



COSTAMARE INC.

Third Quarter 2022

Financial Results Conference Call

November 2, 2022

# 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 Costamare Inc.; (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 and dry bulk vessels, 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 or dry bulk vessel 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). 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.

# Highlights (1/4)

## Q3 2022 – Another Record Quarter

- ▶ Q3 2022 Net Income available to common stockholders of **\$107.6 million** vs \$107.4 million in Q3 2021.
- ▶ Q3 2022 Earnings per Share of **\$0.89** vs \$0.87 in Q3 2021.
- ▶ Q3 2022 Adjusted Net Income available to common stockholders <sup>(1)</sup> of **\$107.4 million** vs \$81.5 million in Q3 2021.
- ▶ Q3 2022 Adjusted Earnings per Share <sup>(1)</sup> of **\$0.88** vs \$0.66 in Q3 2021, **up 33%**.
- ▶ Liquidity of **\$897.3 million**<sup>(2)</sup> vs \$557.8 million in Q3 2021.

### Notes

1. Adjusted Net Income and Adjusted Earnings per Share are non-GAAP measures. See Appendix I for definitions and reconciliations to the nearest GAAP measures.
2. Liquidity includes \$715.9 million of cash and cash equivalents (incl. restricted cash), our share of cash held in companies co-owned with York Capital Management (\$4.0 million), short term investments in U.S. Treasury Bills amounting to \$24.9 million, and \$152.5 million in available undrawn funds from two hunting license facilities as of September 30, 2022.

# Highlights (2/4)

## Strong chartering performance and new forward starting charter arrangements

- ▶ Chartered 11 containerships on a forward basis with incremental contracted revenues of approx. \$420 million.
- ▶ More than 96% and 84% of our containership fleet<sup>(1)</sup> fixed for 2023 and 2024, respectively.

Vessel	Built	Size (TEUs)	Timecharter Period	Est. start date <sup>(2)</sup>
Cape Artemisio	2017	11,010	60 - 64 months	Q1 25
Valor	2013	8,827	60 - 64 months	Q2 25
Value	2013	8,827	60 - 64 months	Q2 25
Valiant	2013	8,827	60 - 64 months	Q2 25
Valence	2013	8,827	60 - 64 months	Q3 25
Vantage	2013	8,827	60 - 64 months	Q3 25
Navarino	2010	8,531	48 - 52 months	Q1 25
Etoile	2005	2,556	36 - 39 months	Q1 23
Trader	2008	1,300	24 - 26 months	Q4 24
Michigan	2008	1,300	24 - 26 months	Q3 23
Luebeck	2001	1,078	24 - 26 months	Q1 24
TEU Weighted Average Charter Tenor			4.6 years	

- ▶ Continue to trade our dry bulk vessels on short term charters with 34 new fixtures since the Q2 2022 earnings release.

### Notes

1. Containership contracted revenue days are calculated on a TEU basis and exclude vessels we have agreed to sell.
2. Start date is based on earliest redelivery from the vessel's current charter.

# Highlights (3/4)

## Proven access to bank debt; refinanced two 1996 built vessels for 4 years

- ▶ Refinancing of existing indebtedness of 2 vessels, secured by contracted cash flows with a tenor of 4 years.
  - ▶ Raised additional liquidity of approximately \$33 million.
  - ▶ Extended original facility that was scheduled to mature in 2023.
- ▶ No significant loan / lease maturities until 2025.
- ▶ Corporate Leverage<sup>(1)</sup> on a Market Values basis remains below **30%** as calculated for our bank financing compliance certificates.

## Sale and Purchase activity

- ▶ Sale of the following 2000-built, 6,648 TEU vessels in October 2022:
  - ▶ *Sealand Michigan* with an estimated Q4 2022 capital gain of \$34.7 million.
  - ▶ *Sealand Illinois* with an estimated Q4 2022 capital gain of \$34.0 million.
  - ▶ *York* with an estimated Q4 2022 capital gain of \$37.0 million.

### Notes

1.  $(\text{Total Liabilities minus Cash and Cash Equivalents}) / (\text{Total Market Value Adjusted Assets minus Cash and Cash Equivalents})$  as of September 30, 2022.

# Highlights (4/4)

## Containership Market

- ▶ Box rates have declined from historical highs but remain at profitable levels.
- ▶ Idle vessels have ticked up slightly to 1.8%<sup>(1)</sup> but remain well below historical levels.

## Dry Bulk Market

- ▶ Charter rates have come under pressure, however rates for smaller sized vessels remain at healthy levels.
- ▶ Newbuilding orderbook is at 7.0%<sup>(2)</sup> of the total fleet, and new ordering continues to remain subdued.

