

The background of the slide is a photograph of a large cargo ship at sea. The ship is white with a dark hull and has several masts and cranes visible. The sea is blue with white-capped waves. The text is overlaid on this image.

Earnings Presentation
Full Year & Quarter Ended December 31,
2019

February 13, 2020

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 Fourth Quarter Financial Highlights

in \$m, unless otherwise indicated

	Q4 2019	
Net Revenues	\$7.61m	
Net Income / (Loss)	\$1.39m	
Preferred Dividends	\$(0.36)m	
Net Income / (Loss) Attributable to Common Shareholders	\$1.03m	\$0.45 / share ⁽²⁾
Adj. Net Income Attributable to Common Shareholders ⁽¹⁾	\$0.98m	\$0.43 / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	\$3.77m	

(1) See press release of February 12th, 2020 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 and Drydockings

Chartering:

- **Pantelis:** Fixed for about 20-25 days at \$6,000/day. Thereafter, extended at \$6,050/day (the actual TCE of these charters due to ballasting was \$5,150/day and is \$4,400/day, respectively)
- **Xenia:** Extended present charter for about one year at 101% of BPI5TC with a floor of \$11,000/day

FFA contracts:

- Sold 90 days in Q4 equivalent to the open days of one Panamax ship at \$14,550/day beginning October and closed the position in November with a net profit of about \$115k which is the equivalent to about \$1,200 daily earnings on one panamax ship earnings for the whole of Q4

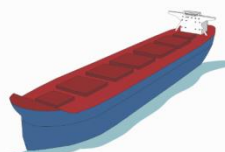
Dry-dockings and repairs this quarter:

- No drydocking or any other repairs

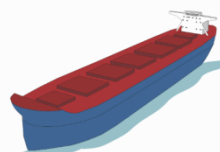


Current Fleet Profile

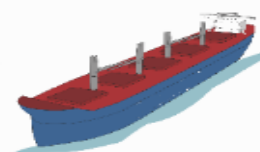
Current fleet is comprised of 7 vessels with an average age of 11.6 years and a carrying capacity of 528k dwt



2x Kamsarmaxes
Avg. Age: 3 years
Carrying Capacity:
164k Dwt



4x Panamaxes
Avg. Age: 18 years
Carrying Capacity:
~301k Dwt



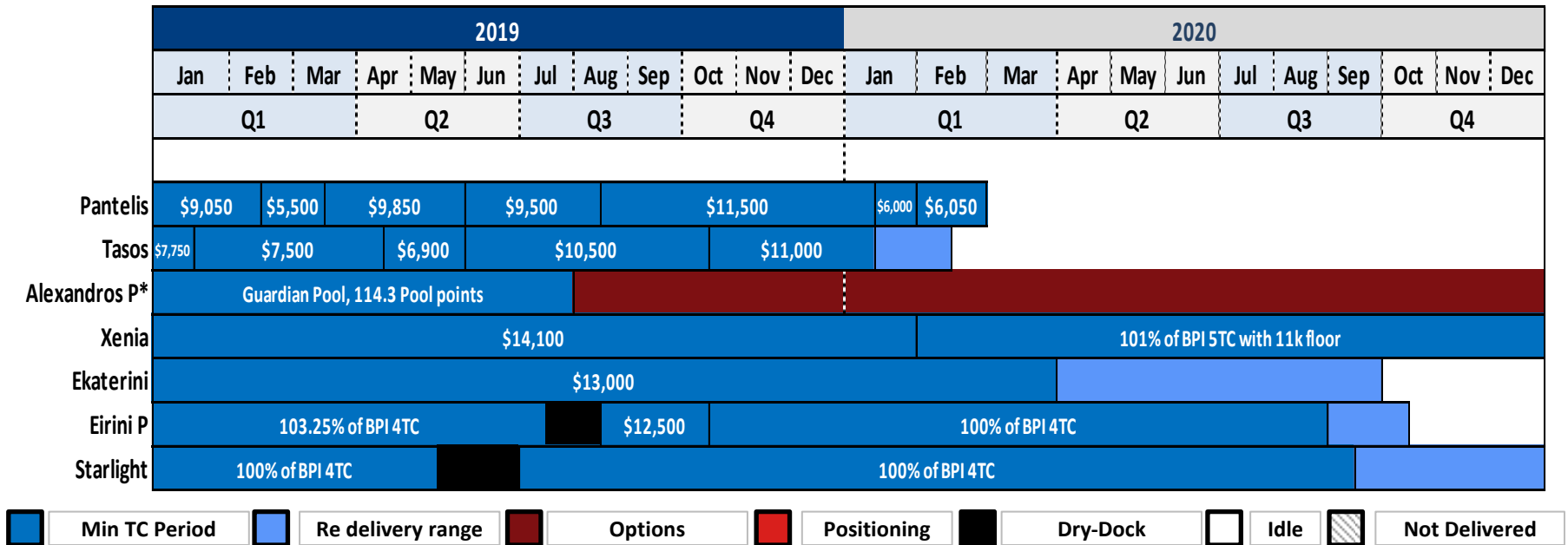
1x Ultramax
Current Age: 3 years
Carrying Capacity: 63.5k
Dwt

