



EuroDry Ltd.
Company Presentation
[NASDAQ: EDRY]
'Capital Link Webinar
January 2023

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.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of such jurisdiction.





Introduction

EuroDry - Introduction

- **EuroDry Ltd. (NASDAQ: EDRY) was spun-off from Euroseas Ltd. on May 30, 2018 as a pure drybulk carrier owner to provide worldwide ocean-going transportation services for ...**
 - ... major bulks (iron ore, coal and grains) and minor bulks (e.g steel products, bauxite, fertilizers etc.)..
 - ... by owning vessels in the middle of the size range of drybulk carriers, 50,000-85,000 dwt (Supramax to Kamsarmax), which present the most flexible employment opportunities
 - EDRY's fleet is currently comprised of 10 vessels with an average age of about 13.6 years and a carrying capacity of 730k dwt

- **Long tradition & experience in shipowning and ship management**
 - Our “former parent”, Euroseas Ltd., was formed in 2005 by the Pittas family which has owned/operated vessels since 1870; Euroseas accessed the capital markets in 2005 and has been listed on NASDAQ since 2007
 - Aristides J. Pittas, CEO & Dr. Tasos Aslidis, CFO have 30+ years of industry experience, Symeon Parios, CAO has 20+ years; all have been with the Company since inception
 - All members of the board hold leading positions in their respective industries and/or long investment experience in shipping

- **EuroDry's vessels are managed through Eurobulk & Eurobulk FE, which are affiliated companies**
 - Eurobulk was founded in 1995 and Eurobulk FE in 2015
 - Both are established and well-respected within the industry for their efficient & safe operating track record
 - “Vertically integrated”, carrying strong relationships with charterers, suppliers, bankers and other industry participants



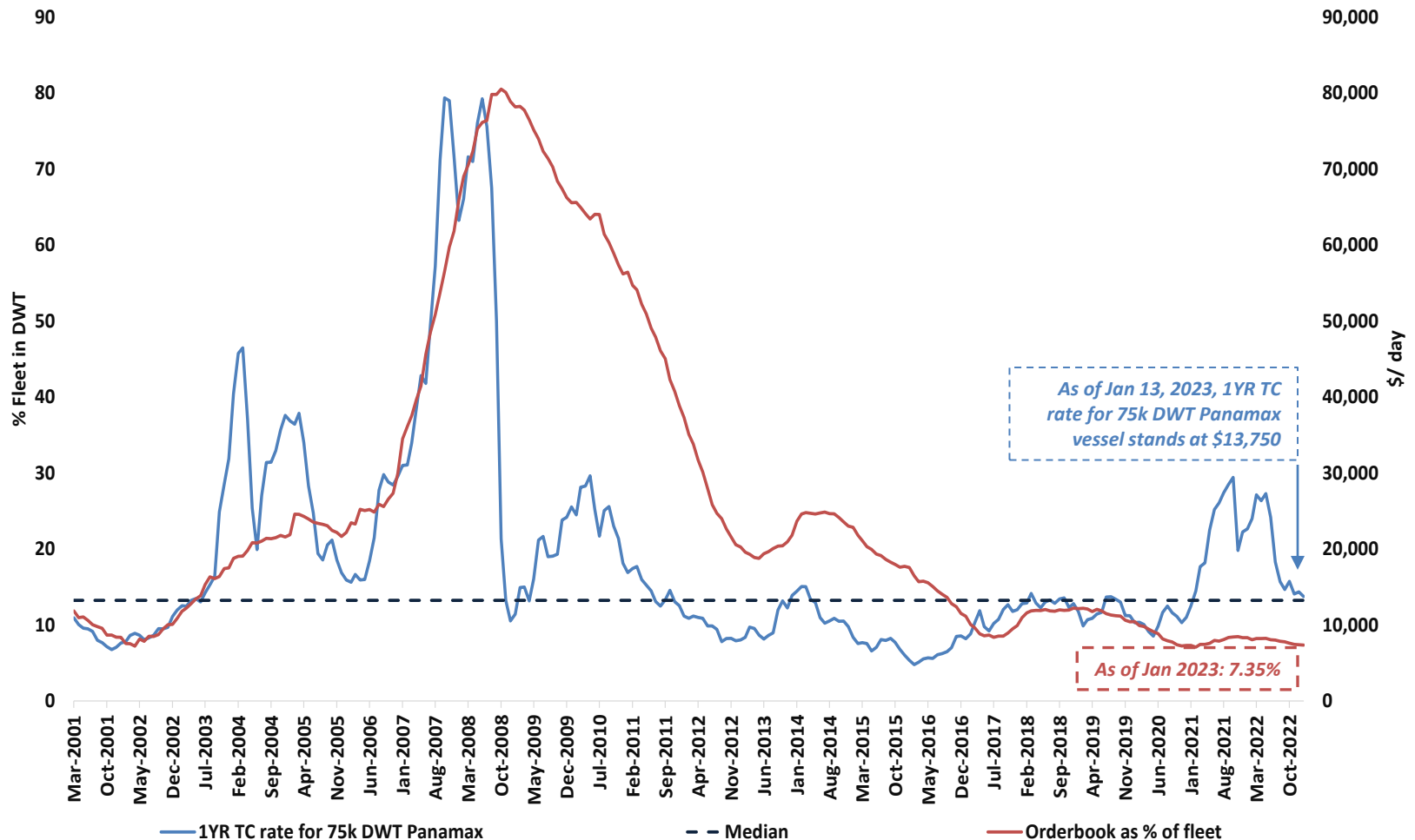
A large drybulk carrier ship is shown at sea, viewed from an elevated angle. The ship is white with a dark hull and has several masts and cranes visible. A star is on the funnel. The text is overlaid on the image.