## Dividends and Strong Sponsor Support

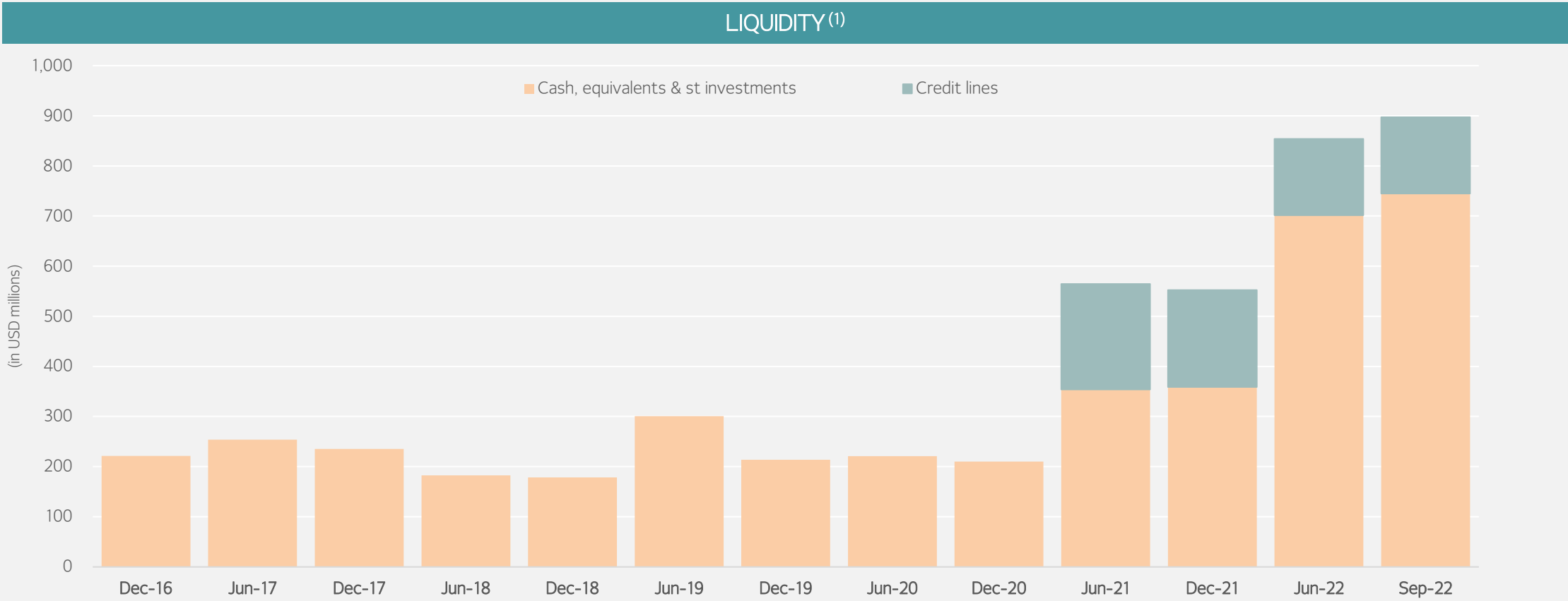
- ▶ Regular Q3 2022 dividend of \$0.115 per share payable on November 7, 2022 to shareholders of record on October 20, 2022.
- ▶ 48 consecutive quarterly common dividends since IPO.
- ▶ \$133 million reinvested by the sponsor family through the Dividend Reinvestment Plan to date.

### Notes

1. Alphaliner – November 2022
2. Clarksons – October 2022

# Strong Liquidity Position

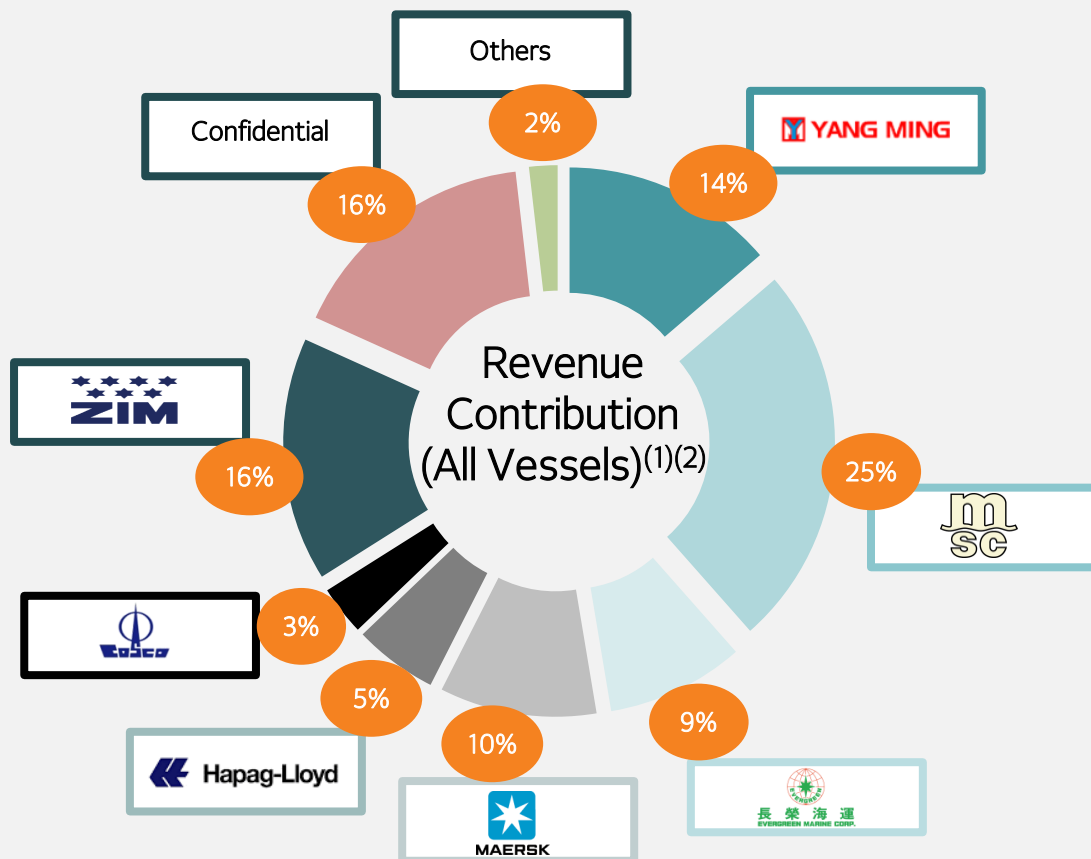
▶ Ample liquidity of **\$897 million<sup>(1)</sup>** for future growth