Name	Type	Size (dwt)	Year Built
<i>On the water fleet</i>			
Ekaterini	Kamsarmax	82,000	2018
Xenia	Kamsarmax	82,000	2016
Alexandros P	Ultramax	63,500	2017
Eirini P	Panamax	76,466	2004
Pantelis	Panamax	74,020	2000
Starlight	Panamax	75,845	2004
Tasos	Panamax	75,100	2000
Total	7 vessels	528,931	Average 11.6 years

Vessel Employment Chart

Coverage: As of February 1, 2020: Abt 18% in 2020 (in terms of minimum fixed rate contracts)

(excludes ships on index charters which are open to market fluctuations but have secured employment)



(*) Owners' Option has infinite duration. However, it has to be tendered 3 months prior to having the vessel delivered back.

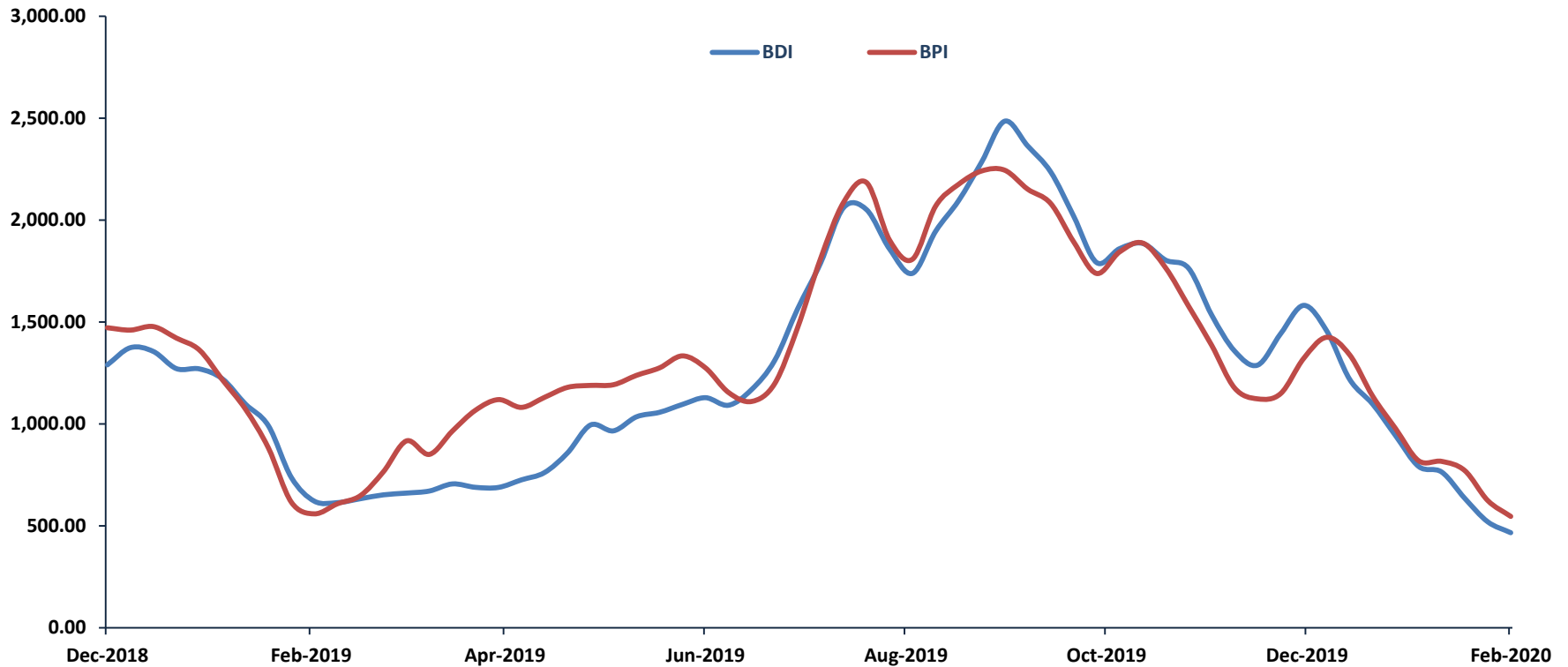
Market Highlights Q4 2019

\$/day

Spot Rates	Kamsarmax – 82k	Panamax - 72k	Supramax – 58k
Q4 -2019 Average	12,752	11,498	11,307
Dec 27 th 2019	9,988	8,700	8,944

One Year TC rate	Kamsarmax – 82k	Panamax - 75k	Supramax - 58k
Q4 - 2019 Average	13,110	11,783	12,538
Dec 27 th 2019	12,250	10,750	9,875

BDI – BPI Index



