



Earnings Presentation

Quarter Ended December 31, 2018

February 19th, 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.

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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2018 Fourth Quarter Financial Highlights

	2018-Q4	
Net Revenues	\$7.0 m	
Net Income	\$0.8 m	
Preferred Dividends	\$(0.2) m	
Net Income Attributable to Common Shareholders	\$0.6 m	
Adj. Net Income Attributable to Common Shareholders ⁽¹⁾	\$0.7 m	\$0.31 / share⁽²⁾
Adj. EBITDA ⁽¹⁾	\$3.5 m	

- (1) See press release of 2/19/2019 for reconciliation of Adj. Net Income Attributable to Common Shareholders to Net Income and Adjusted EBITDA.
 (2) Basic and diluted

Chartering , Operational & S&P Highlights

S&P

- Took delivery of m/v Star of Nippon on November 30, 2018 which was renamed Starlight, a 2004 Japanese built Panamax bulker

Chartering

- **Pantelis:** fixed for a trip of about 20 days at \$11,000/day from November 9th, thereafter fixed for a trip of about 50 days at \$9,050/day and subsequently fixed for a trip of about 20 days at \$5,500/day
- **Tasos:** fixed for a trip of about 30 days at \$7,750/day from December 13th, 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
- **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 fixed the equivalent of 1.33 panamax vessels, at \$11,950/day;
 - For Q2-19 fixed the equivalent of 3 panamax vessels at \$11,261/day;
 - For Q3-19 fixed the equivalent of 3 panamax vessels at \$11,128/day; and,
 - For Q4-19 fixed the equivalent of 2 panamax vessels at \$11,192/day.
 - 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)

