



Costamare Inc.



Company Presentation

June 2019



## 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.

## **COMPANY SNAPSHOT AND HISTORY**

# Costamare Snapshot

- One of the largest independent owners of containerships / Fleet of 76 vessels (incl. 5 newbuilds).
- 45 years of experience in shipping and a dedicated containership owner since 1992.
- Strong track record of profitability.
- 2018 total acquisitions and newbuild orders of ca. \$900m.
- Contracted cash flows of \$2.2Bn coming from first class charterers<sup>(1)</sup>.
- Prudent balance sheet management adapting to the cyclicity of the shipping sector.
- Dividend Yield of 7.8%<sup>(2)</sup>.
- Strong sponsor support (ca. 56% ownership by members of Konstantakopoulos family)
  - Participation in the Dividend Reinvestment Plan (“DRIP”) since its inception (July 2016), with \$73m reinvested in Costamare to date.

**Note**

1. As of April 23, 2019.
2. As of May 31, 2019 based on a share price of \$5.12 and quarterly dividend of \$0.10 per common share.

# Costamare Corporate History

After 20 years of sailing experience on merchant ships, Capt. Vasileios Konstantakopoulos establishes Costamare and acquires the first 2,000 ton general cargo ship.



Costamare disposes remaining bulk carriers and becomes a dedicated containership owner / operator.

November 2010, the Company successfully completes initial public offering issuing 13.3 million shares (NYSE:CMRE)



The Company successfully completes follow-on common equity offerings raising USD203.8m

The Company successfully completes a preferred shares offering raising USD50m.

The Company successfully completes three new preferred shares offerings (USD315m) and two follow-on common equity offerings (USD168m)

1974

1980s

1992

1998

2010

2011

2012

2013

2014 -

2018

Diversification into container shipping with the purchase of its first 5 containerships. The first Greek company to enter the container market.



Company embarks on a USD1.2Bn fleet renewal program acquiring 17 S/H vessels and contracting 10 N/Bs.

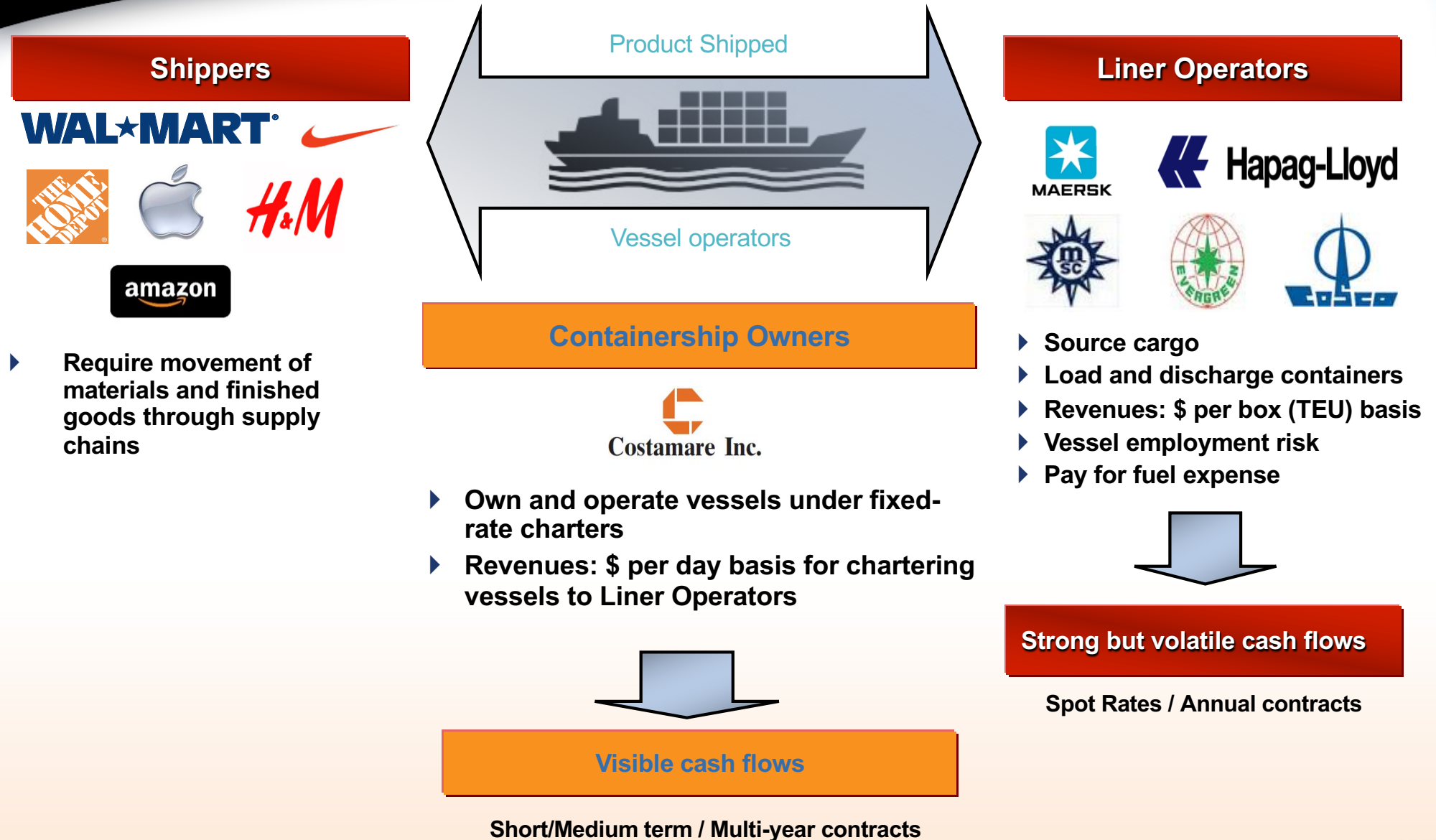
Mr. Costis V. Konstantakopoulos is appointed CEO.

