



**EuroDry Ltd.**

**Company Presentation**

**[NASDAQ: EDRY]**

**14<sup>th</sup> Annual Capital Link New York Maritime Forum**

**September 2022**

# 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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**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 11 vessels with an average age of about 13.5 years and a carrying capacity of 803k dwt;
  
- **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
  - Managed to navigate through the longest depressed earnings period in both drybulk and containership sectors
  
- **Experienced management team and seasoned Board of Directors**
  - 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



# Fleet Growth Strategy

## Grow & Renew the fleet through accretive vessel acquisitions and the selective disposals

- Through the past year, EuroDry expanded its fleet with 3 additional vessels growing its fleet by 25% in dwt terms
  - **M/V “Santa Cruz” – 76,440 dwt**  
2005 Japanese built Panamax vessel acquired for \$15.75 million in April 2022 with a time charter attached at a rate of \$14,800/day until July 2022
  - **M/V “Molyvos Luck” – 57,924 dwt**  
2014 Chinese built Supramax vessel acquired for \$21.2 million in January 2022 with a time charter attached at a rate of \$13,250/day until April 2022. Upon the completion of the charter, the Company entered into a new charter agreement for a period of 11 to 13 months at a rate of \$25,750/day.
  - **M/V “Good Heart” – 62,996 dwt**  
2014 Chinese built Ultramax vessel acquired for \$24.5 million in September 2021
  
- In September 2022, EuroDry agreed to sell MV Pantelis, a 74,020 dwt drybulk vessel, built in 2000, for approximately \$9.7m gross. The vessel is expected to be delivered to its new owners, an unaffiliated third party, by mid-October 2022 following the completion of her current employment.












## Publicly-listed platform of consolidation

- EuroDry presents the opportunity to be a platform for consolidating vessels and fleets, seeking an exit via the public markets
  - Flexibility in defining post-merger management & further growth strategy

# Current Fleet Profile

EuroDry's fleet is comprised of 11 vessels with an average age of ~13.5 years and a carrying capacity of 803k 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 
	Pantelis <sup>(2)</sup>	Panamax	74,020	Japan 
<b>Total</b>	<b>11 vessels</b>	<b>802,995</b>	<b>13.5</b>	

Fleet is built around two clusters:

- 1) High quality Japanese vintage Panamax vessels 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:

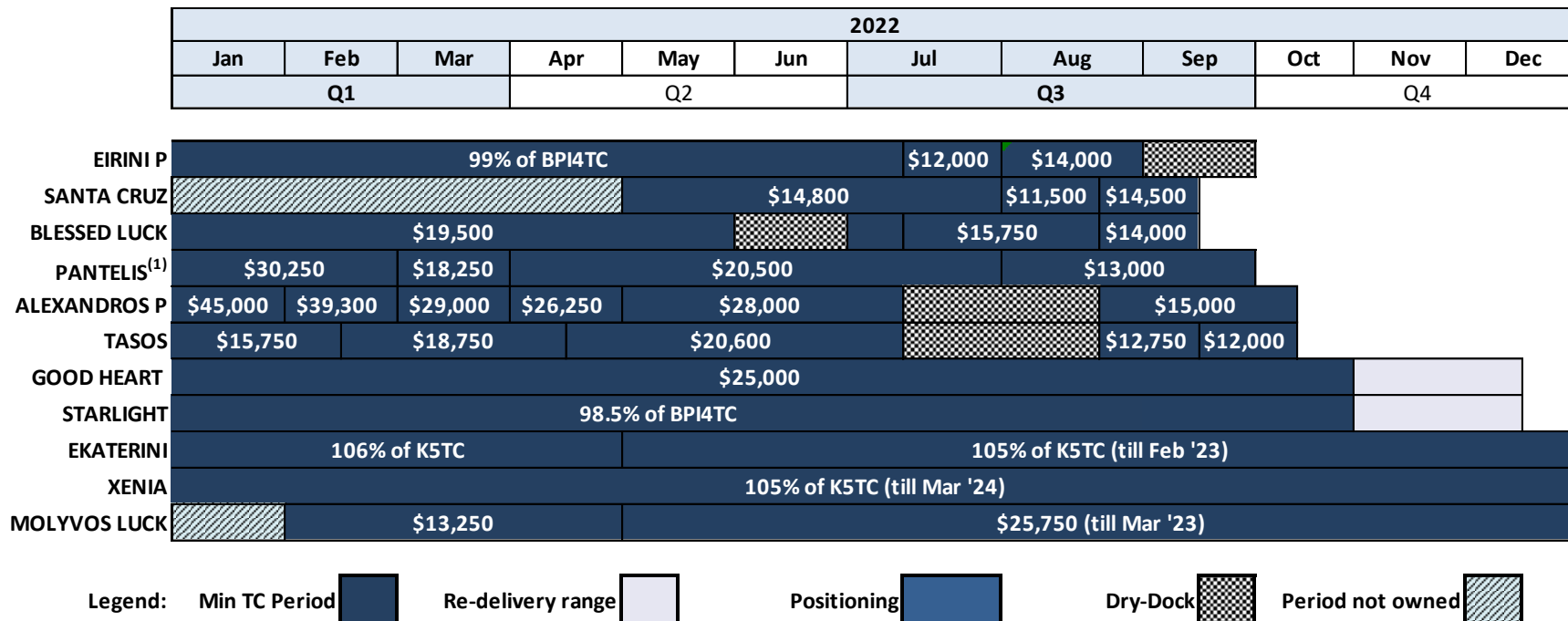
- 1) Average age is weighted by the size of the vessels
- 2) MV Pantelis agreed to be sold after the completion of current employment



