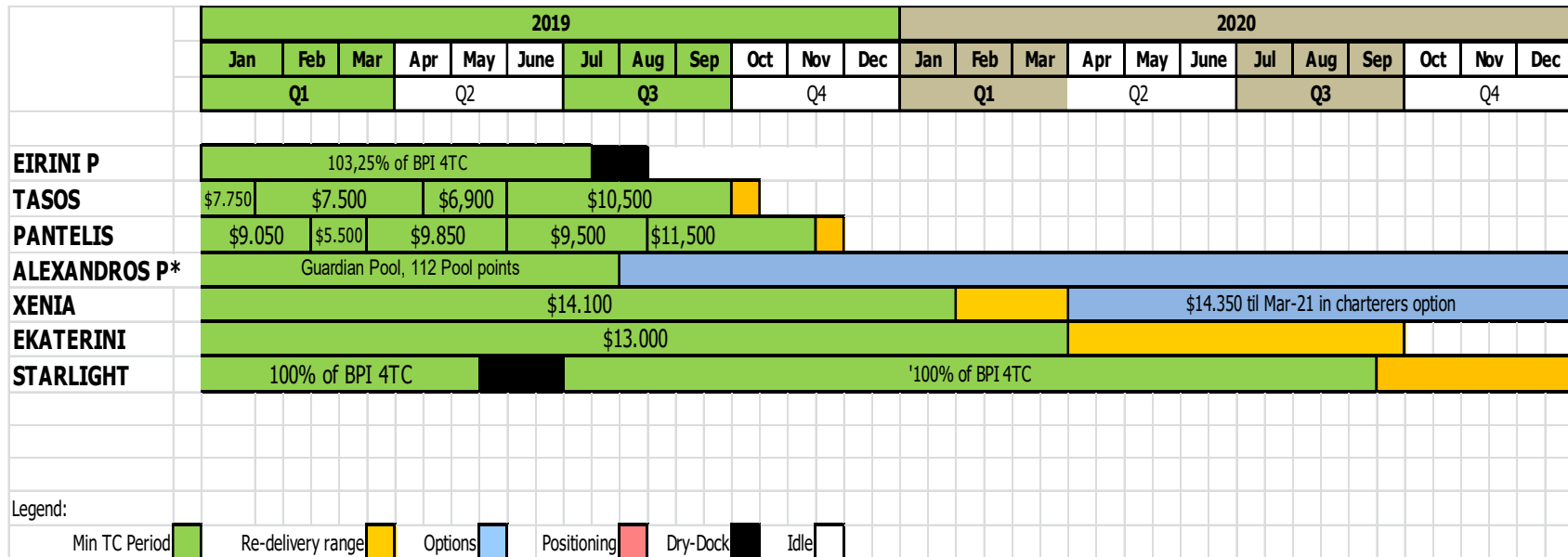
EuroDry Fleet

Name	Type	Size DWT	Year Built
Vessels in the water			
Ekaterini	Kamsarmax	82,000	2018
Xenia	Kamsarmax	82,000	2016
Alexandros P	Ultramax	63,500	2017
Eirini P	Panamax	76,466	2004
Starlight	Panamax	75,845	2004
Pantelis	Panamax	74,020	2000
Tasos	Panamax	75,100	2000
Total	7 vessels	528,931	10.6

Vessels Employment Chart

Coverage (as of Sep 1-2019):

- ...effective average coverage of about 62% including index charters and pool employment or ..
- ..34% without taking into account the index-linked charter and the pool employment



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



EURODRY LTD

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)	2.6(2.3)	1.9(1.9)	1.8
Eurozone	-0.7 (-0.5)	-.0.5 (-0.4)	0.9 (1.0)	2.0(1.2)	1.8(1.7)	2.4(1.6)	1.8(2.2)	1.3(1.3)	1.6(1.5)	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)	0.9(1.0)	0.4(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)	6.2(6.3)	6.0(6.1)	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)	7.0(7.3)	7.2(7.5)	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)	1.2(1.6)	1.9(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)	0.8(2.1)	2.4(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)	5.0(5.1)	5.1(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)	3.2(3.3)	3.5(3.6)	3.6

Dry Bulk Trade (% p.a.)