No dry-dockings or any repairs this quarter

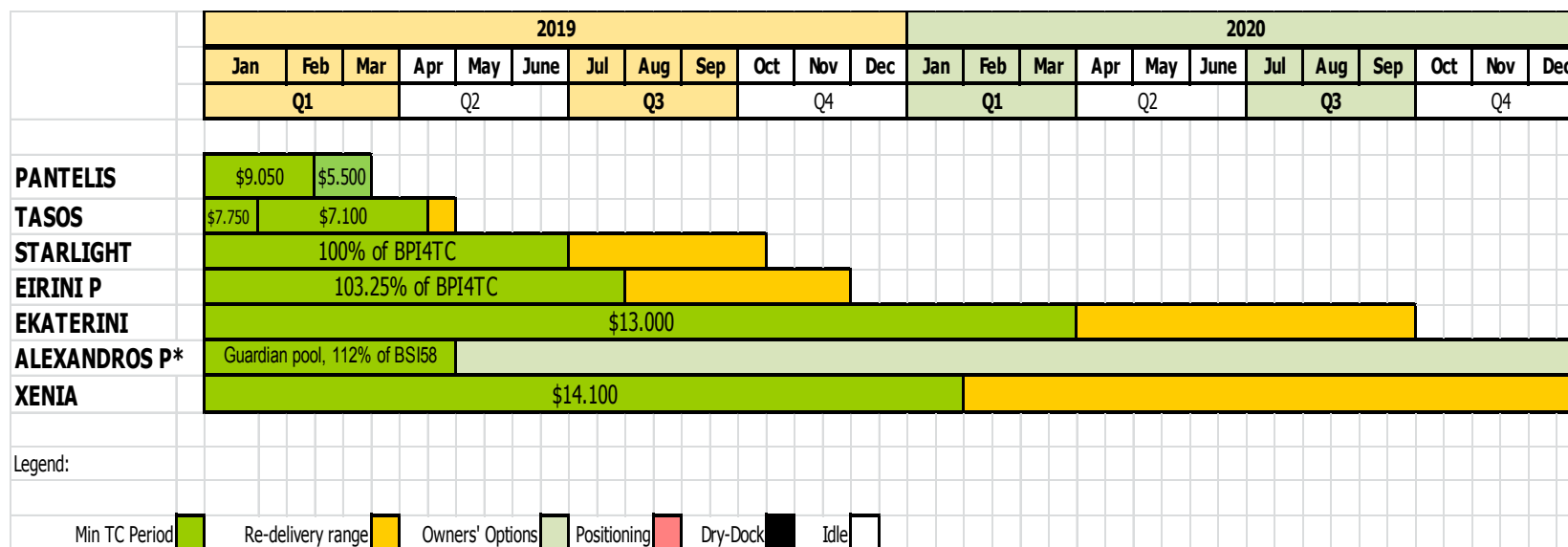
EuroDry Fleet

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	75,466	2004
Starlight	Panamax	75,845	2004
Pantelis	Panamax	74,020	2000
Tasos	Panamax	75,100	2000
Total	7 vessels	527,931	10.6

Vessels Employment Chart

Coverage (as of Feb-2019):

- About 60% physical contract coverage basis min contract durations, including ships (29%) on index charters
- About 35% coverage via FFA contracts, resulting in ..
...effective average coverage with respect to rate changes of about 66%



(*)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
USA	2.8	1.9	2.4	2.6	1.5	2.	2.9	2.5	1.8
Eurozone	-0.7	-0.5	0.9	2.0	1.8	2.4	1.8	1.6	1.7
Japan	1.4	1.5	-0.1	0.5	1.0	1.8	0.9	1.1	0.5
China	7.7	7.7	7.4	6.9	6.7	6.8	6.6	6.2	6.2
India	3.2	4.4	7.2	7.6	7.1	6.7	7.3	7.5	7.7
Russia	3.4	1.3	0.6	-3.7	-0.2	1.8	1.7	1.6	1.7
Brazil	1.0	2.3	0.1	-3.8	-3.6	1.1	1.3	2.5	2.2
ASEAN-5	6.2	5.2	4.6	4.8	4.9	5.3	5.2	5.1	5.2
World	3.1	3.4	3.4	3.4	3.2	3.7	3.7	3.5	3.6

Dry Bulk Trade (% p.a.)

Tonmiles	5.9	5.3	6.4	0.8	2.3	5.0	2.7	3.1	2.5
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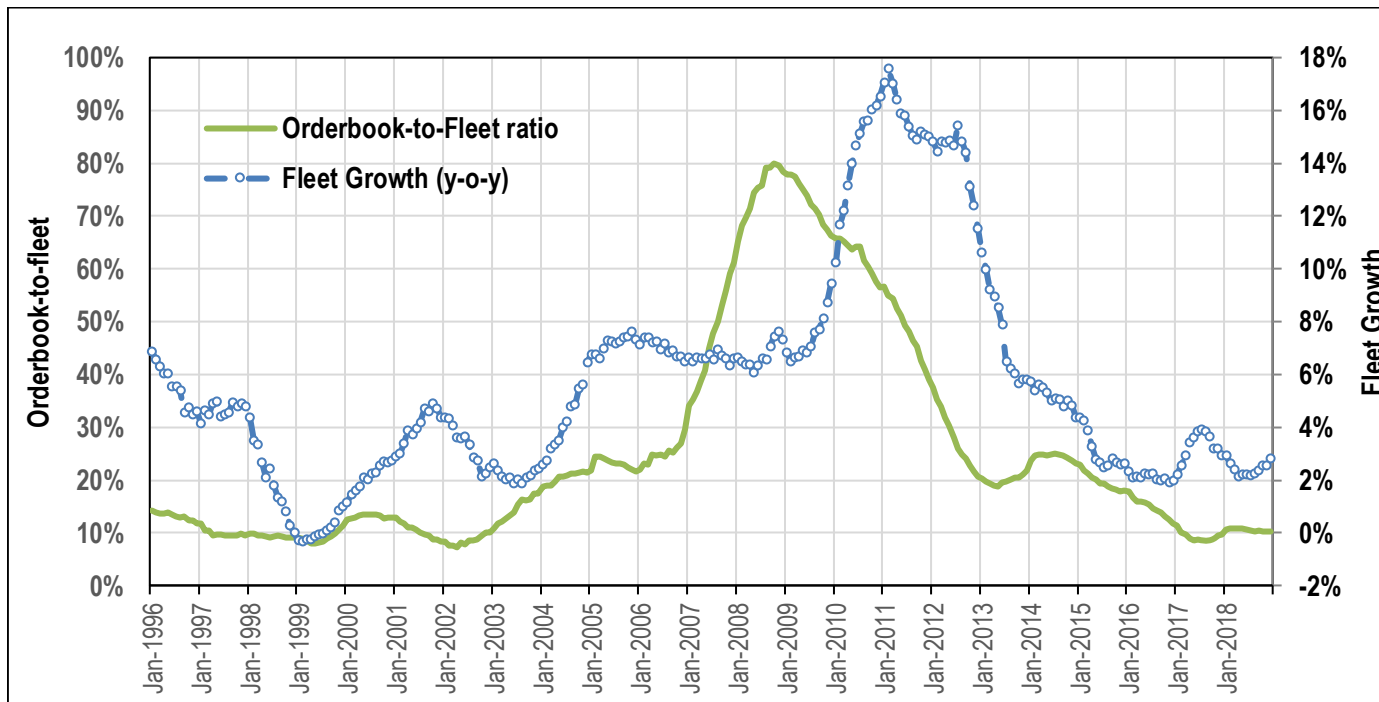
Sources:

GDP - International Monetary Fund: 2012-2017 (actuals), 2018 (estimated), 2019 & 2020 forecasts (Jan-19).

Trade – Clarksons: 2012-2017 (actuals), 2018 (estimated), 2019 forecast (Jan-19); 2020 - Company forecast.

Fleet Growth & Orderbook-to-Fleet Ratio, Drybulk Fleet

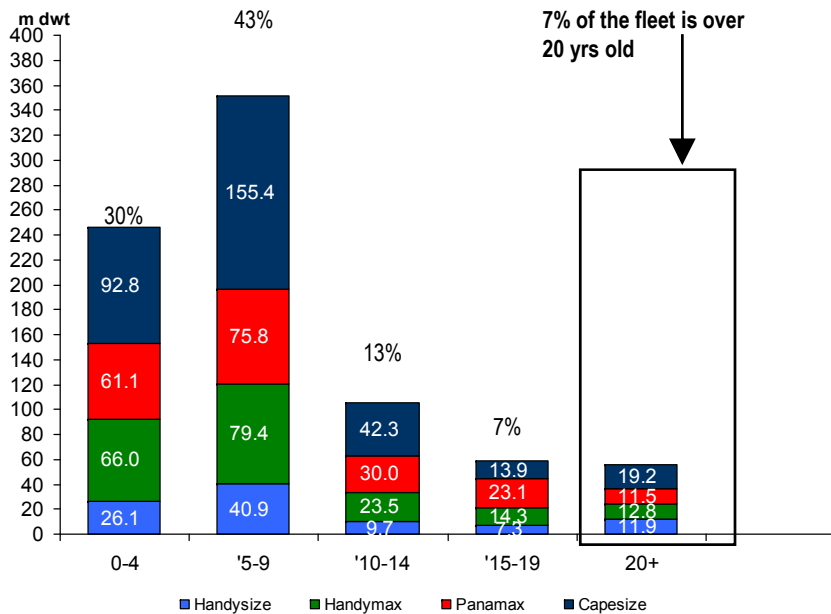
Orderbook as Percentage of Total Fleet Near Lowest Level of the Last 20+ Years