Source: Clarksons Research





Market Overview

World GDP & Shipping Demand Growth

<i>Real GDP (% p.a. - IMF)</i>	2015	2016	2017	2018	2019p	2020e	2021e
USA	2.6	1.5	2.3	2.9	2.3(2.4)	2.0(2.1)	1.7(1.7)
Eurozone	2.0	1.8	2.4	1.8	1.2(1.2)	1.3(1.4)	1.4(1.4)
Japan	0.5	1.0	1.8	1.0	1.0(0.9)	0.7(0.5)	0.5(0.5)
China	6.9	6.7	6.8	6.6	6.1(6.1)	6.0(5.8)	5.8(5.9)
India	7.6	7.1	6.7	7.1	4.8(6.1)	5.8(7.0)	6.5(7.4)
Russia	-3.7	-0.2	1.8	2.3	1.1(1.1)	1.9(1.9)	2.0(2.0)
Brazil	-3.8	-3.6	1.1	1.1	1.2(0.9)	2.2(2.0)	2.3(2.4)
ASEAN-5	4.8	4.9	5.3	5.2	4.7(4.8)	4.8(4.9)	5.1(5.2)
World	3.4	3.2	3.7	3.6	2.9(3.0)	3.3(3.4)	3.4(3.6)

Dry Bulk Trade (% p.a.)

Ton-miles	1.1	2.1	4.8	2.8	1.1(3.1)	2.5(2.9)	2.3(2.5)
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Trade and growth projections will likely be affected, especially in the case of China, due to the Coronavirus (Covid-19) situation as its effects on world growth and trade are yet to be fully assessed.

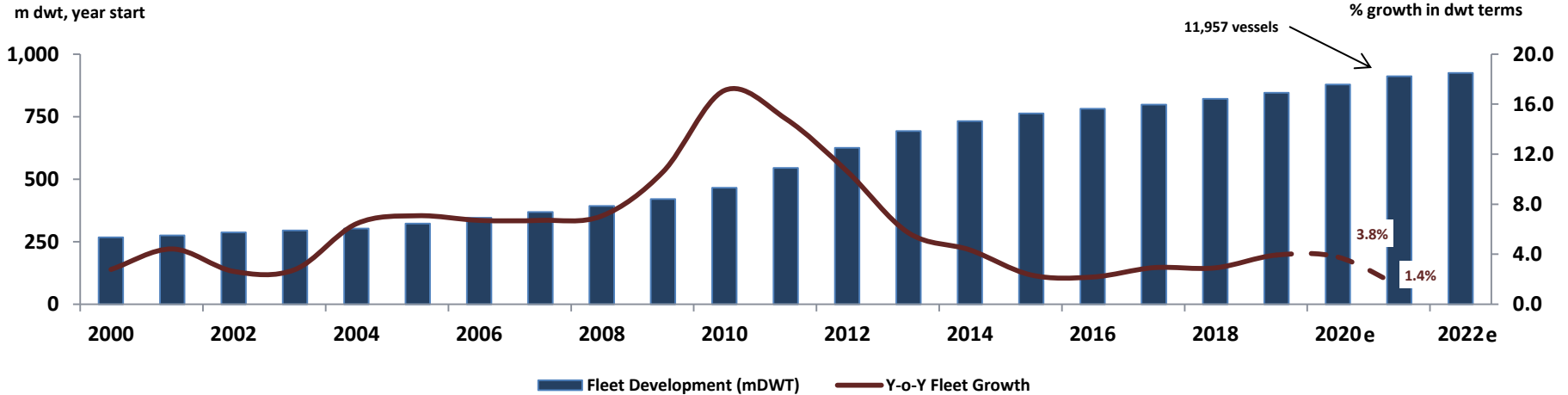
Sources: Clarksons Research, IMF (January 2020 update)