Tonmiles	6.0 (4.0)	5.6(4.0)	6.0 (3.2)	1.1 (4.0)	2.1(0.8)	4.6(2.3)	3.0(3.7)	1.3(2.4)	3.1(3.2)	2.5
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Sources:

GDP - International Monetary Fund: 2012-2018, (start of year estimates in parentheses), 2019 /20 IMF Forecasts (Jul-19), 2021 (Apr-19)
In parentheses, previous estimates for 2019/20 as of Apr-19

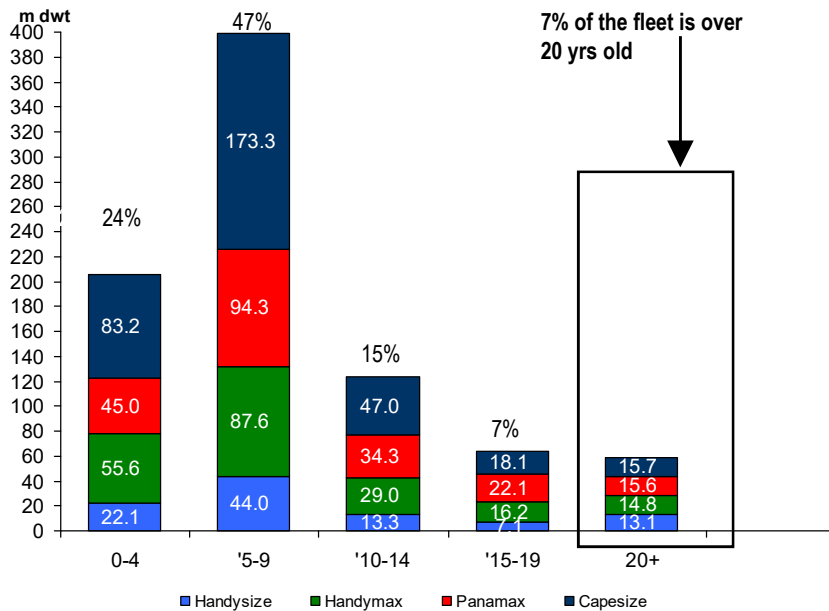
Trade – 2012-2018: Figures in parenthesis indicate beginning of Year estimates from Clarkson
2019/20: Clarkson (Jun-19), 2021 company estimates, 2019 /20 Previous estimates in parenthesis from Clarkson (Mar-19)

Note 1: Clarkson re adjusts historical data almost quarterly

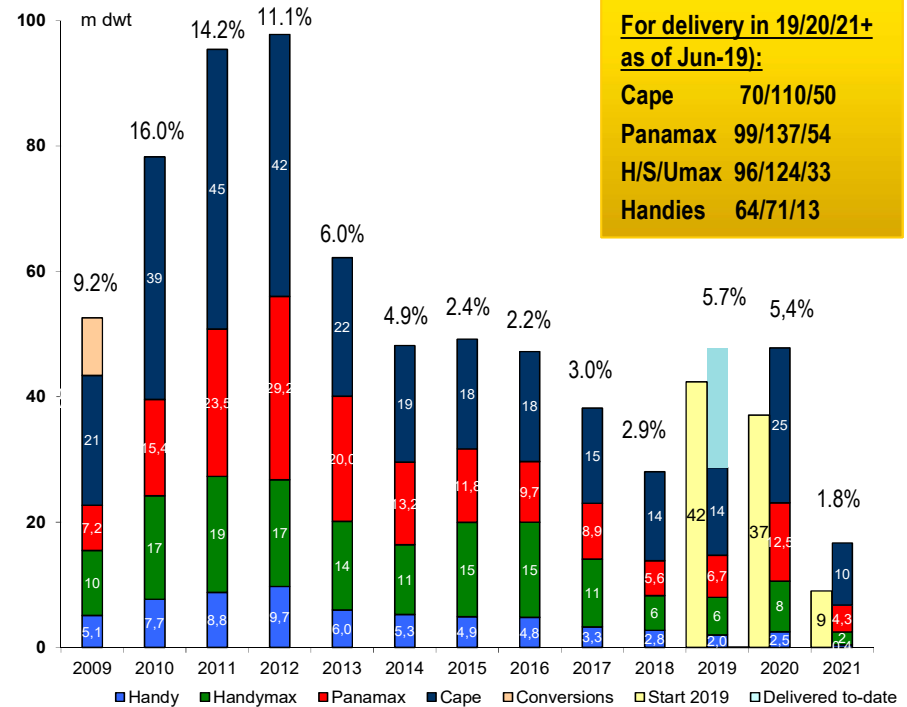
Note 2: Clarkson started publishing ton-mile demand sometime in 2017; historical information have been adjusted accordingly. However, the beginning of year historical trade forecasts for the same period are for tons (not ton-miles)

Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Dry Bulk Orderbook



Large bulkers are still young

Source: Clarksons, as of Jul 2019

Notes:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1) As % of schedule deliveries										
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 .