**Drybulk Sector Overview:
Favorable Supply/Demand Fundamentals**

Current Point in the Market Cycle (1/2)

TC rate for 75k DWT Panamax vs Fleet Orderbook

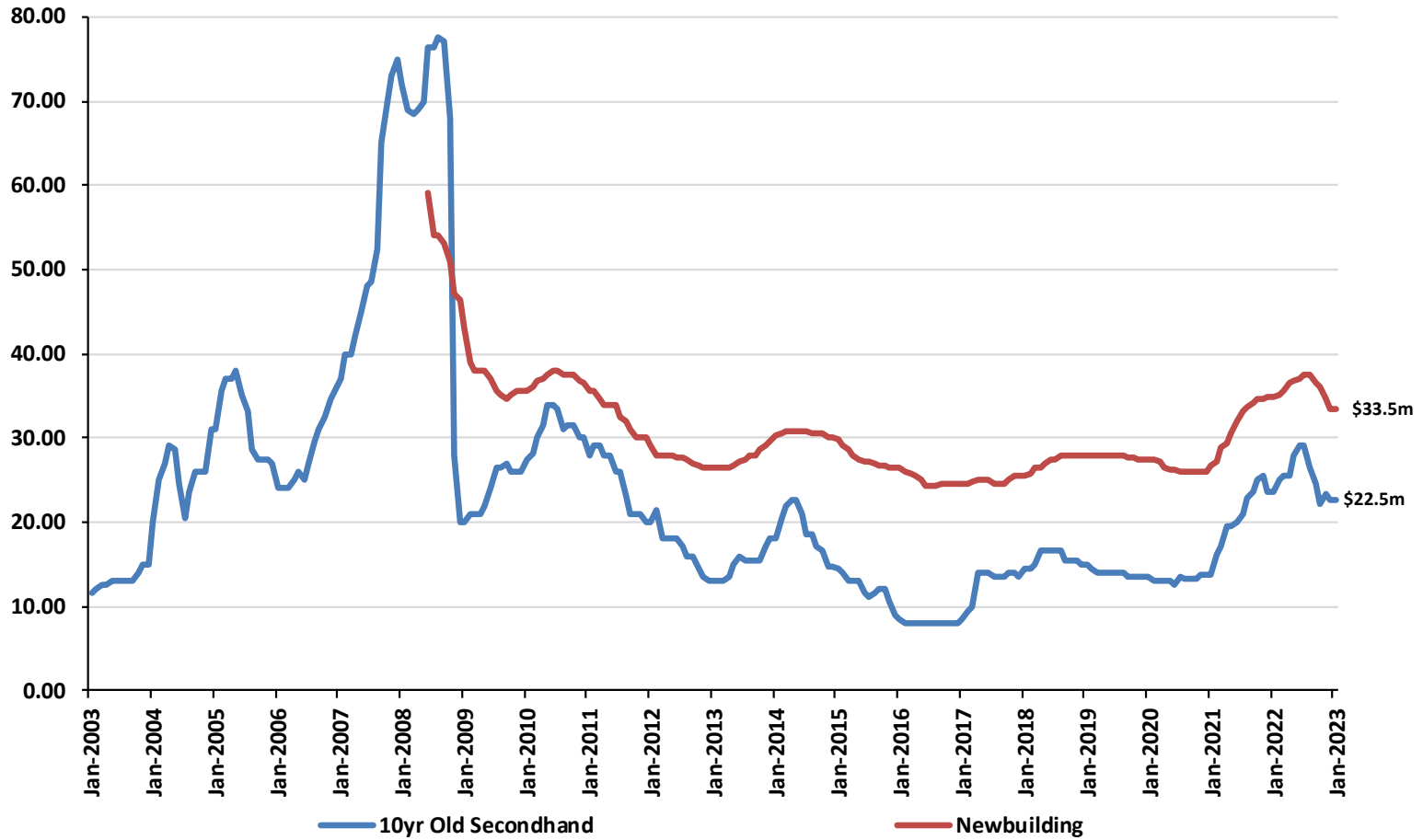
The orderbook in the sector, just 7.35% of the fleet, remains one of the lowest in history, while there is also potential for increased recycling from 2023 amid the introduction of new environmental regulations.