# Vessel Employment: Taking Advantage of the Strong Market

Fixed rate coverage of approximately 38.8% for the remainder of 2022 as of end of Q2

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



Source: Company

Note: 1) MV Pantelis agreed to be sold after the completion of current employment



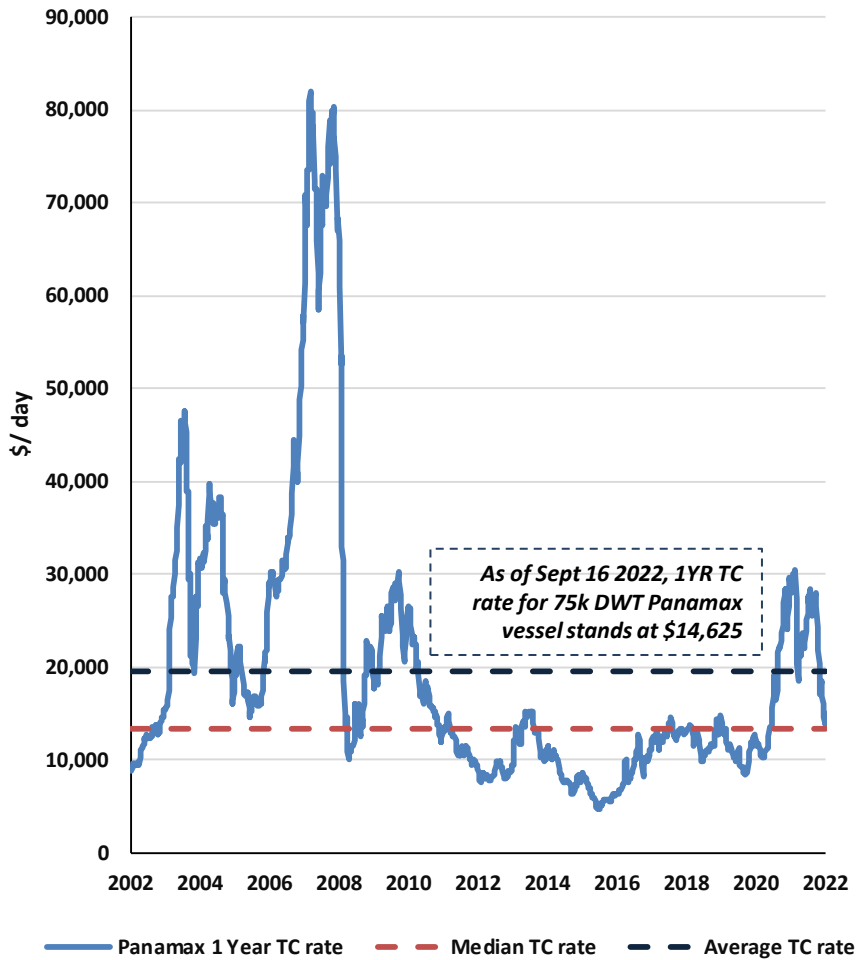
A large white drybulk carrier ship is shown from an elevated perspective, sailing on a choppy sea. The ship has a white superstructure with a prominent star on the funnel and several masts along its deck. The text is overlaid on the ship's hull.