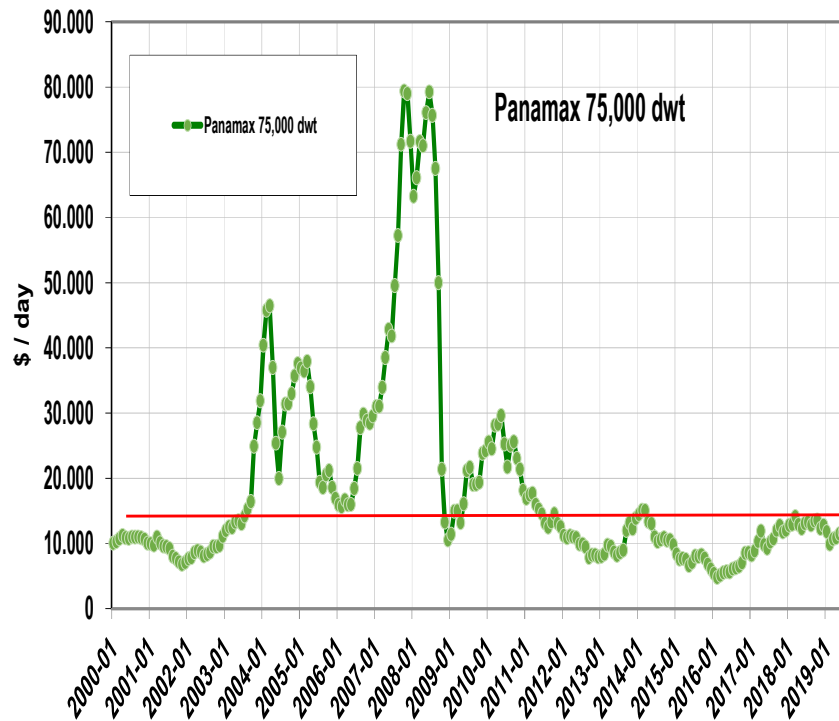
Large Vessels Dominate Orderbook

Outlook Summary – Bulkers

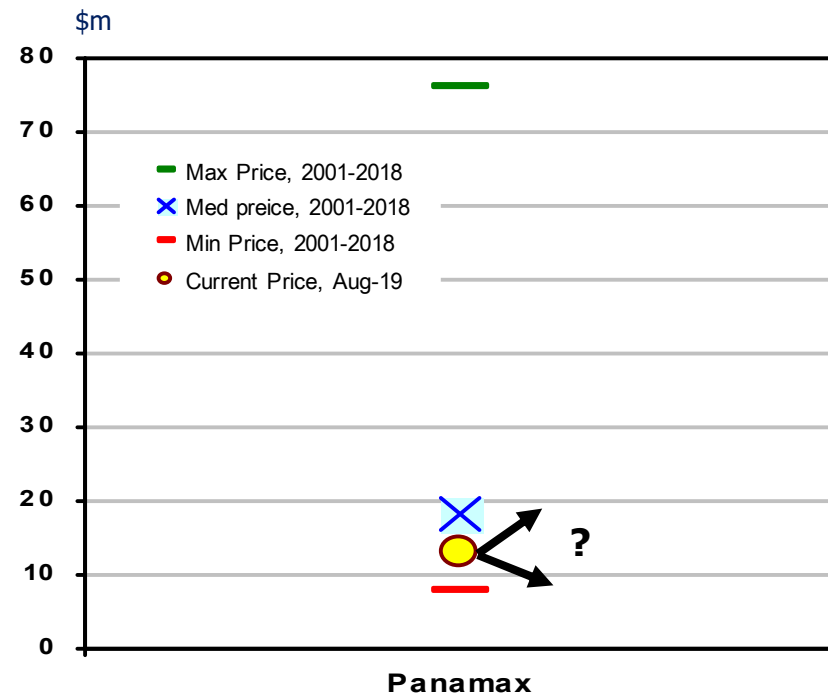
- Since the beginning of 2019, rates for the Capesize vessels dropped below Opex levels however a strong improvement followed which peaked in July at around \$32,000/day and has since then corrected to about \$24,000. Panamax and Supras were much less affected by the Vale disaster and dropped much less before peaking to about \$17,000/day and 11,000/day respectively in mid July. These sizes have also corrected to a less extent though and current rates hover around \$15,000 for the Panamax and \$11,000 for the Supras
- The accident in VALE's iron ore mine in Brazil was estimated reduce Brazilian Iron Ore exports by 90mt annually until the mines come back to operation; however it seems that a big part of the capacity will come back pretty soon.
 - Brazilian government already announced the return of about 30mt of Iron ore exports back in the market
 - 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 marginal balance which would suggest a strong H2 2019 considering the weak environment in Q1 and a flat 2020. For 2021 the current fundamentals look very promising as the order book stands only at 1,8% 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 be very challenging as long as China taxes US soybeans and other agricultural products. A much desired trade agreement between China/US is expected to bring this trade back to its normal growth patterns.
- Environmental regulations coming into effect as of 2020 are the WILD CARD whose exact effect on the demand improvement is difficult to quantify but could be substantial.

