



Costamare Inc.



Third Quarter 2018 Financial Results Conference Call

October 25, 2018

Forward-Looking Statements

This presentation contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, future operating or financial results and future revenues and expenses, future, pending or recent acquisitions, general market conditions and shipping industry trends, the financial condition and liquidity of the Company, cash available for dividend payments, future capital expenditures and dry-docking costs and newbuild vessels and expected delivery dates, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that, in our view, could cause actual results to differ materially from the future results discussed in the forward-looking statements include, without limitation, global supply and demand for containerships, the financial stability of the Company’s counterparties and charterers, global economic weakness, disruptions in the world financial markets, the loss of one or more customers, a decrease in the level of Chinese exports, the availability of debt financing, our ability to expand through newbuildings and secondhand acquisitions, risks associated with the operation of the Framework Agreement with our joint venture partner, delay in the delivery of newbuildings, rising crew and fuel costs, increases in capital expenditure requirements or operating costs, a decrease in containership values, increased competition in the industry, re-chartering risk, fluctuations in interest rates, actions taken by governmental and regulatory authorities, potential liability for future litigation and environmental liabilities, the availability of adequate insurance coverage, potential disruption of shipping routes due to accidents or political conditions and the other factors discussed in the Company’s most recent Annual Report on Form 20-F (File No. 001-34934) under the caption “Risk Factors”. All forward-looking statements reflect management’s current views with respect to certain future events, and the Company expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in the Company’s views or expectations, or otherwise.

Q3 Highlights

Performance

- ✓ Adjusted EPS of \$0.09⁽¹⁾.

Fleet

- ✓ Fleet utilization of 98.6%⁽²⁾.
- ✓ Installation of scrubbers on five Post Panamax container vessels subject to an increase in the current charter hire and further extension of the original charter tenor for 3 years.
- ✓ 25 vessels in new or extended time charters.

Growth

- ✓ Acquisition of two 1996-built, 8,044 TEU sister containerships with 2.5-year charters to Maersk.

Strong Balance Sheet

- ✓ Net Debt to Equity Ratio⁽³⁾ of 0.71x (as of September 30, 2018).
- ✓ No off-balance sheet financing.
- ✓ Estimated Leverage of 40%⁽⁴⁾ (as of September 30, 2018).

Access to Capital

- ✓ Successfully concluded the pre and post delivery financing of 5 newbuild vessels, under construction, which upon their respective deliveries will enter into 10-year charters to Yang Ming.

Containership Market

- ✓ Idle fleet represents 2.6% of existing fleet.
- ✓ Orderbook stands at 12.8% of the existing fleet.

Notes

1. Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are non- GAAP measures. Refer to the reconciliation of Net Income to Adjusted Net Income.
2. Adjusted for scheduled off-hire days.
3. (Total Bank Debt *plus* Finance Leases *minus* Cash and Cash Equivalents) ("**Net Debt**") / Stockholders' book equity.
4. (Total Liabilities *minus* Cash and Cash Equivalents) / (Total Market Value Adjusted Assets *minus* Cash and Cash Equivalents). Calculated in accordance with relevant provisions of bank financing agreements.

Q3 2018 New Chartering Agreements (1/2)