Current Point in the Market Cycle (2/2)

Panamax⁽¹⁾ vessel prices (\$m)

Values over the last three months have been correcting potentially creating opportunities



World GDP & Drybulk Trade Growth

Annual GDP Growth vs Ton-miles growth

Real GDP (% p.a. - IMF)

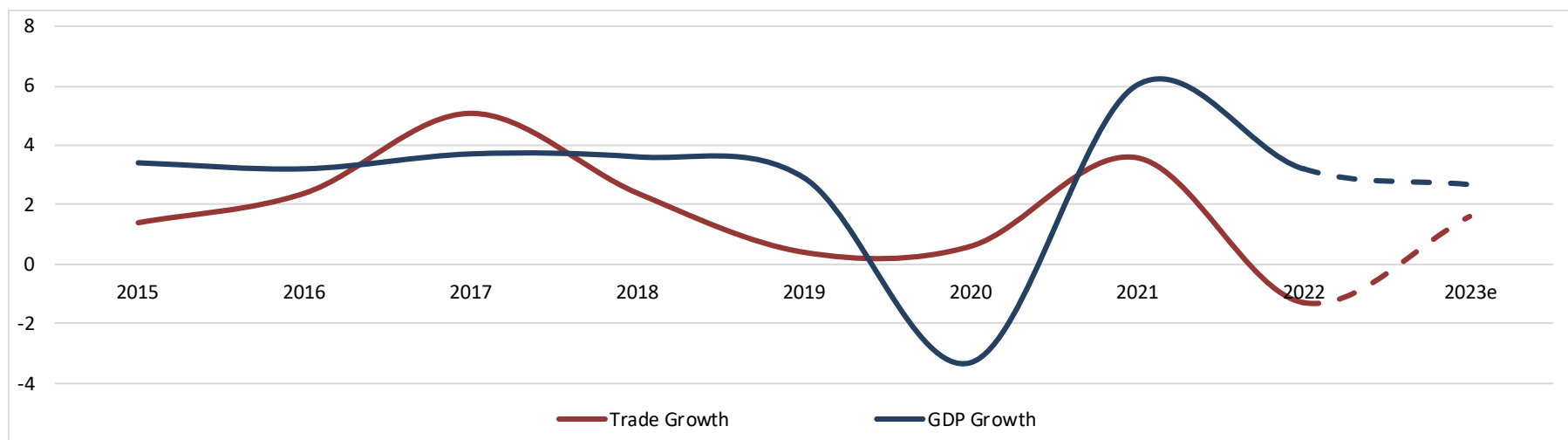
	2015	2016	2017	2018	2019	2020	2021	2022e	2023e
World	3.4	3.2	3.7	3.6	2.9	-3.3	6	3.2	2.7

Dry Bulk Trade (% p.a.)