Position on the Drybulk Market Cycle

Panamax 1-Year Time Charter Rate



Panamax 10-Year Old Historical Price Range



Source: Clarksons



EURODRY LTD

Financial Overview



Financial Highlights: 2nd Quarter and 1st Half of 2018 and 2019

	Second Quarter		Change	First Half		Change
<i>(in million USD except per share amounts)</i>	2018	2019	%	2018	2019	%
Net Revenues	6.1	6.2	1%	10.7	12.0	12%
Net (Loss) / Income	0.5	(1.8)		(1.3)	(0.9)	-30%
Preferred Dividends	(0.1)	(0.7)		(0.1)	(1.2)	
Net (Loss) / Income attributable to Common Shareholders	0.4	(2.6)		(1.4)	(2.2)	52%
Interest & Finance Costs net <i>(incl. interest income)</i>	0.6	0.9		1.0	1.9	
Depreciation	1.3	1.6		2.5	3.2	
Unrealized Loss (Gain) On Derivatives	(0.0)	1.1		(0.1)	0.2	
Adjusted EBITDA ⁽¹⁾	2.4	1.8	-25%	2.1	4.3	105%
Adj. Net (Loss)/Income attributable to Common Shareholders	0.4	(1.5)		(1.5)	(1.9)	
Adj. Net (Loss)/Income per share, basic and diluted ⁽²⁾	0.16	(0.65)		(0.69)	(0.87)	

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

(1) See press release of 8-Aug-2019 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 2,226,753 & 2,244,803 for the 2nd quarter and first six months of 2018 & 2019 respectively