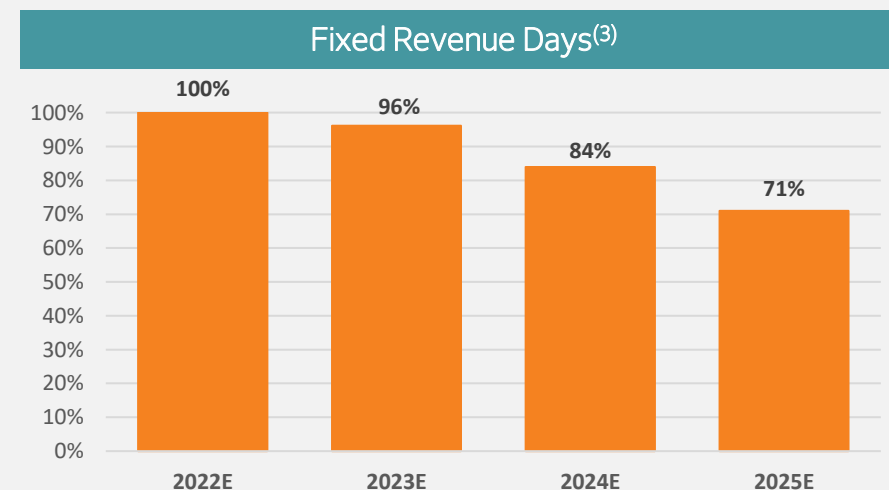
**Notes**

1. Liquidity includes \$715.9 million of cash and cash equivalents (incl. restricted cash), our share of cash held in companies co-owned with York Capital Management (\$4.0 million), short term investments in U.S. Treasury Bills amounting to \$24.9 million, and \$152.5 million in available undrawn funds from two hunting license facilities as of September 30, 2022.

# Containerships: High Quality and Stable Cash Flows



- ▶ Contracted revenues for the containership fleet of approximately \$3.5Bn<sup>(1)(2)</sup>
- ▶ TEU-weighted average remaining time charter duration for the containership fleet is about 4.4 years<sup>(1)(2)</sup>



## Notes

1. As of November 2, 2022. Revenues include our ownership percentage of contracted revenues for four vessels owned pursuant to the Framework Agreement with York. Revenues also include the two vessels we have agreed to sell.
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.
3. Containership contracted revenue days are excluding the two vessels we have agreed to sell and are calculated on a TEU basis.



# Q3 2022 Income Statement Snapshot

## Q3 2022 RESULTS

	Q3 2021	Q3 2022	% Change
Ownership Days (incl. dry bulk vessels)	8,434	10,764	27.6%
Average Number of Vessels	91.7	117.0	27.6%
Voyage Revenues	216,226	289,491	33.9%
Net Interest and Finance Costs (*)	24,180	30,278	25.2%
Adjusted Net Income Available to Common Stockholders(**)	81,540	107,378	31.7%
Weighted Average Number of Shares	123,299,457	121,458,291	

## Q3 2022 RESULTS – Non-Cash and Other Adjustments

	Q3 2021	Q3 2022
Net Income Available to Common Stockholders	107,356	107,638
Accrued charter revenue	1,024	(4,287)
Amortization of time charter assumed	(118)	50
Gain on sale of vessels, net	(16,669)	-
Loss on derivative instruments	207	1,724
One-off write-off of loan deferred financing fees	-	56
JV gain on sale of vessels	(5,726)	-
Change in fair value of equity securities	(7,050)	-
Non-cash G&A expenses	2,316	1,341
Realized loss on Euro/USD FX contracts	200	856
Adjusted Net Income Available to Common Stockholders(**)	81,540	107,378
<b>Adjusted EPS(**)</b>	<b>\$0.66</b>	<b>\$0.88</b>

### Notes

(\*) Interest and finance costs minus Interest Income

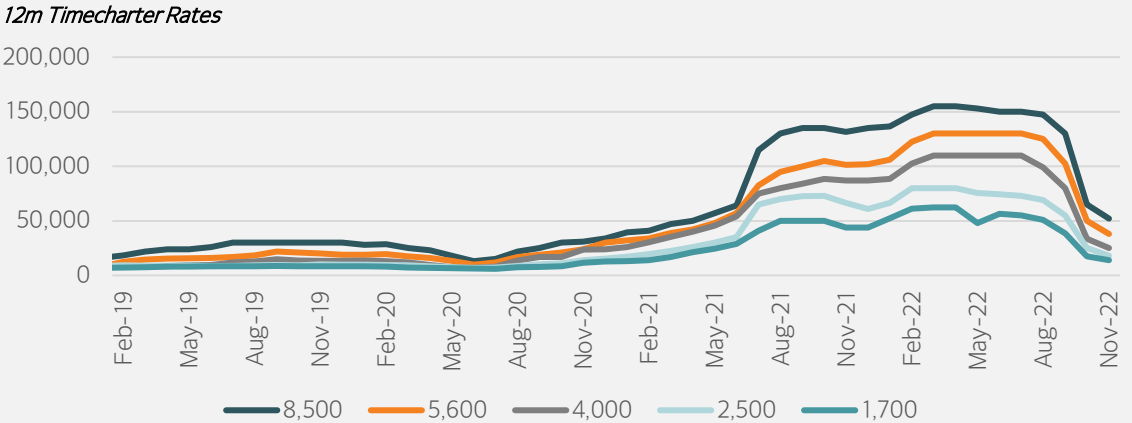
(\*\*) Non-GAAP items, see Appendix I for definitions and reconciliations to the nearest GAAP measure.

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

# Container Market Environment

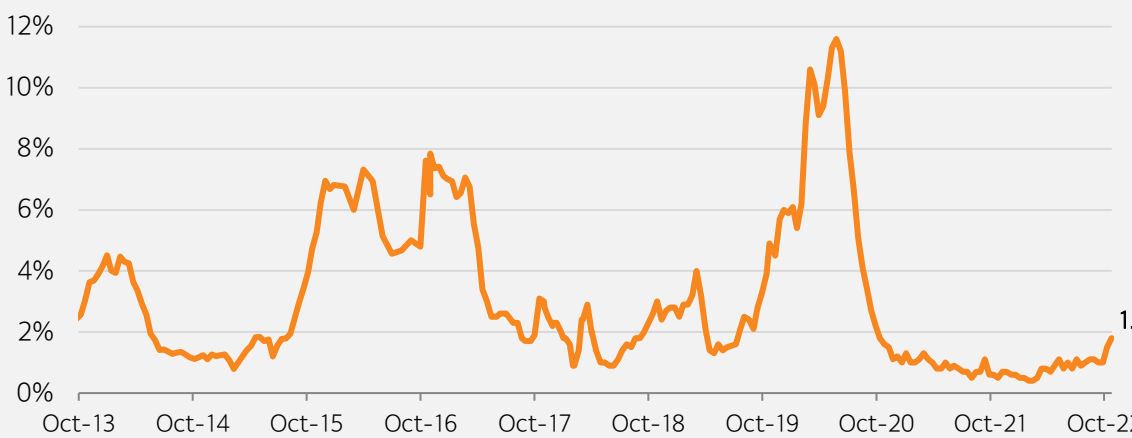
- ▶ Limited number of fixtures over the past few months.
  - ▶ Latest fixtures have been for shorter periods, and rates have been trending lower.
  - ▶ Charter rates, however, remain firm in a historical context.
- 
- ▶ Idle fleet remains at low levels at 1.8% and consequently, vessel availability remains low.