(IMF: as of Oct-22)

	2015	2016	2017	2018	2019	2020	2021	2022	2023e
Tonmiles	1.4	2.4	5.1	2.4	0.4	0.6	3.6	-1.3	1.6

(Clarksons: as of Dec-22)



DryBulk Market: Key Catalysts of Demand

- China – Return to “normalcy” after real estate crisis and reversal of zero-COVID containment policy
 - China is a key region for the drybulk trade as they account for about 30% of the total drybulk trade, and especially, about 70% of the iron ore imports.
 - Key domestic driver is the real estate sector which represents about a third for steel demand, and whose drop has been at the core of the shipping market weakness as sector struggled with defaults and continued COVID-lockdown disruptions. The latter also affected China’s exports and demand for raw materials to produce them. A series of stimulus packages kicking in by the end of 2022 to support the property sector should lead to higher iron ore imports.

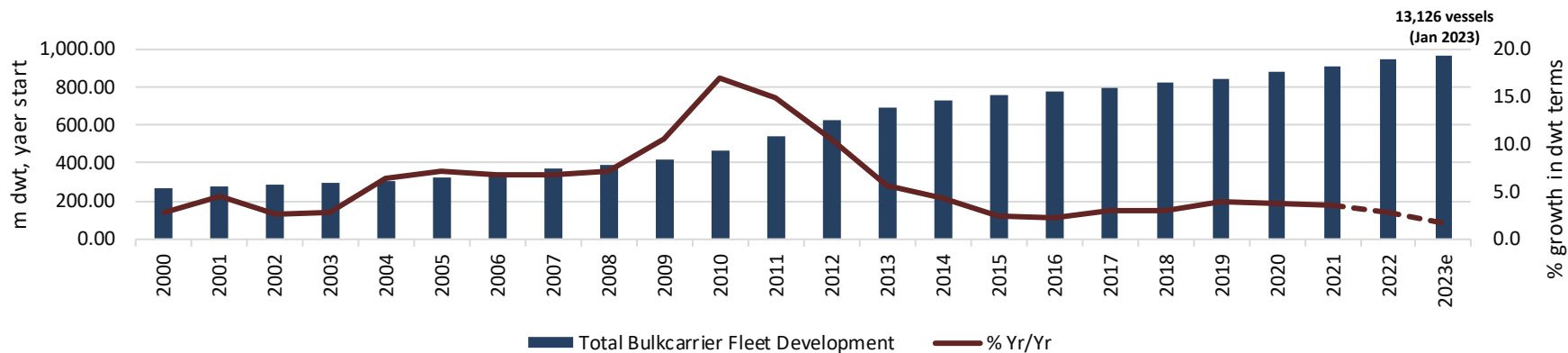
- End of war between Ukraine and Russia
 - Not only Ukrainian seaborne grain exports have been severely disrupted but the resulting energy shortages and over-all uncertainty introduced curtailed investment and spending and contributed to inflationary pressures.
 - Ending the war will not only likely reverse the above effects but also allow for the reconstruction of Ukraine’s heavily damaged infrastructure with the relevant investment required estimated in excess of \$500b

- End of central banks’ fight to control inflation
 - As 2022 ended, inflation readings continued their downward path with US inflation coming in at around 6.5%. If inflation continues to decline the pressure on central banks to further increase interest rates to control it will subside to, thus, allowing investment and economic growth and more drybulk trade
 - This is a complicated issue, though, as tight labor markets might create inflationary pressures as well.