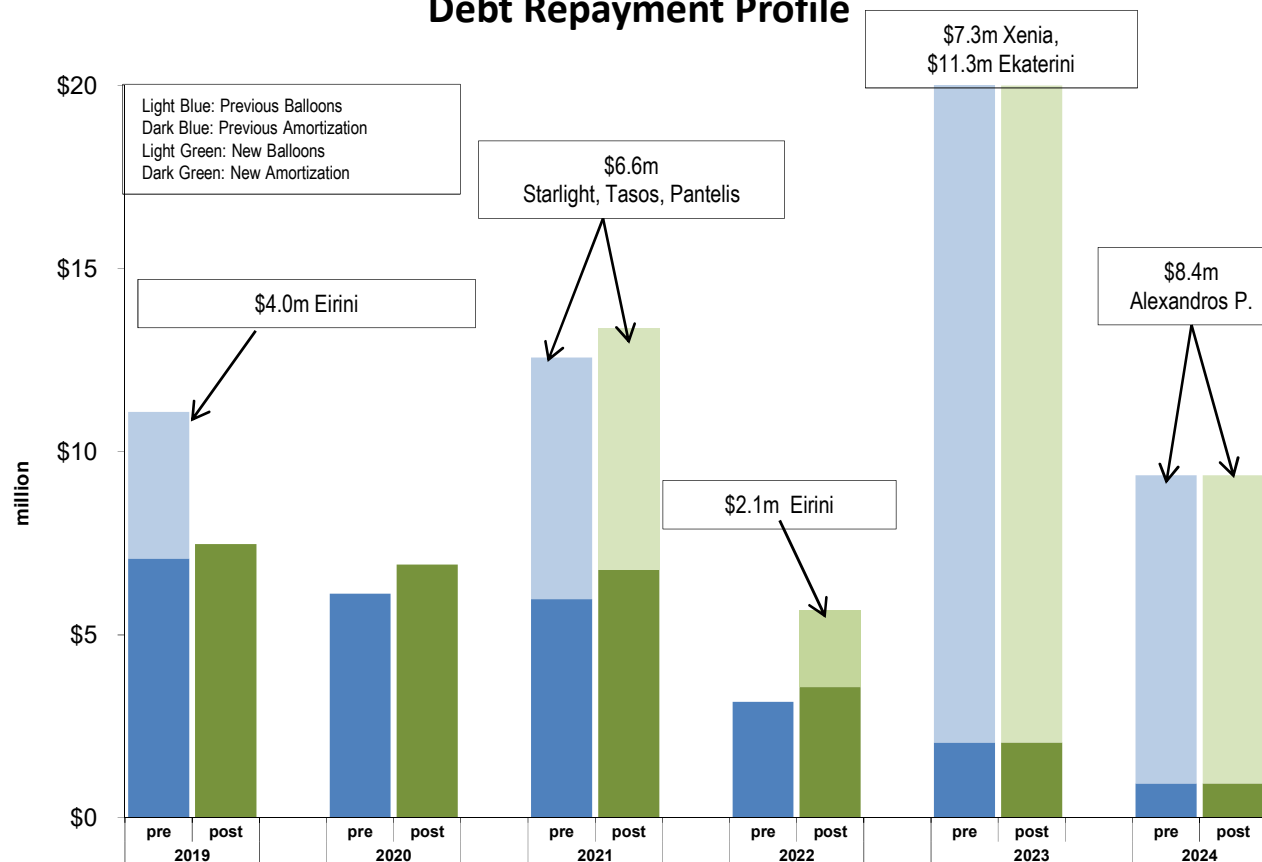
Fleet Data for the 2nd Quarter and 1st Half of 2018 and 2019

	2018Q2 (unaudited)	2019Q2 (unaudited)	2018H1 (unaudited)	2019H1 (unaudited)
Number of vessels	5.6	7.0	5.3	7.0
Utilization Rate (%)				
Operational ⁽¹⁾	100.0%	98.3%	99.6%	99.0%
Commercial ⁽¹⁾	100.0%	99.9%	100.0%	99.9%
Overall ⁽¹⁾	100.0%	98.1%	99.6%	98.9%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$ 12,069	\$ 10,724	\$ 11,649	\$ 10,078
Operating Expenses				
Vessel Oper. Exp.excl. DD exp.	4,898	5,034	5,462	4,981
G&A Expenses	1,828	914	1,239	917
Total Operating Expenses	6,726	5,948	6,701	5,898
Interest Expense	1,216	1,748	1,083	1,630
Drydocking Expense	-	1,352	1,503	714
Loan Repayments without Balloons	4,392	2,732	3,592	3,117
Breakeven/day	\$ 12,334	\$ 11,780	\$ 12,879	\$ 11,359

- (1) Utilization Rate is calculated excluding scheduled off-hire (drydockings and special surveys) and vessels in lay-up. Scheduled off-hire amounted to 0 days and abt 36 days for the second quarter of 2018 and 2019 and 43.7 days and 36 days for the first half of 2018 and 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	\$ 5,200
G&A	\$ 900
Interest	\$ 1,400
Drydock	\$ 800
Pref. Dividend	\$ 550
Sub-total	\$ 8,850
<u>Loan Principal</u>	<u>\$ 2,850</u>
TOTAL	\$11,700

- Average senior margin debt stands at 3.0%; assuming 3-month Libor @ 2.5%, the all-in cost of our senior debt is 5.5% and by including the dividend preferred equity this increases to 6.3%
 - We prepaid abt \$4.3m of Series B Preferred Shares in exchange of a decrease in the quarterly dividend rate to 9.25% (from 12%) till January 2021 when it jumps to 14%. Remaining amount of Series B Preferred Shares is abt \$15.4m

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