## Charter Rates



Source: Alphaliner - November 2022

## TEU capacity



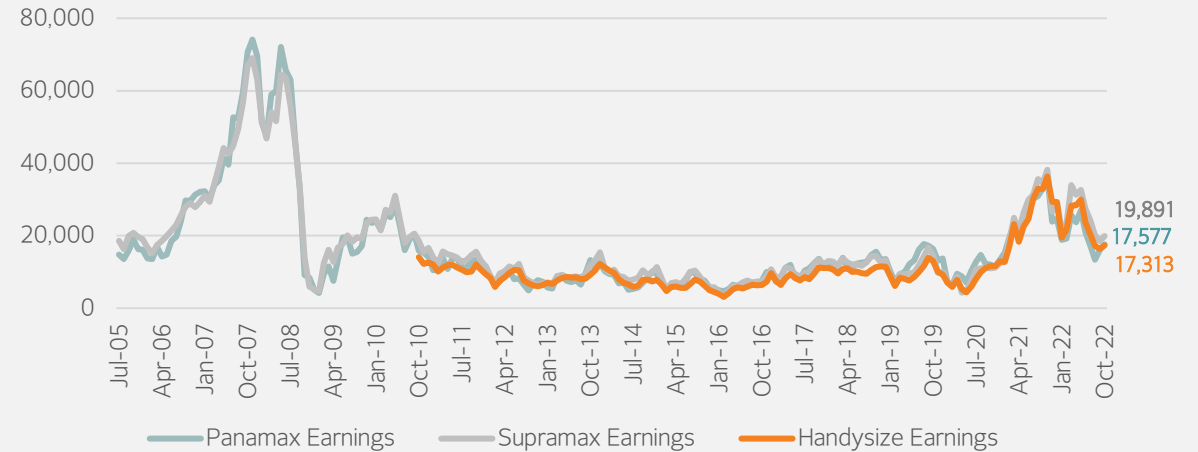
Source: Alphaliner - November 2022

# Dry Bulk Market Environment

- ▶ Rates for dry bulk vessels, although volatile, remain at profitable levels, especially for the smaller sized vessels where we operate.

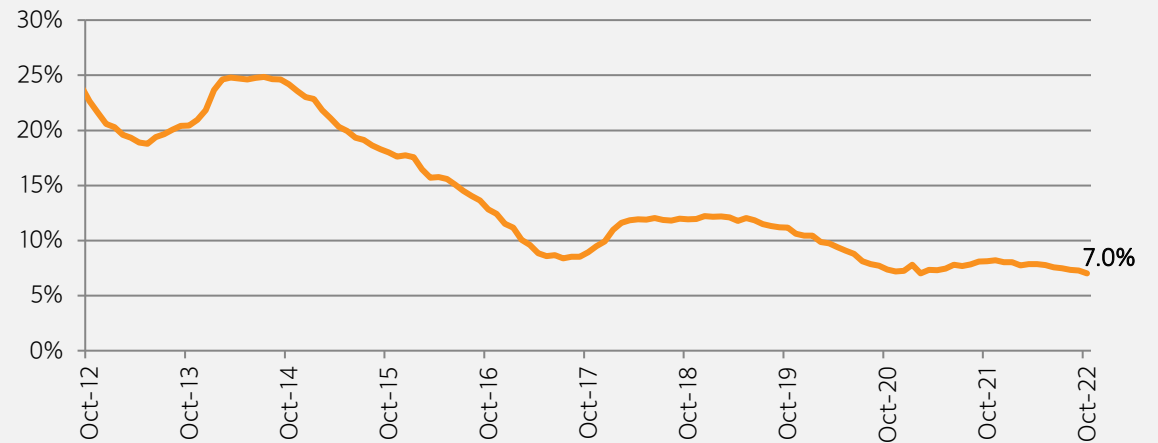
- ▶ New vessel ordering has remained subdued.
- ▶ The orderbook for newbuilding dry bulk vessels currently stands at 7.0% and is at a historical low.

Average Spot Earnings (USD/p.d.)



Source: Clarksons - October 2022

Orderbook for Dry Bulk vessels



Source: Clarksons - October 2022

# Thank You!

## Q&A



# Appendix I – Net Income to Adj. Net Income Reconciliation

<i>Expressed in thousands of U.S. dollars, except share and per share data</i>	Three-month period ended September 30,	
	2021	2022
<b>Net Income</b>	<b>\$115,210</b>	<b>\$115,492</b>
Earnings allocated to Preferred Stock	(7,854)	(7,854)
<b>Net Income Available to common stockholders</b>	<b>\$107,356</b>	<b>\$107,638</b>
Accrued charter revenue	1,024	(4,287)
Non-cash G&A expenses	2,316	1,341
Amortization of TC assumed	(118)	50
Realized loss on Euro/USD FX contracts <sup>(1)</sup>	200	856
Gain on sale of vessels, net	(16,669)	-
One-off write-off of loan deferred financing costs	-	56
Gain on sale / disposal of vessel by a jointly owned company with York included in equity gain on investments	(5,726)	-
Loss on derivative instruments <sup>(1)</sup>	207	1,724
Change in fair value of equity securities	(7,050)	-
<b>Adjusted Net Income available to common stockholders</b>	<b>\$81,540</b>	<b>\$107,378</b>
Weighted average number of shares	123,299,457	121,458,291
<b>Adjusted Earnings per Share</b>	<b>\$0.66</b>	<b>\$0.88</b>

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 or descending charter rates, realized loss on Euro/USD forward contracts, gain on sale of vessels, net, change in fair value of equity securities, non-recurring, non-cash write-off of loan deferred financing costs, gain on sale / disposal of vessel by a jointly owned company with York included in equity gain on investments, general and administrative expenses - non-cash component, 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.