GDP: Figures in parenthesis indicate IMF Forecasts as of (Oct-19)

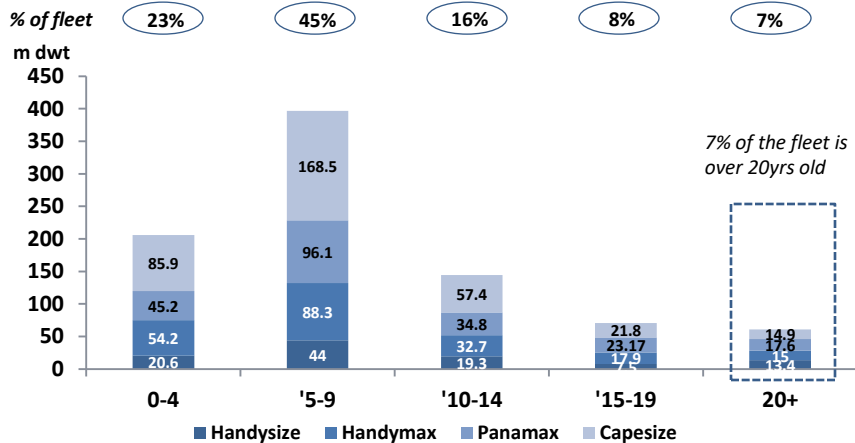
Trade: Figures in parenthesis indicate beginning of Year estimates from Clarksons 2019-2021 Clarkson (Jan-2020)

Drybulk Fleet Overview

Fleet Development



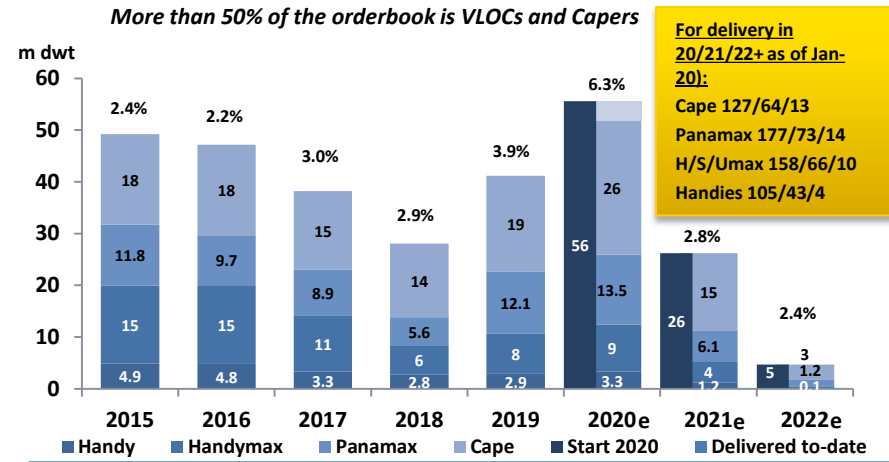
Dry Bulk Age Profile



Large bulkers are still young

Source: Clarksons Research

Orderbook



Large Vessels Dominate Orderbook



Outlook Summary – Bulkers

2019 Summary

- Since the beginning of 2019, rates for the Capesize vessels moved from below OPEX levels in Q1 to multi-year highs of above 40k daily in Q3! Panamax and Suprax were much less affected by the Vale disaster and dropped much less before increasing again also to multi-year highs of about \$18,000/day and 15,000/day, respectively, by September, dropping by about 50% since then (and even further in Q1 2020)
- The accident in VALE's iron ore mine in Brazil was initially estimated to reduce Brazilian iron ore exports by 90mt annually until the mines come back to operation; however, a big part of the capacity has come back earlier than expected
 - Brazilian iron ore exports, the driver of the cape market, recovered from being 30% lower than a year ago in 2019H1 to being 15% lower than a year ago currently and improving....