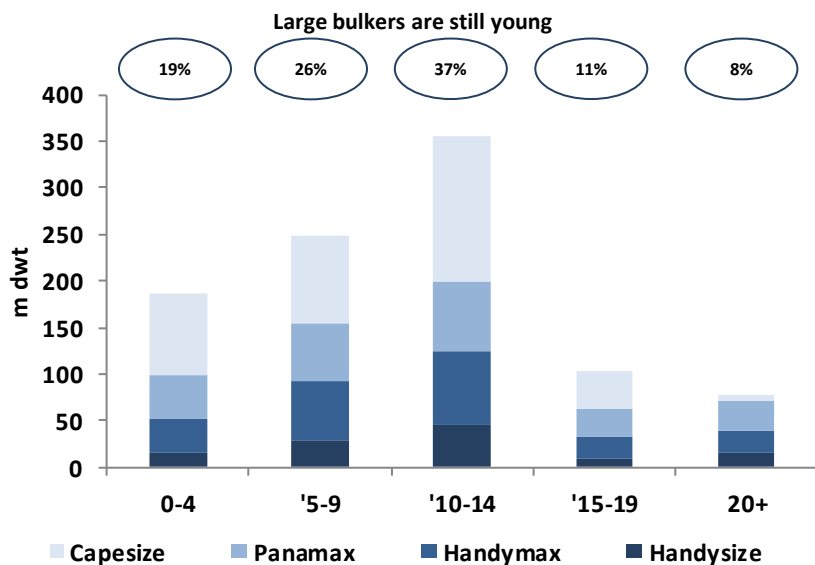


Drybulk Fleet Overview

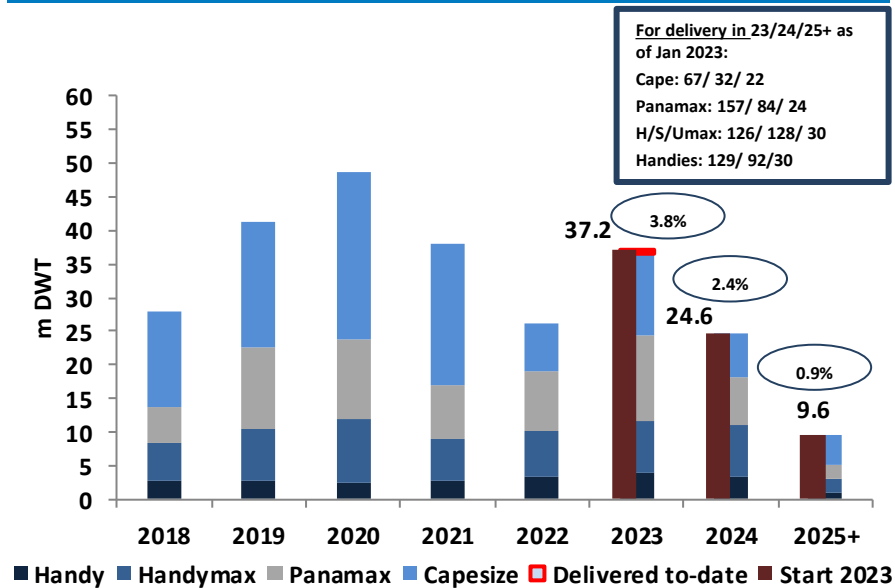
Fleet Development



Dry Bulk Age Profile



Orderbook



DryBulk Market: Where We Are and Where We Go

- Dry bulk market continues to soften with freight rates losing ~55% YoY having almost returned to pre-pandemic levels.
 - Dry bulk shipping faced significant headwinds in 2022Q4 on the back of geopolitical uncertainties, China's zero-COVID containment policy and a weak global economic outlook with interest rate increases creating recessionary risks sparking slowdown fears in key markets.
 - Certain demand catalysts could result in demand recovering to “normal” or even above normal growth rates
 - China “returning”, the Ukraine-Russia war ending and the interest rate increases stopping are key catalysts
 - On the supply side, ordering of new ships has been practically non-existent due to lack of available slots in shipyards and the lack of clarity for the “fuel of the future”....
 - Orderbook to fleet ratio is near the lowest historical levels creating the backdrop for a charter rate recovery if demand returns to “normal” levels
- ...furthermore, introduction of emissions regulation related measures (EEXI and CII) could further curtail supply via increased scrapping or slower operational speed for a portion of the fleet
- ➔ **Thus, despite the potential for a quick, significant and sustainable market recovery, the timing and overall direction of the market in the near term remain uncertain**