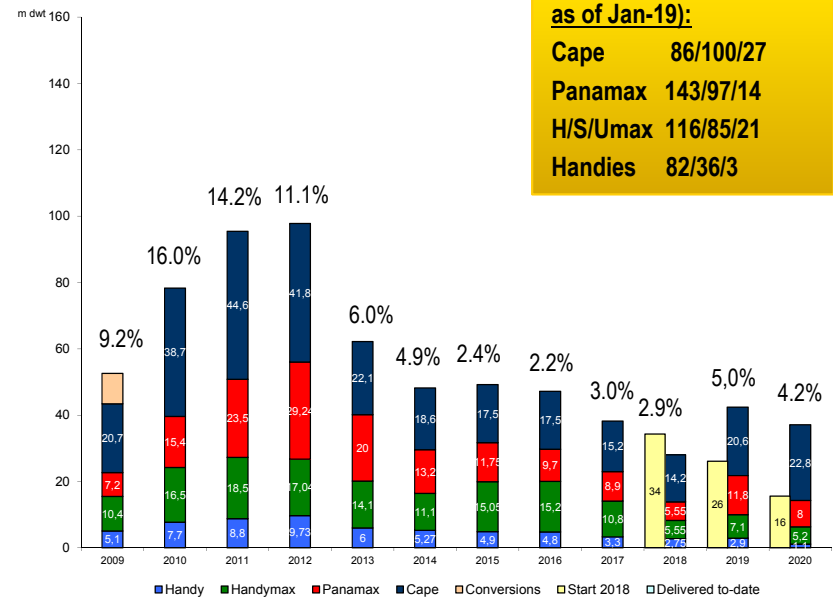
Source: Clarksons

Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Dry Bulk Orderbook



For delivery in 19/20/21+ as of Jan-19):
Cape 86/100/27
Panamax 143/97/14
H/S/Umax 116/85/21
Handies 82/36/3

Large bulkers are still young

Source: Clarksons, as of Jan 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 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions.