# Appendix II – Dry Bulk Fleet

#	Vessel	Built	Size (DWT)
<b>Panamax/Kamsarmax</b>			
1	AEOLIAN	2012	83,478
2	GRENETA	2010	82,166
3	HYDRUS	2011	81,601
4	PHOENIX	2012	81,569
5	BUILDER	2012	81,541
6	FARMER	2012	81,541
7	SAUVAN	2010	79,700
8	ROSE	2008	76,619
<b>Handysize</b>			
1	COMITY	2010	37,302
2	VERITY	2012	37,163
3	PARITY	2012	37,152
4	ACUITY	2011	37,149
5	EQUITY	2013	37,071
6	DISCOVERY	2012	37,019
7	TAIBO	2011	35,112
8	BERNIS	2011	34,627
9	MANZANILLO	2010	34,426
10	ADVENTURE	2011	33,755
11	ALLIANCE	2012	33,751
12	CETUS	2010	32,527
13	PROGRESS	2011	32,400
14	MINER	2010	32,300
15	KONSTANTINOS	2012	32,178
16	RESOURCE	2010	31,776

#	Vessel	Built	Size (DWT)
<b>Supramax/Ultramax</b>			
1	MERCHIA	2015	63,800
2	SEABIRD	2016	63,553
3	DAWN	2018	63,530
4	ORION	2015	63,473
5	DAMON	2012	63,227
6	TITAN I	2009	58,090
7	ERACLE	2012	58,018
8	PYTHIAS	2010	58,018
9	NORMA	2010	58,018
10	ORACLE	2009	57,970
11	CURACAO	2011	57,937
12	URUGUAY	2011	57,937
13	ATHENA	2012	57,809
14	SERENA	2010	57,266
15	LIBRA	2010	56,729
16	PEGASUS	2011	56,726
17	MERIDA	2012	56,670
18	CLARA	2008	56,557
19	PEACE	2006	55,709
20	PRIDE	2006	55,705
21	BERMONDI	2009	55,469

As of November 2, 2022.

# Appendix III – Containership Operating Fleet Charter Status (1/5)



12,000 – 15,000 TEUs

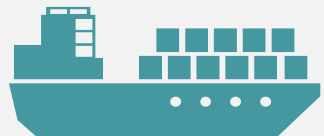
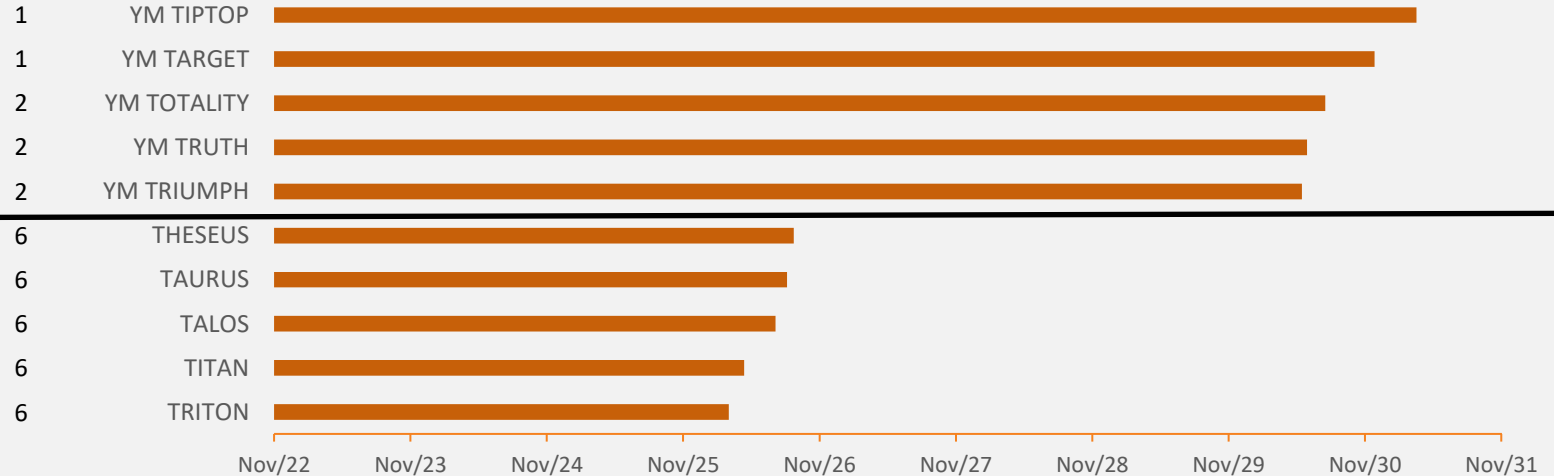
10x Vessels