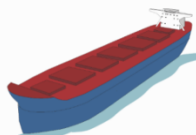




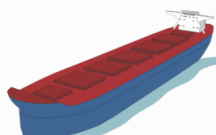
Why Invest in EuroDry

Current Fleet Profile

EuroDry's fleet is comprised of 10 vessels with an average age of ~13.6 years and a carrying capacity of 730k dwt













2x Kamsarmaxes
Avg. Age: 6 years
Carrying Capacity:
164k Dwt



5x Panamaxes
Avg. Age: ~19.6 years
Carrying Capacity:
~380k Dwt



2x Ultramax – 1x Supramax
Avg. age: 8 years
Carrying Capacity:
~184k Dwt

Name	Type	Size (dwt)	Year Built	Country of Build
<i>Current Fleet</i>				
Modern/NB Cluster	Ekaterini	Kamsarmax	82,000	China 
	Xenia	Kamsarmax	82,000	China 
	Alexandros P	Ultramax	63,500	China 
	Good Heart	Ultramax	62,996	China 
	Molyvos Luck	Supramax	57,924	China 
Panamax Cluster	Santa Cruz	Panamax	76,440	Japan 
	Blessed Luck	Panamax	76,704	Japan 
	Eirini P	Panamax	76,466	Japan 
	Starlight	Panamax	75,845	Japan 
	Tasos	Panamax	75,100	Japan 
Total	10 vessels	728,975	13.6	

Fleet is built around two clusters:

- 1) High quality Japanese vintage Panamaxes which are “cash-cows” in present markets with no risk of technological obsolescence
- 2) Own-contracted newbuildings in quality Chinese yards, and two high quality second hand vessels one Ultramax and one Supramax all of which are highly efficient eco designs with very attractive commercial characteristics in terms of fuel efficiency and operating requirements