The Company signs a joint venture agreement with York Capital Management, pursuant to which 12 N/Bs (USD1.1Bn) are contracted and 6 S/H vessels are acquired in the following 5 years

In 2018 the Company completes vessels acquisitions and orders N/Bs in transactions worth ca USD900m (including the acquisition of 100% of 5x 14,400 TEU containerships previously owned by the joint venture with York Capital).

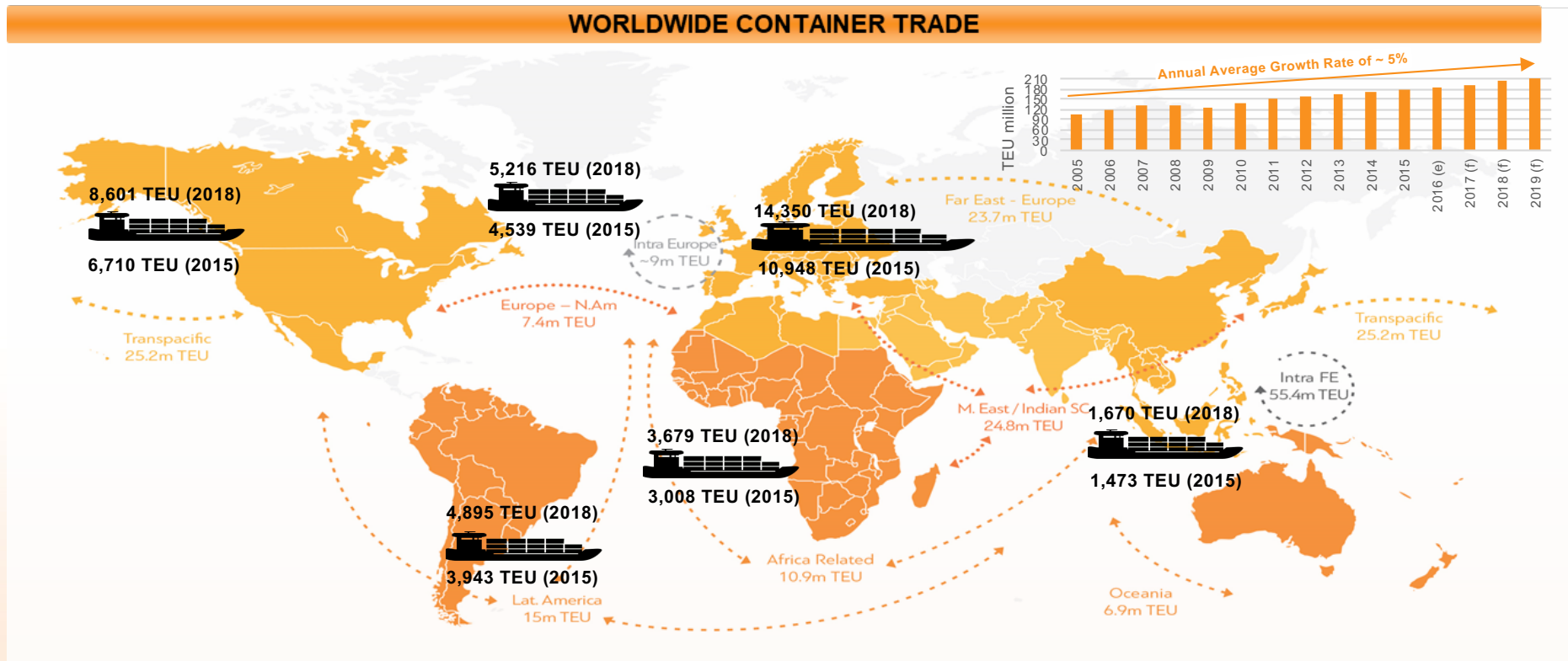
# CONTAINERSHIP INDUSTRY

# Containerships are the Engine of International Trade



## Container Trade has grown every year apart from 2009

- Global seaborne container trade growth has averaged 5% since 2005
- USA and Europe are the biggest destinations of Fronthaul Container Trade, followed by Middle East, Latin America & Africa
- The average size of deployed vessels has also been increasing across all regions





# Chartered Tonnage is an Integral Part of Liners' Business Model

- Liners charter-in half of their vessels, both existing and on order.