Charterer



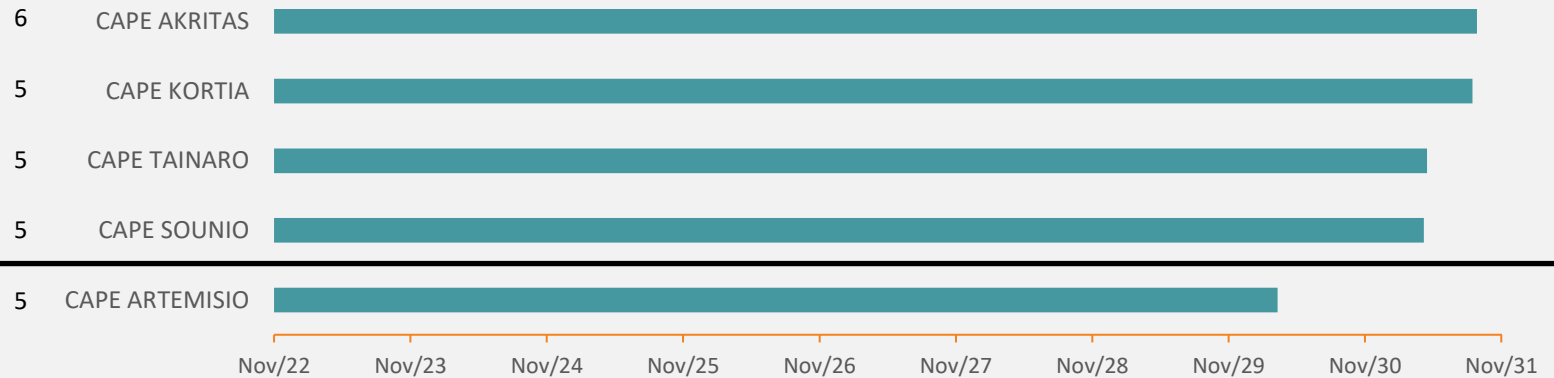
Age

Vessels<sup>(1)</sup>



10,000 – 12,000 TEUs

5x Vessels



Confidential

Note

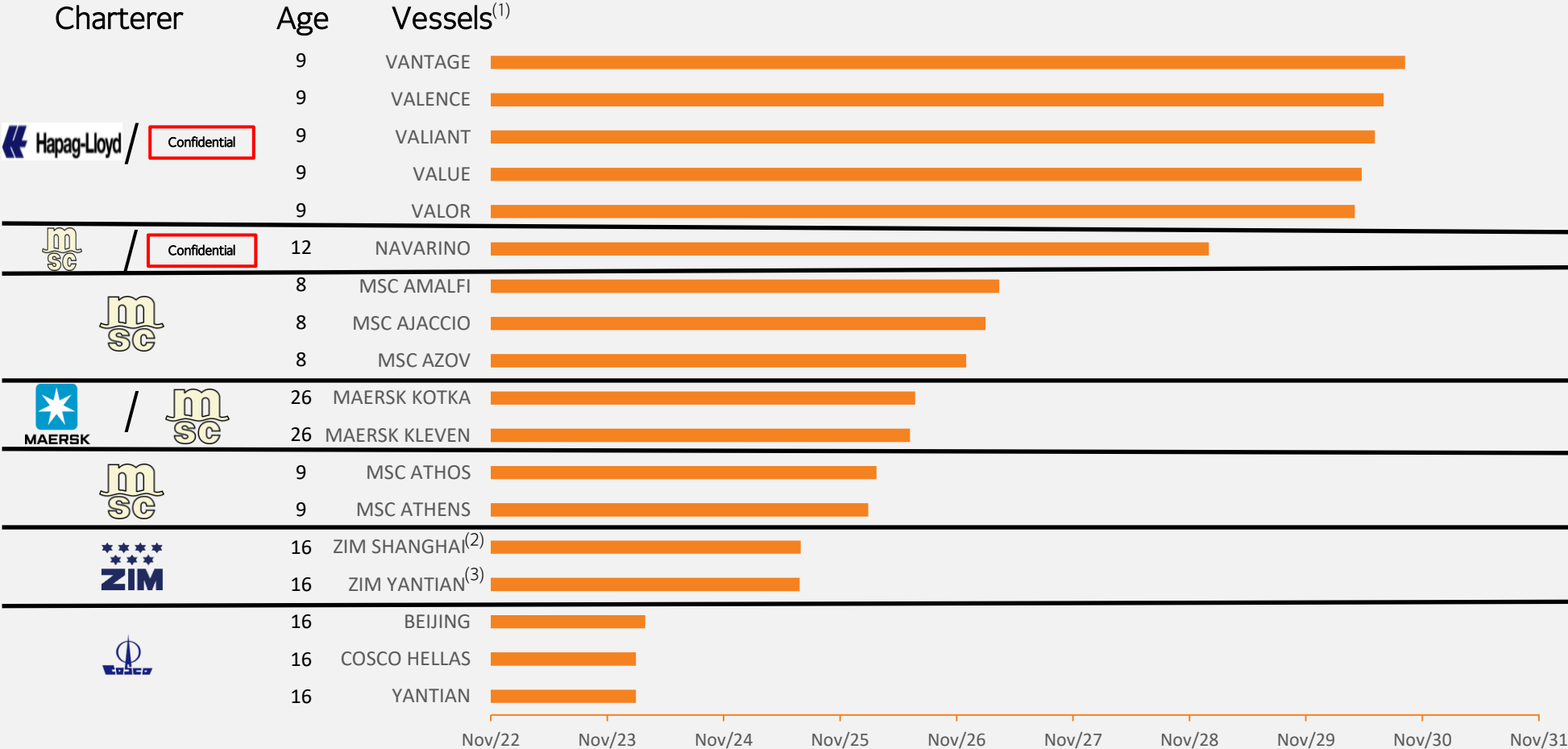
1. Based on last charter fixtures per vessel and earliest re-delivery dates after giving effect to the exercise of any owners' extension options.

# Appendix III – Containership Operating Fleet Charter Status (2/5)



7,500 – 10,000 TEUs

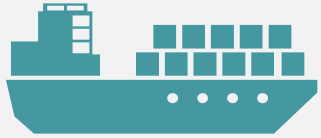
18x Vessels



**Note**  
 1. Based on last charter fixtures per vessel and earliest re-delivery dates after giving effect to the exercise of any owners' extension options.  
 2. ZIM Shanghai (ex. Cosco Guangzhou)  
 3. ZIM Yantian (ex. Cosco Ningbo)