Outlook

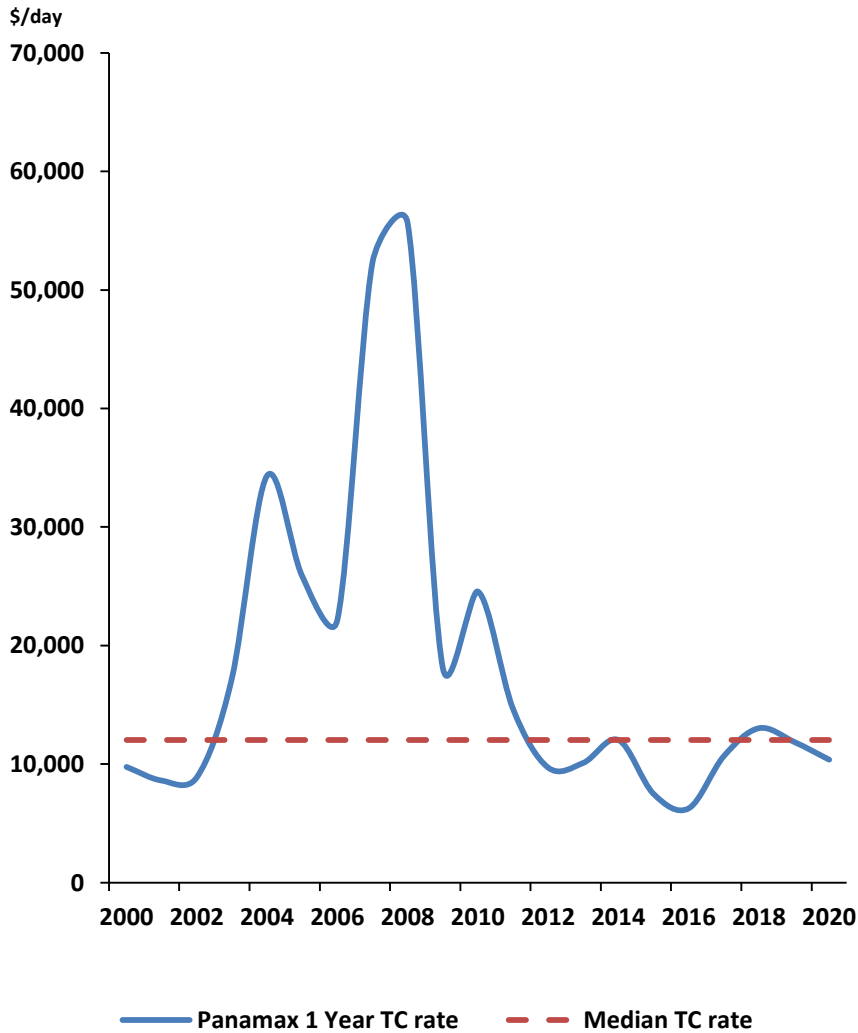
- 2020 started with new uncertainties in the market introduced by the coronavirus epidemic; its effects on world growth and seaborne trade are yet to be fully assessed but certainly will affect Q1 negatively
- For the whole of 2020 our supply/demand analysis shows a marginally balanced market which would suggest a generally unimpressive market. Positive or negative short term incidents and disruptions such as after effects of the introduction of cleaner fuels and other environmental regulations etc. can move the markets one way or the other
- Our analysis indicates that 2021 will be a promising year with higher demand than supply growth expected amidst a very low orderbook!
- 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 2020, following an about 10% rise in Chinese coal imports in 2019, as electricity demand growth remains robust there and in other developing countries
- Grain trade is expected to rebound following a much-desired trade agreement between China/US