- Liners may rely more on chartered vessels as they shift their focus to
  - Logistics
  - Asset light business models.
- Long-term charters are awarded to financially strong owners with proven access to financing

Fleet Statistics					
TEU	Existing Fleet		Orderbook		Orderbook/ Existing %
	Units	TEU	Units	TEU	
18,000 +	98	1,931,650	39	879,399	45.5%
15,100- 17,999	40	671,107	1	15,282	2.3%
12,500- 15,099	240	3,296,803	51	744,534	22.6%
10,000- 12,499	163	1,743,117	35	413,918	23.7%
7,500- 9,999	480	4,229,558	0	0	0.0%
5,100- 7,499	453	2,815,728	0	0	0.0%
4,000- 5,099	635	2,876,952	0	0	0.0%
3,000- 3,999	249	865,979	12	37,496	4.3%
2,000- 2,999	668	1,701,834	125	308,688	18.1%
1,500- 1,999	583	1,001,781	84	150,759	15.0%
1,000- 1,499	703	809,057	59	68,772	8.5%
<b>TOTAL</b>	<b>5,272</b>	<b>22,578,727</b>	<b>427</b>	<b>2,631,834</b>	<b>11.7%</b>

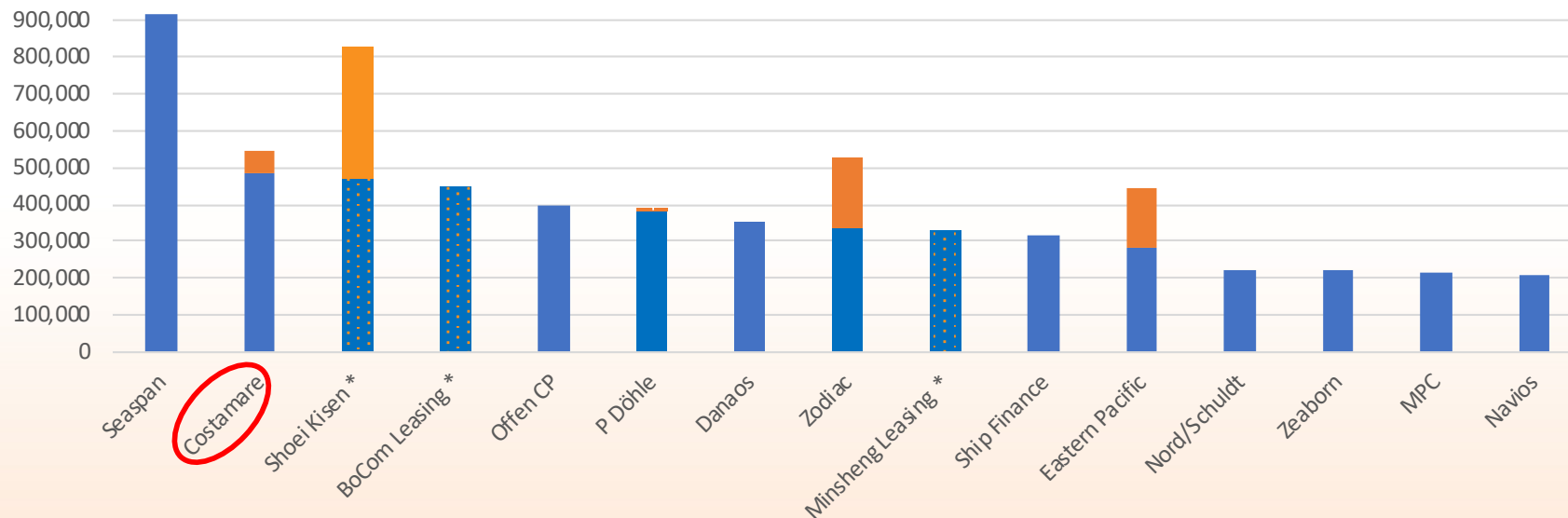
Chartered Tonnage as % of Fleet by Size Range