Large Vessels Dominate Orderbook

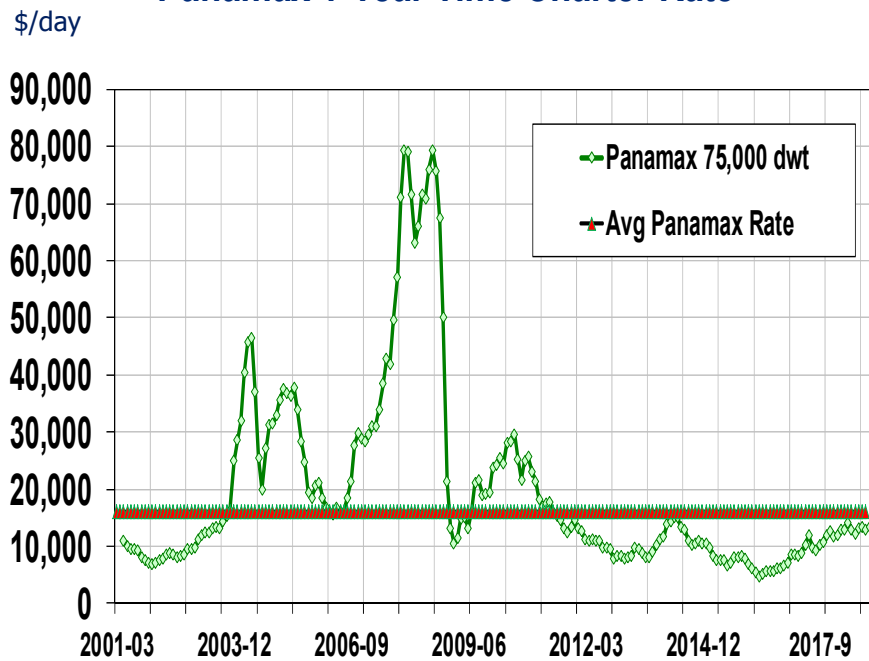


Outlook Summary – Bulkiers

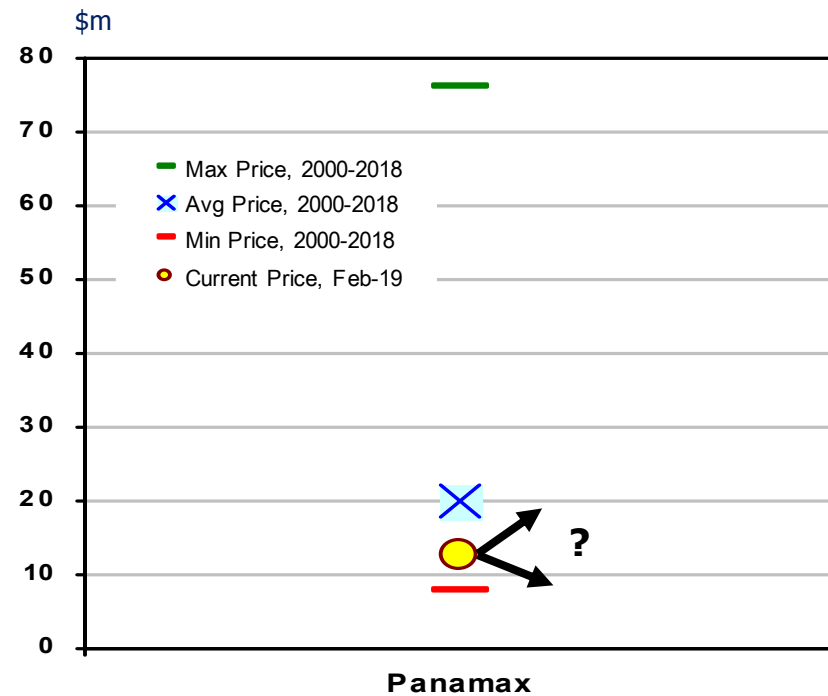
- In 2018, we saw an average increase of about 25% in charter rates over 2017; the last quarter, however, disappointed and rates ended up slightly worse than the average despite opposite expectations
- Since the beginning of 2019, rates have been dropping mainly as a result of the global slowdown resulting from the trade war and worsening sentiment
- The recent accident in VALE's iron ore mine in Brazil added insult to injury and seriously affected the market which fell strongly and only now appears to be stabilizing at low levels. However, it is too early to make an assessment of the damage done to the annual coal production and exports from the country and there are expectations that volumes lost due to the Vale incident will be replaced from other sources.
- Our analysis for 2019 & 2020 shows a roughly balanced supply/demand balance which would suggest rates staying constant on average although we expect Q1 2019 to be quite depressed. The downward drivers are mainly Chinese but also Indian iron ore and coal imports which may surprise either way in the remaining of the year.
 - Whilst 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, the volumes expected to be shipped in 2019/20 are quite strong.
 - Coal imports despite the longer term concerns due to the overall desire to reduce coal use, have been surprising strong in 2018 and are expected to further grow in 2019/20 as electricity demand growth remains robust.
- In a more general aspect, global GDP growth will affect our markets. Current expectations call for just a slight drop in global growth which if materializes will result in the market recovering in 2019Q2 and the latter part of the year. A prerequisite of this trend reversal requires that the U.S. keeps interest rates from rising further, the China stabilization program works and some agreement is reached between the two of them over trade. All these are highly likely to happen.
- 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 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 \$20.2m shown excludes the eight highest & lowest quarters; including those the average price is \$23.5m.

Source: Clarksons



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Financial Overview



Financial Highlights: 4th Quarter and Full Year Period of 2017 and 2018

<i>(in million USD except per share amounts)</i>	Fourth Quarter		Change %	Full Year		Change %
	2017	2018		2017	2018	
Net Revenues	5.8	7.0	21%	19.2	24.5	28%
Net Income	1.3	0.8	-37%	0.8	1.1	32%
Preferred Dividends		(0.2)			(0.6)	
Net Income attributable to Common Shareholders	1.3	0.6	-56%	0.8	0.6	-35%
Interest & Finance Costs net <i>(incl. interest income)</i>	0.4	1.1		1.8	2.9	
Depreciation	1.2	1.5		4.8	5.4	
Unrealized & Realized Loss (Gain) On Derivatives	(0.1)	0.1		(0.0)	(0.0)	
Adjusted EBITDA ⁽¹⁾	2.9	3.5	22%	7.4	9.4	27%
Adj. Net Income attributable to Common Shareholders	1.2	0.7		0.8	0.5	
Adj. Net Income per share, basic and diluted ⁽²⁾	0.55	0.31	-44%	0.36	0.24	-33%