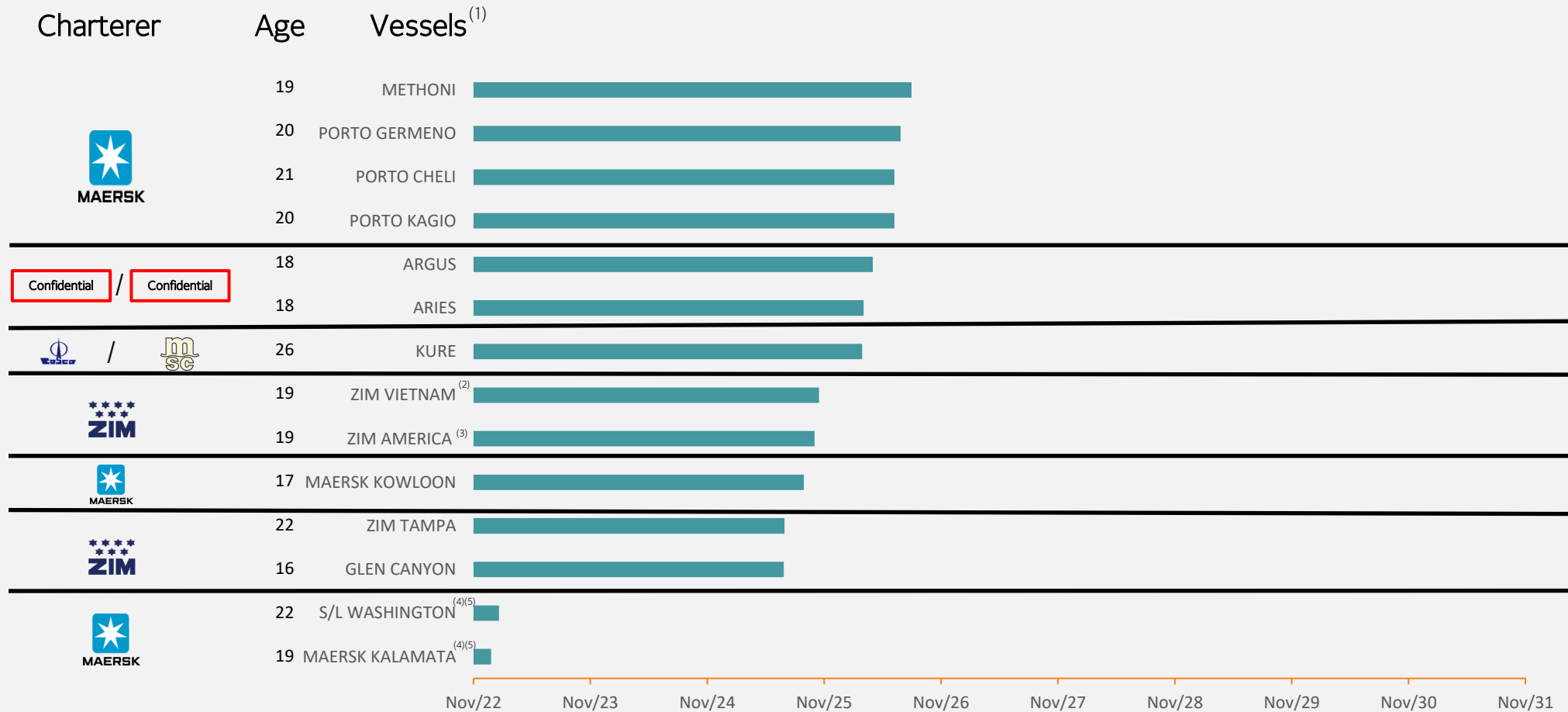


# Appendix III – Containership Operating Fleet Charter Status (3/5)



5,000 – 7,500 TEUs

14x Vessels



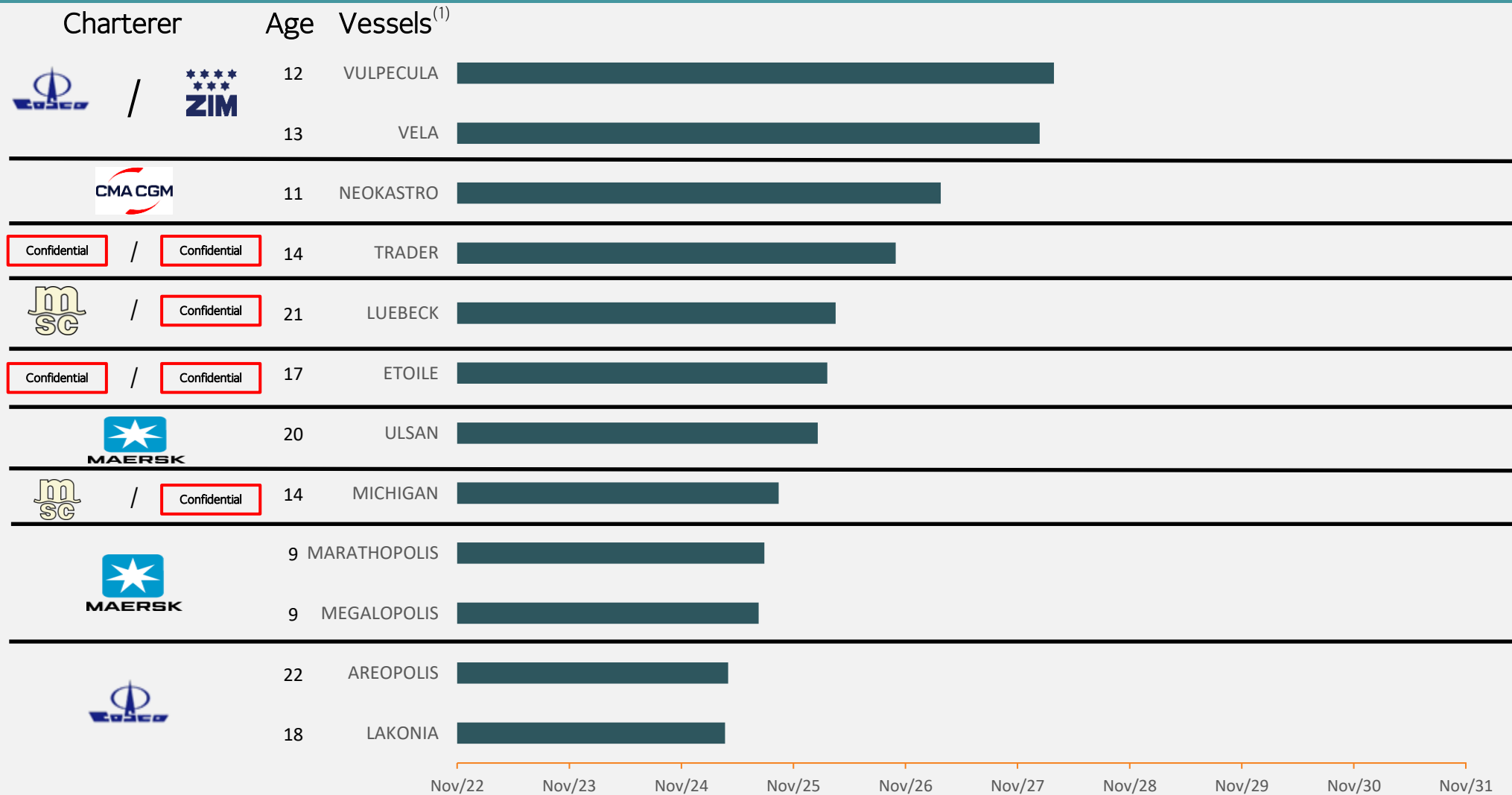
- Note**
- Based on last charter fixtures per vessel and earliest re-delivery dates after giving effect to the exercise of any owners' extension options.
  - ZIM Vietnam (ex. Maersk Kolkata)
  - ZIM America (ex. Maersk Kingston)
  - Charter tenor based on latest redelivery date.
  - Vessel agreed to be sold after expiration of current charter.