# Limited Competition

- **Top 15 owners account for:**
  - 63% of the chartered orderbook and
  - 45% of the chartered fleet in the water.
  
- **Consolidation / cooperation amongst containership owners is expected to continue in the future driven by:**
  - Financially distressed operators
  - Lenders rationalizing loan portfolios
  - Liners' efficiency requirements

**Top 15 Containership Owners (in TEUs)**



\* Non pure containership owner  
 Source: Alphaliner Monthly Monitor, May 2019

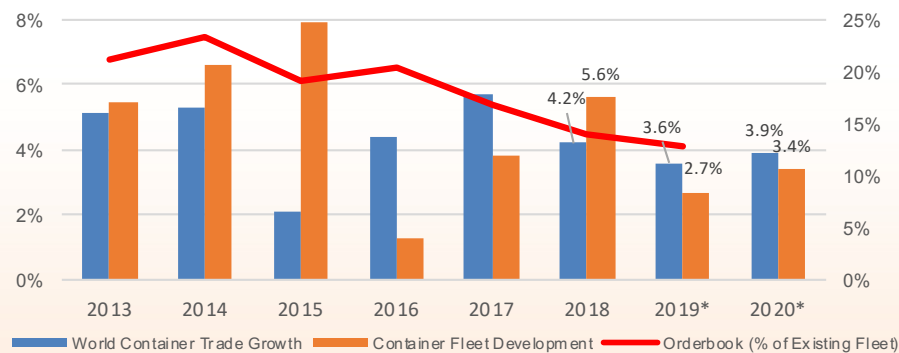
■ Current TEUs ■ Order book TEUs

# Supply/ Demand Projection

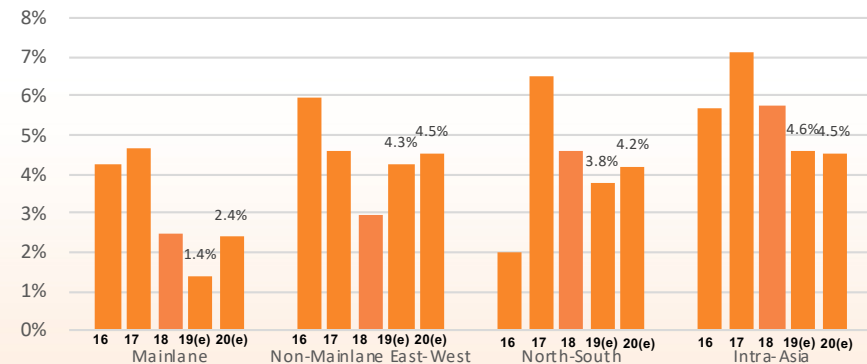
## Container Trade is Growing Across All Regions

- Demand is expected to exceed supply both in 2019 and 2020
- Demand growth is strong across the world