Source: Clarksons Research

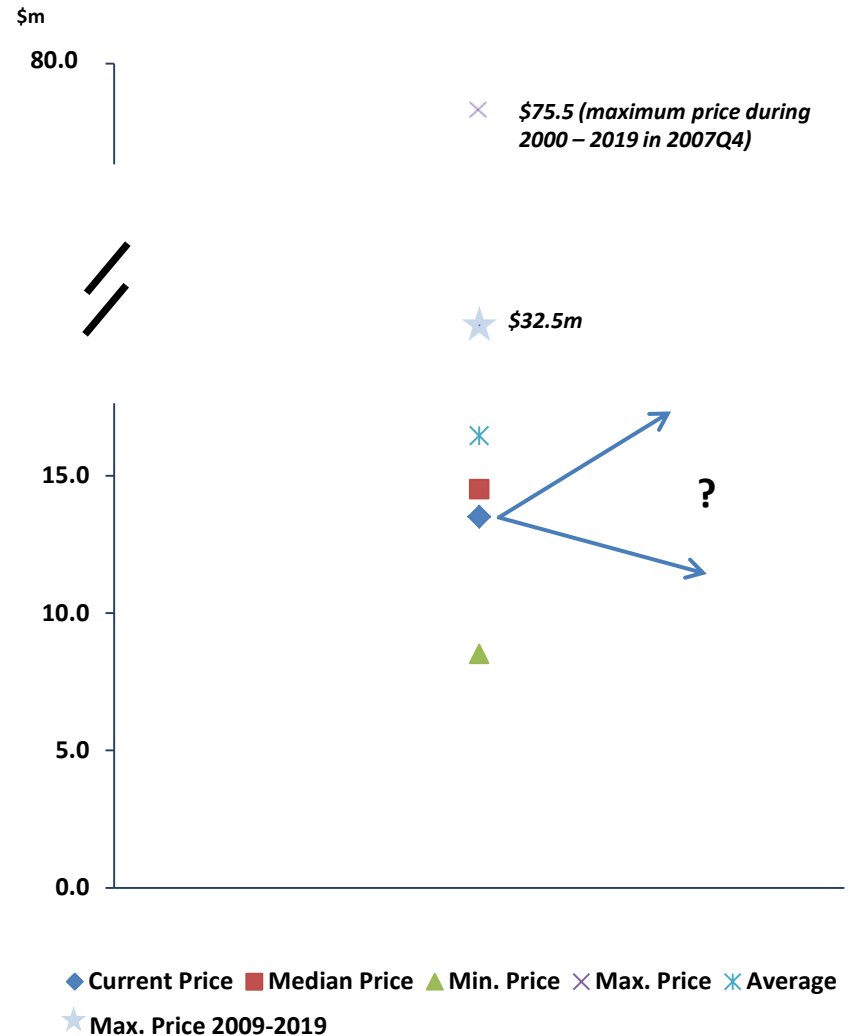


Position on the Drybulk Market Cycle

Panamax vessel – 1 Year Time Charter Rate



Panamax vessel – 10 Year Old Historical Price Range (09-19)



Source: Clarksons Research



Financial Overview

Financial Highlights: Fourth Quarter and Twelve Months of 2018 and 2019

	Fourth Quarter		Change	12 months		Change
	2018	2019	%	2018	2019	%
<i>(in million USD except per share amounts)</i>						
Net Revenues	7.0	7.6	8.8%	24.5	27.2	11%
Net (Loss) / Income	0.8	1.4		1.1	0.0	
Preferred & Preferred Deemed Dividends	(0.2)	(0.4)		(0.6)	(1.9)	
Net (Loss) / Income attributable to Common Shareholders	0.6	1.0		0.6	(1.9)	
Interest & Finance Costs net <i>(incl. interest income)</i>	1.1	0.8		2.9	3.7	
Depreciation	1.5	1.6		5.4	6.5	
Unrealized Loss (Gain) On Derivatives	0.1	(0.1)		(0.0)	0.4	
Adjusted EBITDA ⁽¹⁾	3.5	3.8	8%	9.4	10.3	9%
Adj. Net (Loss)/Income attributable to Common Shareholders	0.7	1.0		0.6	(1.6)	
Adj. Net (Loss)/Income per share, basic and diluted	0.31	0.43		0.25	(0.69)	

(1) See press release of February 12th, 2020. for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