#	Vessel	Built	TEUs	Latest Fixture	Term
1	<i>MSC Azov</i>	2014	9,403	Following scrubbers installation hire will be increased and original tenor will be extended by 3 years	December 2026 (incl. 3 years extension)
2	<i>MSC Ajaccio</i>	2014	9,403	“ “	February 2027 (incl. 3 years extension)
3	<i>MSC Amalfi</i>	2014	9,403	“ “	March 2027 (incl. 3 years extension)
4	<i>MSC Athens</i>	2013	8,827	“ “	January 2026 (incl. 3 years extension)
5	<i>MSC Athos</i>	2013	8,827	“ “	February 2026 (incl. 3 years extension)
6	<i>Cape Akritas</i>	2016	11,010	\$28,000	8 to 11 months
7	<i>Cape Kortia</i>	2017	11,010	\$28,000	8 to 11 months
8	<i>Cosco Ningbo</i>	2006	9,469	\$17,900	6 to 10 months
9	<i>Cosco Guangzhou</i>	2006	9,469	\$17,900	6 to 10 months
10	<i>Cosco Beijing</i>	2006	9,469	\$17,900	6 to 10 months
11	<i>Cosco Yantian</i>	2006	9,469	\$17,900	6 to 10 months
12	<i>Cosco Hellas</i>	2006	9,469	\$17,900	6 to 10 months
13	<i>Maersk Kleven</i>	1996	8,044	\$17,500	30 to 34 months
14	<i>Maersk Kotka</i>	1996	8,044	\$17,500	30 to 34 months

Notes

Fixtures are quoted in dollars per day.

Q3 2018 New Chartering Agreements (2/2)

#	Vessel	Built	TEUs	Latest Fixture	Term
15	<i>Maersk Kawasaki</i>	1997	7,403	\$12,100	6 to 9 months
16	<i>Sealand New York</i>	2000	6,648	\$11,450	11 to 13 months
17	<i>ZIM New York</i>	2002	4,992	\$12,650	1 year
18	<i>ZIM Shanghai</i>	2002	4,992	\$12,650	1 year
19	<i>Ulsan</i>	2002	4,132	\$10,900	3 to 8 months
20	<i>Messini</i>	1997	2,458	\$10,600	5 to 8 months
21	<i>Areopolis</i>	2000	2,474	\$9,850	4 to 6 months
22	<i>MSC Reunion</i>	1992	2,024	\$8,550	11 to 13 months
23	<i>Neapolis</i>	2000	1,645	\$10,700	5 to 8 months
24	<i>Arkadia</i>	2001	1,550	\$9,800	6 to 9 months
25	<i>Michigan</i>	2008	1,300	\$7,200	11 to 13 months

Notes

Fixtures are quoted in dollars per day.

Recent Transactions –Vessel Disposals/ Dividend Declarations

Vessels disposals

- In October 2018, we sold for demolition the 1998-built, 3,842 TEU container vessel *MSC Koroni*.
- In August 2018, we concluded the sale for demolition of the 1998-built, 1,645 TEU container vessel *Padma*.

Dividend Declarations

- On October 1, 2018, we declared a dividend for the quarter ended September 30, 2018, of \$0.10 per share on our common stock, payable on November 8, 2018, to stockholders of record as of October 23, 2018.
- On October 1, 2018, we declared a dividend of \$0.476563 per share on our Series B Preferred Stock, a dividend of \$0.531250 per share on our Series C Preferred Stock, a dividend of \$0.546875 per share on our Series D Preferred Stock and a dividend of \$0.554688 per share on our Series E Preferred Stock which were all paid on October 15, 2018 to holders of record as of October 12, 2018.

Q3 2018 Income Statement Snapshot

Q3 2018 RESULTS

	3Q 2017	3Q 2018	% Change
Ownership Days	4,922	5,136	4.3%
Average Number of Vessels	53.5	55.8	4.3%
Voyage Revenues	\$101,274	\$90,913	(10.2%)
Net Interest and Finance Costs (*)	17,209	14,114	(18.0%)
Adjusted Net Income Available to Common Stockholders(**)	17,176	9,763	(43.2%)
Weighted Average Number of Shares	106,528,748	110,913,448	

Q3 2018 RESULTS – Non Cash and Other Adjustments

	3Q 2017	3Q 2018
Net Income Available to Common Stockholders	\$ 18,819	\$ 6,136
Accrued charter revenue	(2,853)	(1,464)
(Gain) Loss on sale of vessels	(1,514)	-
Loss on vessel held for sale	-	1,919
(Gain) Loss on derivative instruments	246	(99)
Amortization of Prepaid lease rentals, net	2,055	2,054
Non-cash G&A and other non-cash items	924	971
JV Loss on Asset held for sale (%)	-	(4)
Realized (gain) loss on Euro/USD FX contracts	(501)	250
Adjusted Net Income Available to Common Stockholders(**)	17,176	9,763
Adjusted EPS(**)	\$0.16	\$0.09