(1) See press release of 19-Feb-2019 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Available to Common Shareholders; calculated on 2,222,744 & 2,213,505 for Q4 & FY 2017 and on 2,240,794 (4Q18, basic) and 2,250,946 (4Q18, diluted) & 2,232,821 for FY 2018

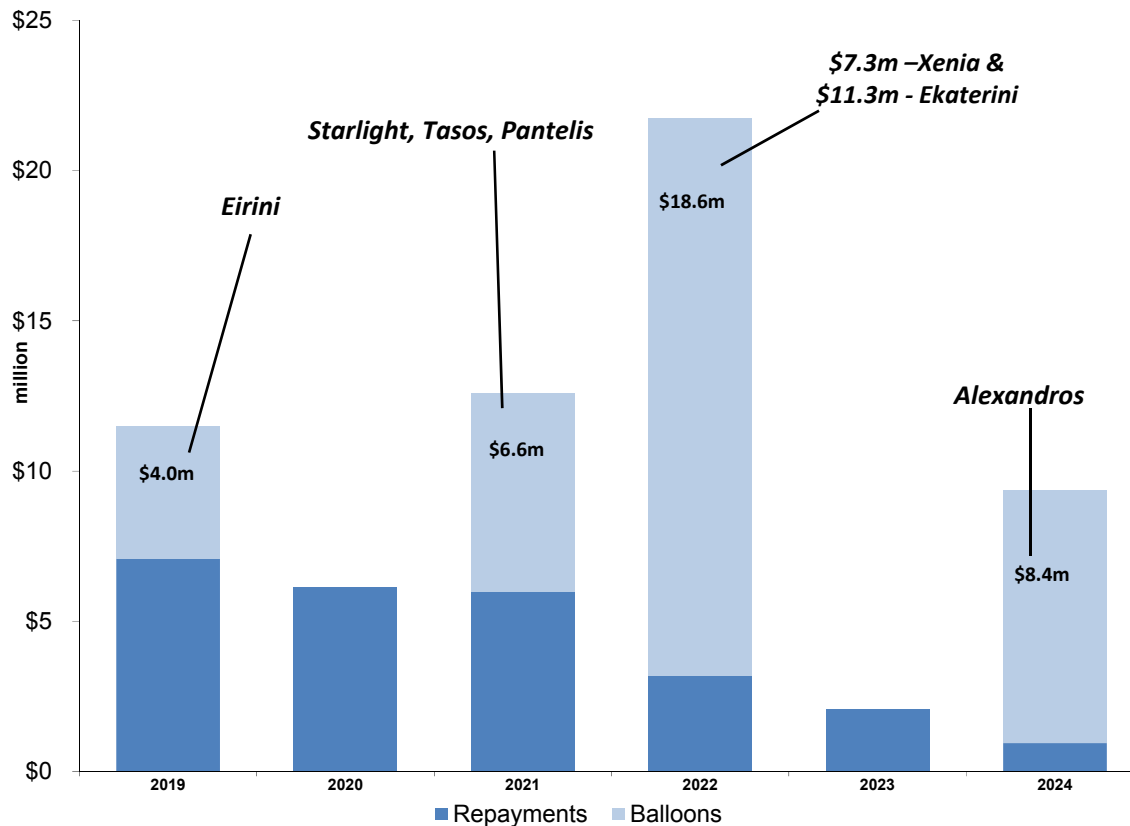
Fleet Data for the 4th Quarter and Full Year of 2017 and 2018

	Fourth Quarter		Full Year	
	2017	2018	2017	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Number of vessels	5.00	6.30	4.90	5.70
Utilization Rate (%)				
Operational ⁽¹⁾	99.9%	99.6%	98.8%	99.6%
Commercial ⁽¹⁾	100.0%	100.0%	100.0%	100.0%
Overall ⁽¹⁾	99.9%	99.6%	98.8%	99.6%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$ 11,231	\$ 12,513	\$ 10,046	\$ 12,484
Operating Expenses				
Vessel Oper. Exp.excl. DD exp.	3,747	4,900	4,607	5,193
G&A Expenses	486	897	509	1,120
Total Operating Expenses	4,233	5,797	5,116	6,313
Interest Expense	957	1,444	893	1,200
Drydocking Expense	53	36	71	699
Loan Repayments without Balloons	347	2,979	1,006	3,422
Breakeven/day	\$ 5,590	\$ 10,256	\$ 7,086	\$ 11,634