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



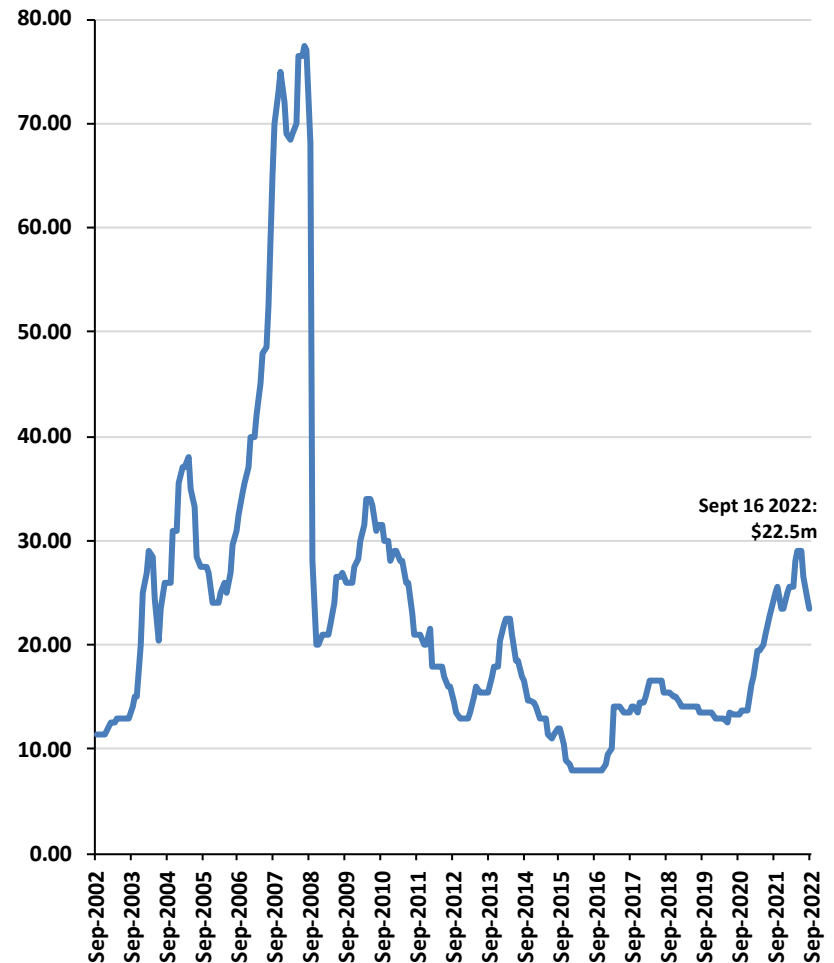
# Current Point in the Market Cycle

## Panamax vessel – 1 Year Time Charter Rate (\$/day)



## Panamax<sup>(1)</sup> vessel 10-Year Old Secondhand Price (\$m)

Current second-hand vessel values appear attractive compared to the cost of newbuildings



Source: Clarksons Research

Note:

1) Panamax Bulkcarrier 82k dwt



# World GDP & Drybulk Trade Growth

## Annual GDP Growth vs Ton-miles growth

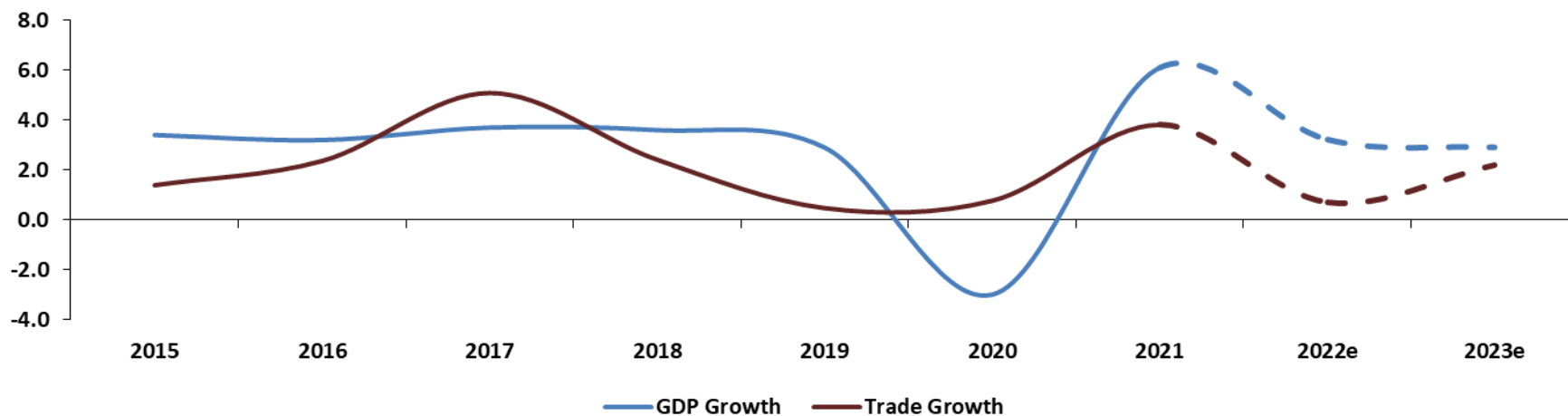
Real GDP (% p.a. - IMF)	2015	2016	2017	2018	2019	2020	2021	2022e	2023e
World	3.4	3.2	3.7	3.6	2.9	-3.0	6.1	3.2	2.9

(IMF: as of July-22)

## Drybulk Trade, ton-miles (%p.a.)

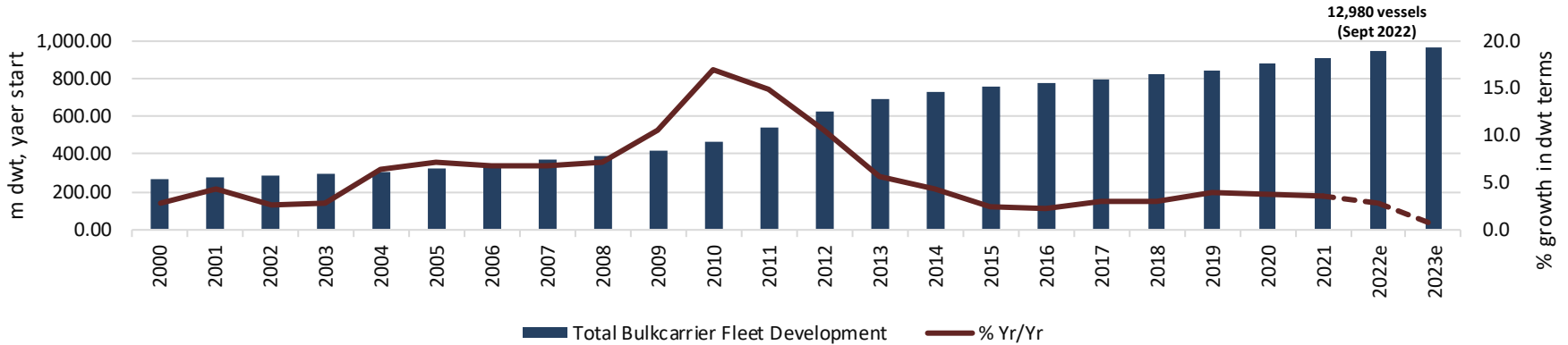
Tonmiles	1.4	2.4	5.1	2.4	0.5	0.8	3.8	0.7	2.2
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(Clarksons: as of Sept-22)