Notes

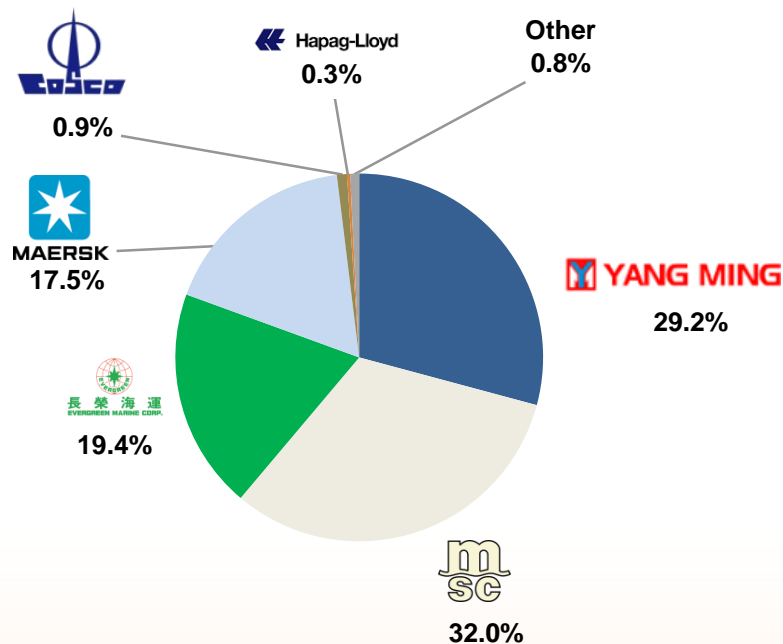
All numbers in thousands, except ownership days, number of vessels, share and per share data.

(*) Interest and finance costs *minus* Interest Income

(**) Non-GAAP Items, see Appendix for definitions and reconciliations to the nearest GAAP measure.

High Quality & Stable Cash Flows

Revenue Contribution (All Vessels)⁽¹⁾⁽²⁾



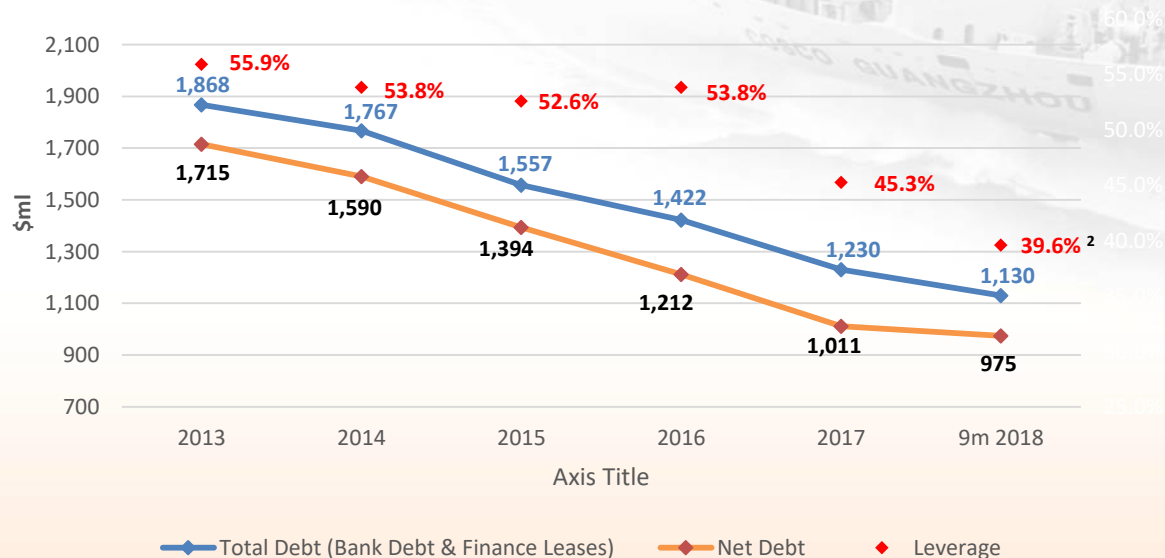
- As of October 25, 2018, contracted revenues of approximately \$2.0Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 3.9 years⁽¹⁾⁽²⁾