- (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 nine months 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 off-hire for commercial or operational reasons

Debt Profile

Debt Repayment Profile



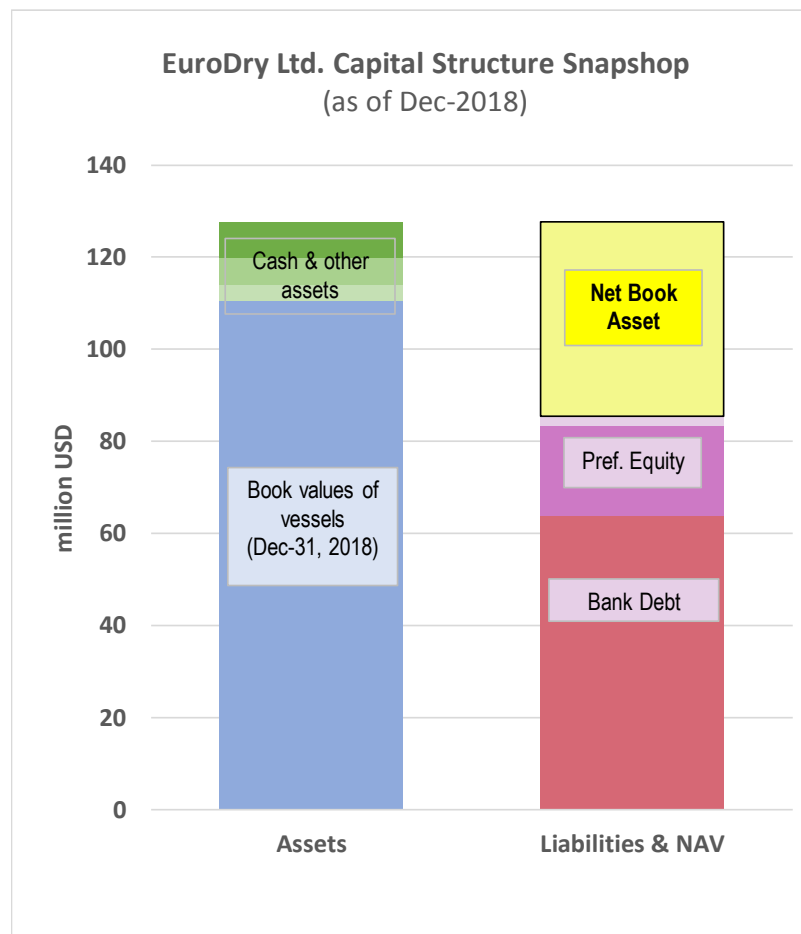
Cash Flow Breakeven

Budget estimate for next 12 months:

	<u>\$/vessel/day</u>
OPEX	\$ 5,000
G&A	\$ 900
Interest	\$ 1,550
Drydock	\$ 650
Pref. Dividend	\$ 900
Sub-total	\$ 9,000
Loan Rpmt ⁽¹⁾	\$ 2,950
TOTAL	\$11,950

⁽¹⁾ Assumes refinancing of balloon in 2019

Balance Sheet Highlights



Assets

- Cash / other liquidity
 - Unrestricted: \$10.3m
 - Restricted: \$3.4 m
- Other assets: \$3.3 m
- Vessels book value: \$110.6m
 - within 1-2% of market value as of 12/31/18
- Total assets = \$127.7m

Liabilities

- Bank Debt: \$63.9m, i.e. ~ 50% of total assets
- Preferred Equity: \$19.6m, ~ 15% of total assets
- Other liabilities: \$2.0m, i.e. ~2% of total assets

Net Asset Value

- Net Book Value: \$42.2m, or, \$18.5 / share...
...approximately the same with NAV/share
- Closing share price of \$7.89 on 2/15/18 represents a significant discount to the value of the company



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