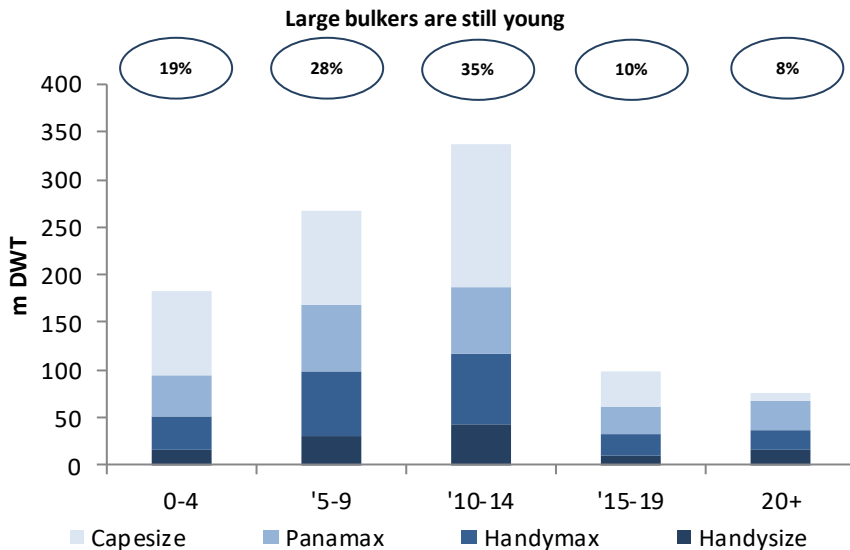


# Drybulk Fleet Overview

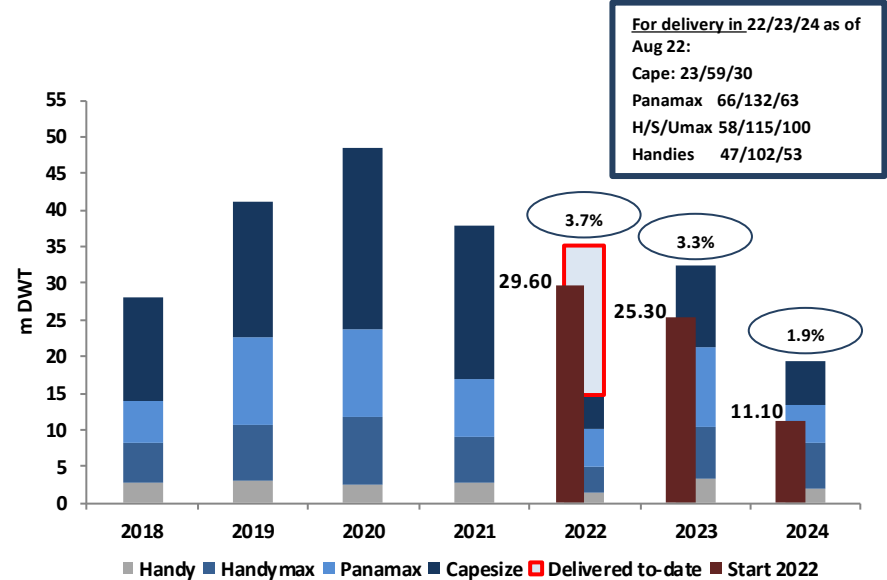
## Fleet Development



## Dry Bulk Age Profile



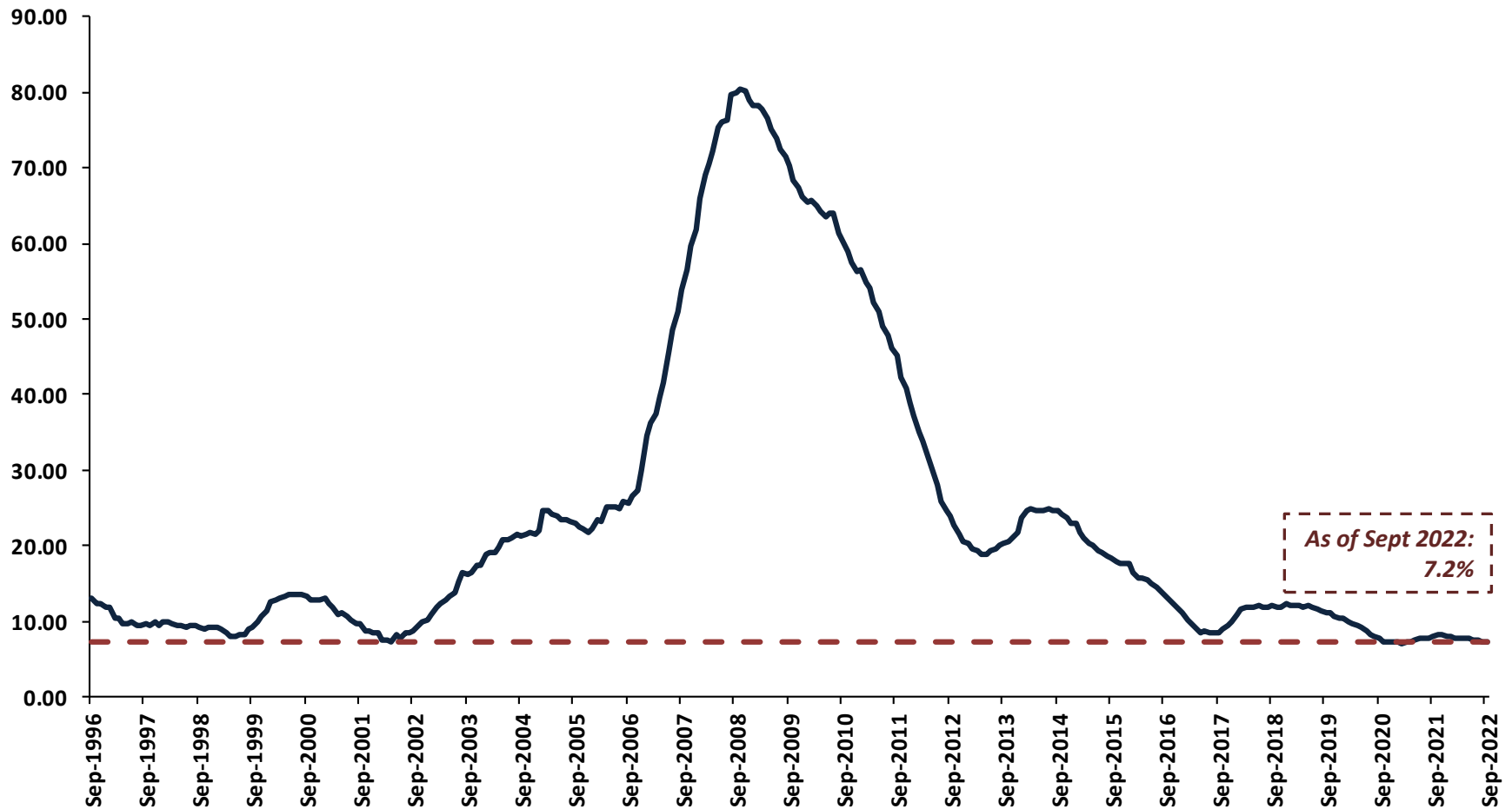
## Orderbook



# Orderbook-to-Fleet Ratio, Drybulk Fleet

## Orderbook as % of fleet

The orderbook in the sector, just 7.2% 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.