Notes

1. Based on contracted revenues as of October 25, 2018. Revenues include our ownership percentage of contracted revenues for five secondhand vessels purchased and twelve newbuilds ordered pursuant to the Framework Agreement with York. Revenues also include the 5 newbuilds under construction.
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.

Prudent Balance Sheet Management

- Total Cash and Cash Equivalents as of September 30, 2018 of \$155m.
- Disciplined management of our Balance Sheet, with \$0.9 bn of Net Debt as of September 30th, 2018.
- Net Debt to Equity Ratio of 0.71x (as of September 30, 2018).
- Gross Total Debt⁽¹⁾ decreased from \$1.9bn to \$1.1bn, whilst since 2013 Costamare has raised approximately \$0.8 bn of new debt related to vessel acquisitions.
- Focus on further reduction of leverage in accordance with fleet's employment status. Average annual repayments of \$148m for the period 2019 – 2025.



Notes

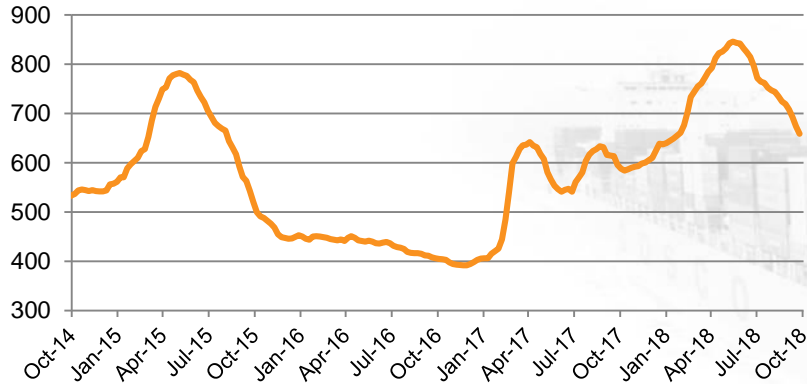
1. Total Bank Debt *plus* Finance Leases.
2. Estimated in accordance with the relevant provisions of financing agreements

Container Shipping Industry



Charter Rates

Charter Index (HRCI)⁽¹⁾

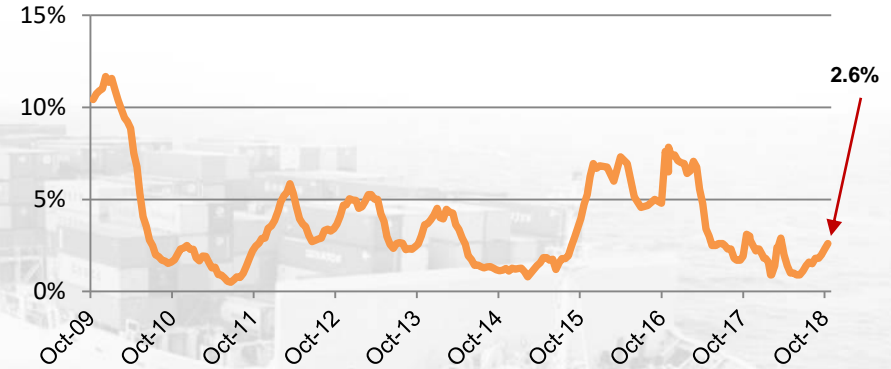


Source: Howe Robinson as of October 24, 2018



Idle Fleet

% of fleet



Source: AXS-Alphaliner as of October 15, 2018



Orderbook

Orderbook/ Total Fleet (%)