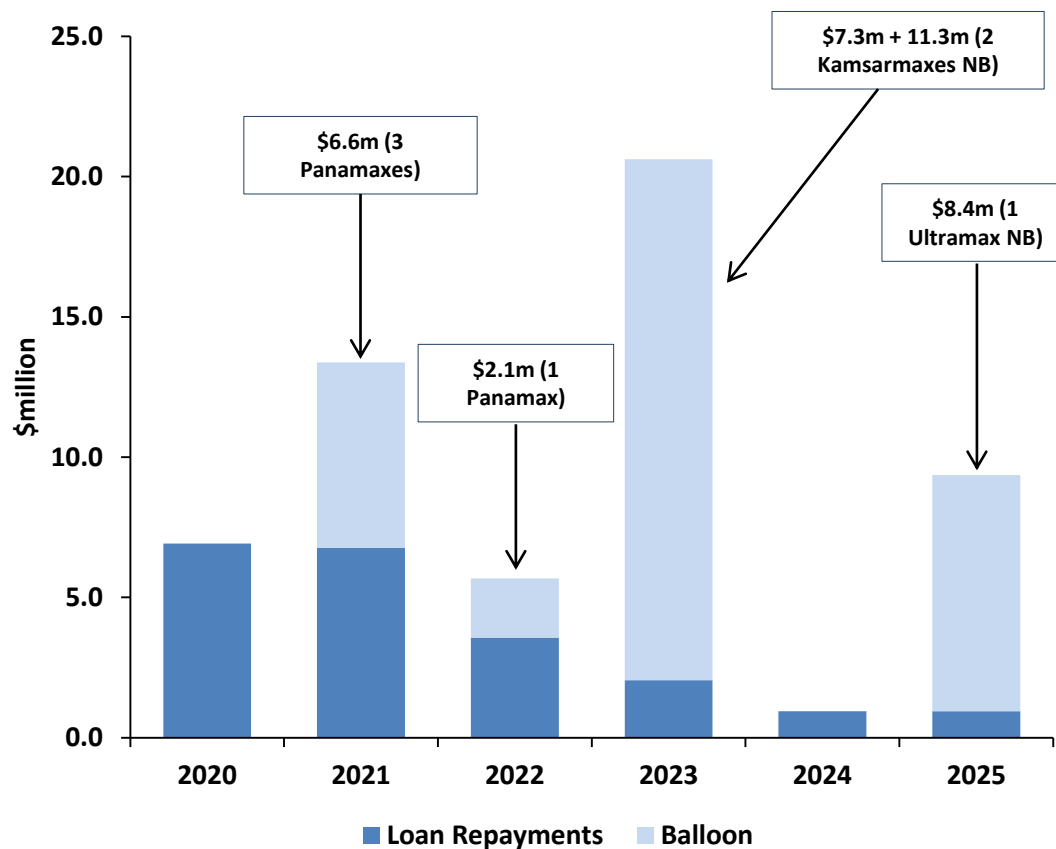
Fleet Data for the Fourth Quarter and Twelve Months of 2018 and 2019

	Fourth Quarter		12 Months	
	2018	2019	2018	2019
Number of vessels	6.3	7.0	5.7	7.0
Utilization Rate (%)				
Operational ⁽¹⁾	99.6%	100.0%	99.6%	99.4%
Commercial ⁽¹⁾	100.0%	100.0%	100.0%	100.0%
Overall ⁽¹⁾	99.6%	100.0%	99.6%	99.4%
<i>(usd/day/vessel)</i>				
Time Charter Equivalent (TCE)⁽²⁾	\$ 12,513	\$ 12,439	\$ 12,484	\$ 11,190
Operating Expenses				
Vessel Oper. Exp.excl. DD exp.	4,900	5,128	5,193	4,987
G&A Expenses	897	827	1,120	882
Total Operating Expenses	5,797	5,955	6,313	5,869
Interest Expense	1,851	1,218	1,390	1,375
Drydocking Expense	36	108	699	652
Loan Repayments without Balloons	2,979	2,384	3,418	2,932
Breakeven/day	\$ 10,663	\$ 9,665	\$ 11,820	\$ 10,828

- (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 for the fourth quarter of 2018 and 2019 and 43.7 days and 65.9 days for the first nine months 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 Repayment Profile