**Why Invest in EuroDry**

# Financial Highlights

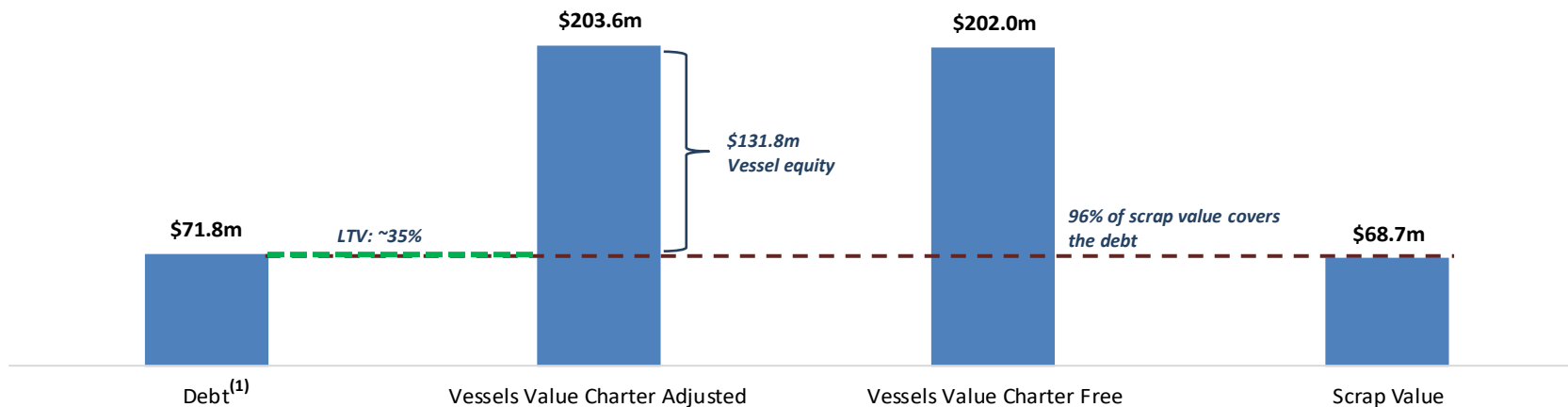
## Second Quarter 2022 Highlights

- Total net revenues of \$21.0 million.
- Net income attributable to common shareholders of \$10.6 million or \$3.66 and \$3.61 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 quarter of \$9.9 million or \$3.43 and \$3.38 adjusted earnings per share basic and diluted, respectively.
- Adjusted EBITDA was \$13.7 million.
- An average of 10.79 vessels were owned and operated during the first quarter of 2022 earning an average time charter equivalent rate of \$23,490 per day.

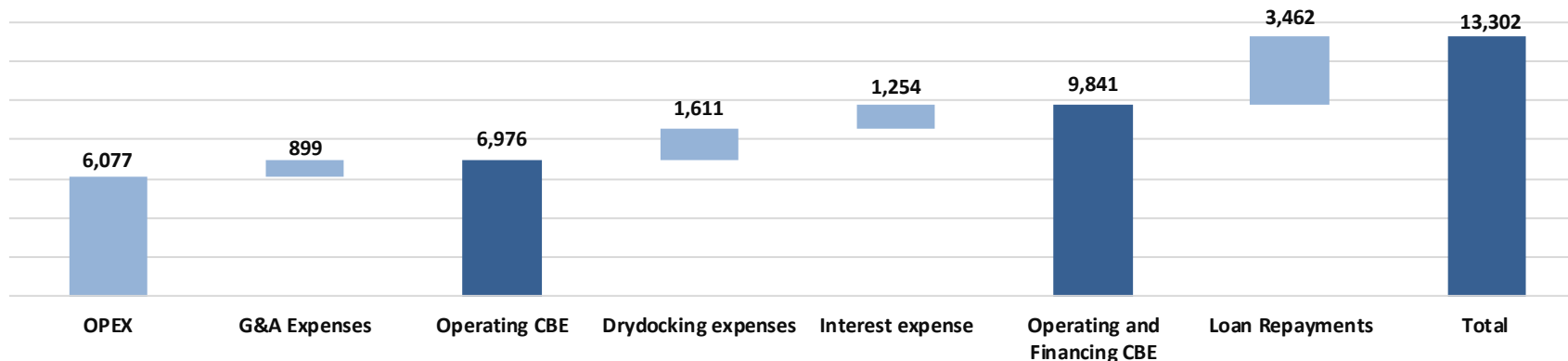


# Debt Repayment Profile & Cash Flow Breakeven Daily Rate

## Debt vs Current Market Values (31-8-2022)



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



**Notes:**

Based on current loans; M/V Molyvos Luck and M/V Santa Cruz are unencumbered

# Why Invest in EuroDry

## ***Two main reasons...***

- Strong industry fundamentals: a rare squeeze of supply
  - Positioned to take advantage by being more than 65% exposed to the market in 2022
- Attractive valuation: significant potential for appreciation
  - Current stock trading range of \$15-17/share represents about 70-75% 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 to consolidate providing additional options for growth

## ***Main uncertainty....***

- Geopolitical developments from the Ukraine-Russia conflict and their effect on world economic growth, in addition to the demand, supply and pattern of trade of drybulk commodities





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