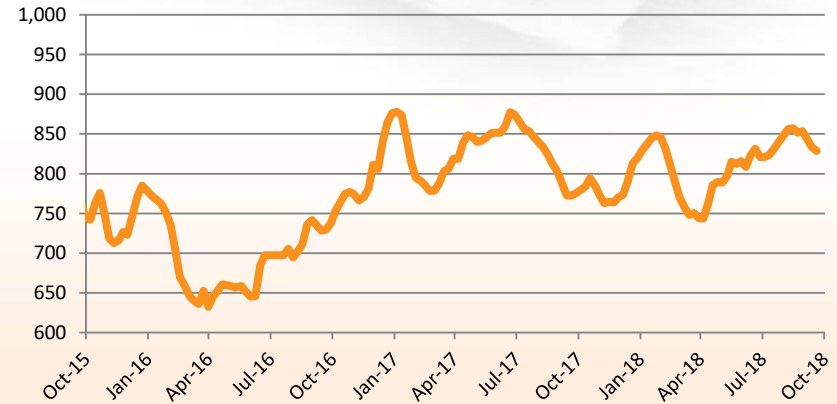


Source: Clarksons as of October 24, 2018



Box Rates

CCFI Index



Source: Clarksons as of October 19, 2018

Note: (1) Howe Robinson Containership Index (HRCI) includes vessels ranging from 700 TEU to 8,500 TEU.

Q & A

Appendix – I

Net Income to Adj. Net Income Available to Common Stockholders and Adj. EPS Reconciliation

	Three-month period ended September 30,	
	2017	2018
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 24,143	\$ 14,040
Earnings allocated to Preferred Stock	(5,324)	(7,904)
Net Income available to common stockholders	<u>18,819</u>	<u>6,136</u>
Accrued charter revenue	(2,853)	(1,464)
General and administrative expenses – non-cash component	924	971
Amortization of prepaid lease rentals, net	2,055	2,054
Realized (Gain) / loss on Euro/USD forward contracts (1)	(501)	250
Loss / (Gain) on sale / disposals of vessels	(1,514)	-
Swaps' breakage costs	-	-
Loss on vessel held for sale	-	1,919
Loss on asset held for sale by a jointly owned company with York included in equity gain on investments	-	(4)
(Gain) / loss on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	246	(99)
Adjusted Net Income available to common stockholders	<u>\$ 17,176</u>	<u>\$ 9,763</u>
Adjusted Earnings per Share	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Weighted average number of shares	<u>106,528,748</u>	<u>110,913,448</u>

Note: Adjusted Net Income available to common stockholders and Adjusted Earnings per Share represent Net Income after earnings allocated to preferred stock, but before non-cash "Accrued charter revenue" recorded under charters with escalating charter rates, realized (gain) / loss on Euro/USD forward contracts, loss (gain) on sale / disposal of vessels, loss on vessel held for sale, loss on asset held for sale by a jointly owned company with York included in equity gain on investments, swaps' breakage costs, non-cash general and administrative expenses and non-cash other items, amortization of prepaid lease rentals, net and non-cash changes in fair value of derivatives. "Accrued charter revenue" is attributed to the timing difference between the revenue recognition and the cash collection. However, Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are not recognized measurements under U.S. GAAP. We believe that the presentation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share generally eliminates the effects of the accounting effects of capital expenditures and acquisitions, certain hedging instruments and other accounting treatments, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity. In evaluating Adjusted Net Income available to common stockholders and Adjusted Earnings per Share, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

(1) Items to consider for comparability include gains and charges. Gains positively impacting Net Income available to common stockholders are reflected as deductions to Adjusted Net Income available to common stockholders. Charges negatively impacting Net Income available to common stockholders are reflected as increases to Adjusted Net Income available to common stockholders.