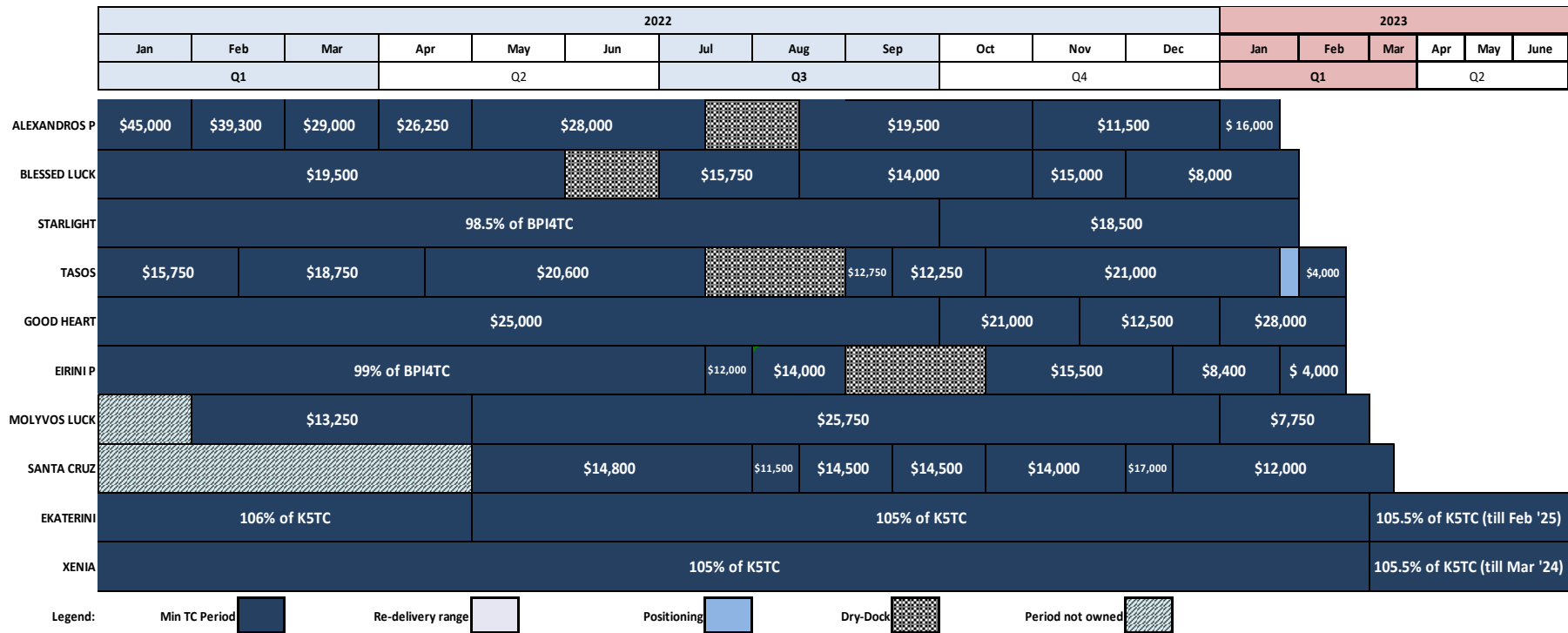


Note:

1) Average age is weighted by the size of the vessels

Vessel Employment

Short Term Pain Long Term Gain: Fleet Open to Exploit Possibly Increasing Market



Financial Highlights

Nine-Month 2022 Highlights... ..and a glimpse of 2023

First nine-months of 2022 were quite profitable

- Total net revenues of \$55.1 million.
- Net income attributable to common shareholders of \$27.3 million or \$9.43 and \$9.34 earnings per share basic and diluted, respectively inclusive of change in the fair value of derivatives.
- Adjusted net income attributable to common shareholders for the period was \$25.1 million or \$8.69 and \$8.60 adjusted earnings per share basic and diluted, respectively.
- Adjusted EBITDA was \$35.9 million.
- An average of 10.5 vessels were owned and operated during the first nine months of 2022 earning an average time charter equivalent rate of \$22,876 per day while the average BPI for the same period was \$20,938 per day.

2023 starts from the bottom...

- The near term of 2023 appears quite depressed with the current BPI at about \$8,300⁽¹⁾ per day...

...while the forward BPI for the full year of 2023 is around \$13,750⁽¹⁾ per day (which for our vessels translates to about \$15,500 par day), a level that – although lower than 2022 - still produces earnings, if realized