# Appendix III – Containership Operating Fleet Charter Status (4/5)



1,000 – 5,000 TEUs

26x Vessels



**Note**

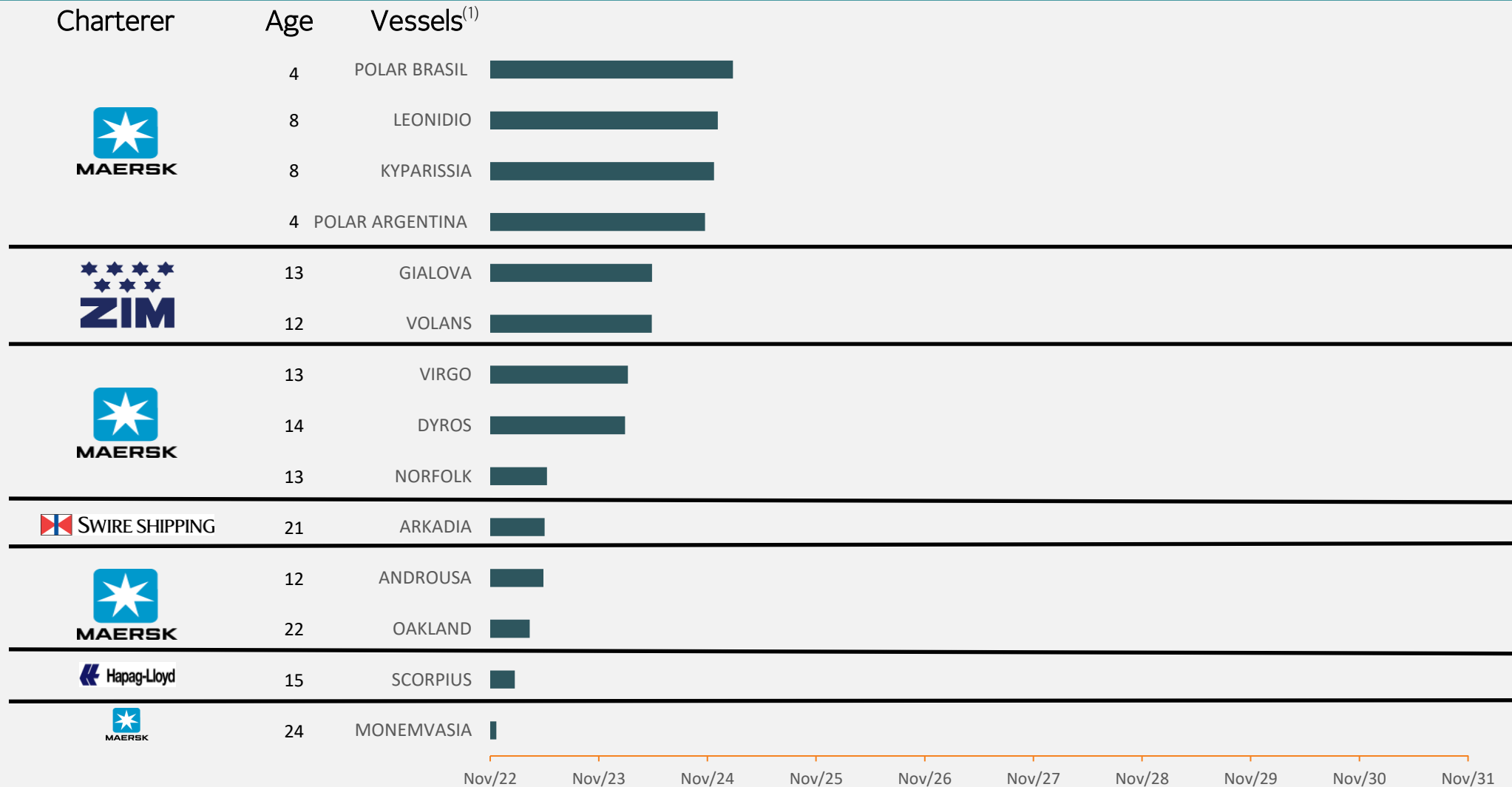
1. Based on latest charters concluded and earliest re-delivery dates after giving effect to the exercise of any owners' extension options.

# Appendix III – Containership Operating Fleet Charter Status (5/5)



1,000 – 5,000 TEUs

26x Vessels



**Note**

1. Based on latest charters concluded and earliest re-delivery dates after giving effect to the exercise of any owners' extension options.