Debt Repayment Profile



Cash Flow Breakeven

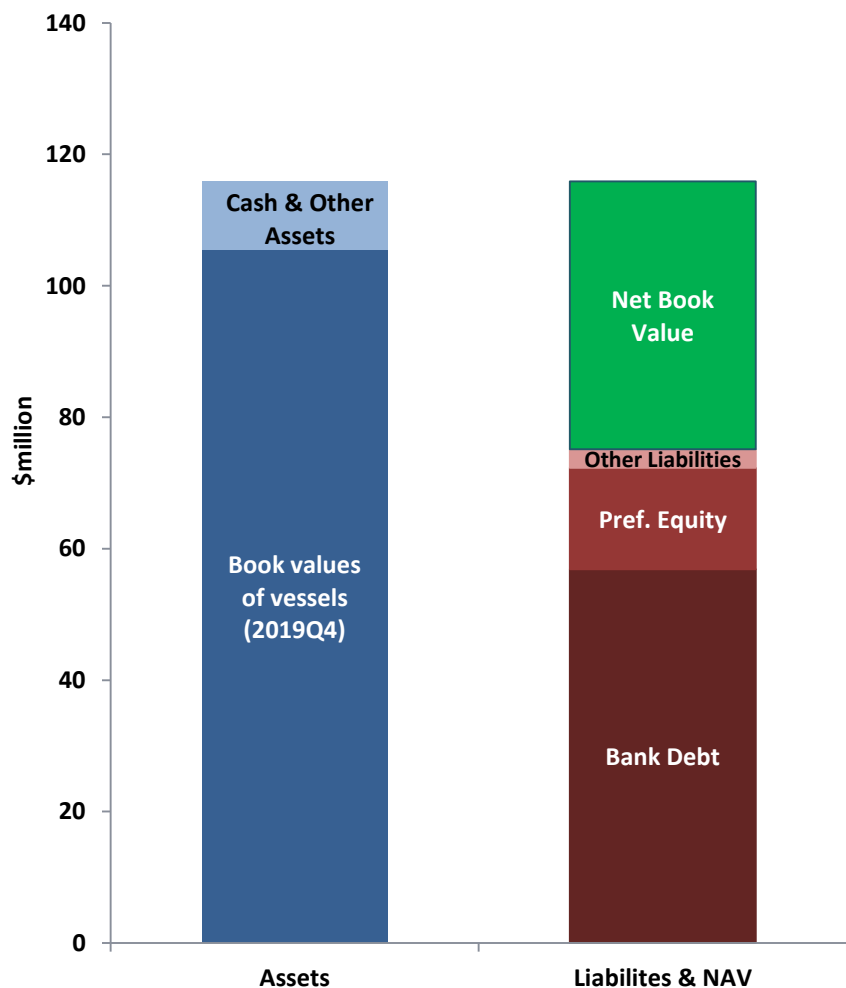
Budget estimate for next 12 months:

	<u>\$/vessel/day</u>
OPEX	\$ 5,150
G&A	\$ 900
Interest	\$ 1,050
Drydock	\$ 600
Pref. Dividend	\$ 550
Sub-total	\$ 8,250
<u>Loan Principal</u>	<u>\$ 2,700</u>
TOTAL	\$ 10,950

- As of December 31, 2019, EuroDry has outstanding debt of \$56.9 m with average margin of about 3.0%. Assuming LIBOR of 2%, our cost of senior debt is 5%, including the dividend preferred equity this increases to 5.9%
- 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

Balance Sheet Highlights

Euroseas Capital Structure



Notes

Assets

- Cash & Other assets: \$12.2m
- Vessels book value: about \$105.5m roughly in line with the estimated market value as of Dec-2019, but values have declined in January 2020
- Total assets (@ book value) ~ \$117.7m

Liabilities

- Bank & other debt: \$56.9m, i.e. ~ 48% of total book value of assets
- Preferred Equity: \$15.4, ~ 13% of total assets
- Other liabilities: \$4.7m, i.e. ~4% of total assets

Net Book Value

- Net Book Value: ~\$40-41m, or, ~ \$17.7/share
 - as of end-December 2019 market value of fleet was close to its book value
- Every \$1m change in each vessel's value changes NBV/share by about \$3.00
- Decline of asset values during January 2020 of 5-10% brings NAV/share in the range of \$13-15/share
- Recent share price trading range of just below \$6.0 / share level represents a significant discount to the value of the company

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