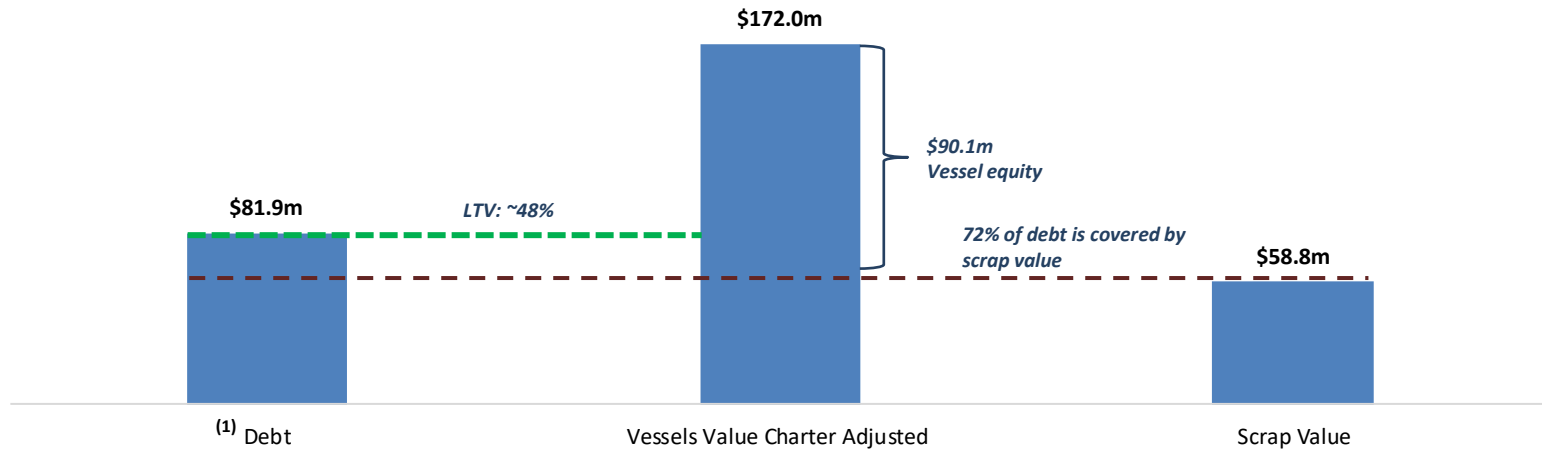


Source: (1) Index Date: 01/17/2023

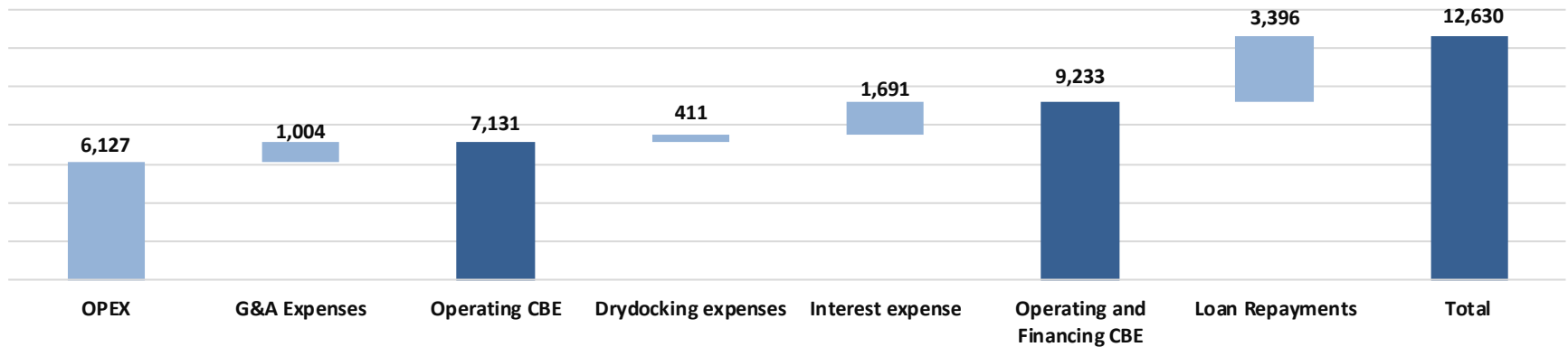
Note: Adjusted EBITDA, Adjusted net income/(loss) and Adjusted earnings/(loss) per share are not recognized measurements under US GAAP (GAAP) and should not be used in isolation or as a substitute for EuroDry's financial results presented in accordance with GAAP. Refer to a subsequent section of the Press Release for the definitions and reconciliation of these measurements to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Debt Repayment Profile & Cash Flow Breakeven Daily Rate

Debt vs Current Market Values (31-12-2022)



Cash Flow Break Even Estimate for the Next 12 months (\$/day)



Why Invest in EuroDry

Three main reasons...

- Strong industry fundamentals: a rare squeeze of supply
- Strong balance sheet & cash position would allow us to take advantage of current market weakness
- Attractive valuation: significant potential for appreciation
 - Current stock trading range of \$16-18/share represents more than 50% discount of NAV

....and quite a number more

- Fleet focused on mid-sized vessels that provide multiple trading possibilities
- Flexible vessel employment strategy – taking advantage of market trends
- Cost-efficient, safe vessel operations – maintaining a low, predictable operating cost level
- Experienced management team of industry veterans with strong track record
- A publicly-listed platform providing additional options for growth possibly consolidating other vessels / fleets



EuroDry Ltd. Contacts



EuroDry Ltd.
c/o Eurobulk Ltd

**4, Messogiou & Evropis Street
151 24 Maroussi, Greece**

www.eurodry.gr
info@eurodry.gr

**Tel. +30-211-1804005
Fax.+30-211-1804097**

**Dr. Tasos Aslidis
Chief Financial Officer**

**EuroDry Ltd.
11 Canterbury Lane
Watchung, NJ 07069
aha@eurodry.gr
Tel: 908-3019091
Fax: 908-3019747**

**Nicolas Bornozis
Investor Relations**

**Capital Link, Inc.
230 Park Avenue, Suite 1540
New York, NY 10169
eurodry@capitallink.com
Tel: 212- 6617566
Fax: 212-6617526**