**Container Trade Demand Exceeds Supply**



**Broad-Based Growth Across Regions**



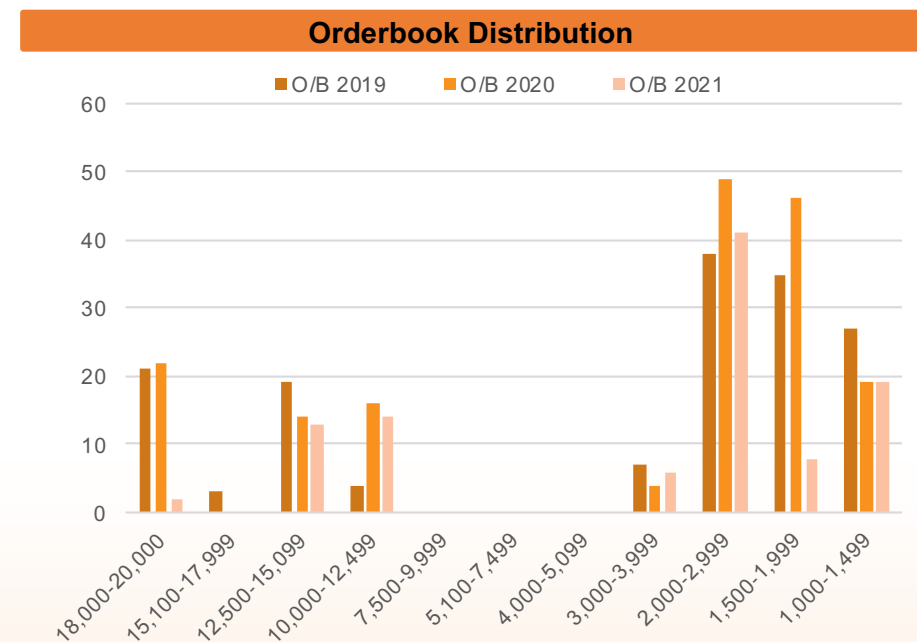
Source: Clarksons Research Services, May 2019

# Orderbook

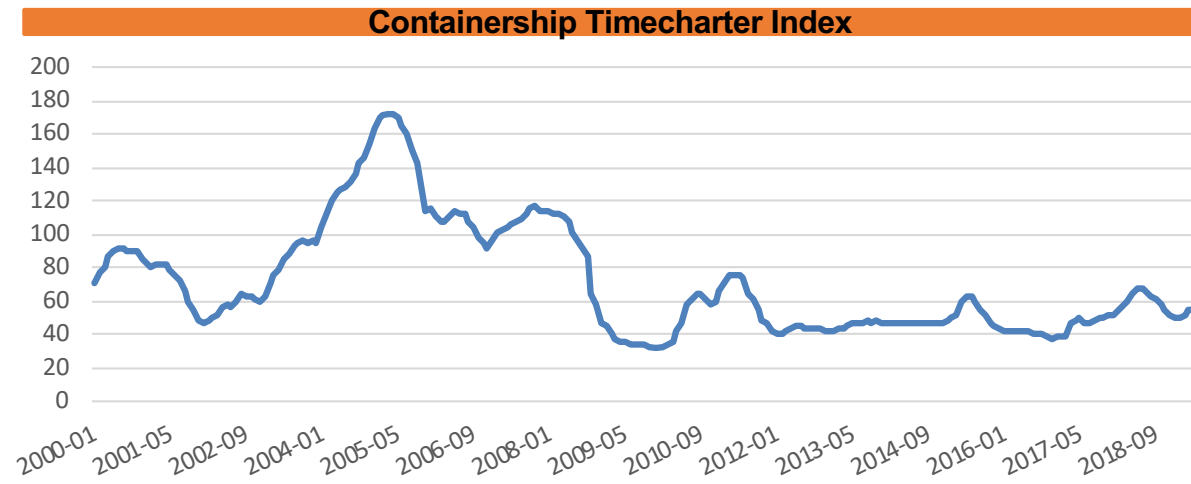
- Current orderbook stands at 13% of the existing fleet
- Deliveries are evenly split over the next 3 years

Orderbook						
TEU	Orderbook 2019		Orderbook 2020		Orderbook 2021	
	Units	TEU	Units	TEU	Units	TEU
18,000-20,000	21	449,590	22	506,700	2	46,200
15,100-17,999	3	45,846	0	-	0	-
12,500-15,099	19	270,892	14	202,986	13	189,816
10,000-12,499	4	46,982	16	188,750	14	166,200
7,500-9,999	0	-	0	-	0	-
5,100-7,499	0	-	0	-	0	-
4,000-5,099	0	-	0	-	0	-
3,000-3,999	7	24,828	4	12,272	6	18,216
2,000-2,999	38	97,508	49	124,848	41	96,528
1,500-1,999	35	62,814	46	82,444	8	14,400
1,000-1,499	27	31,282	19	21,987	19	22,154
500-999	22	15,490	2	1,000	0	-
100-499	0	-	1	120	0	-
<b>TOTAL</b>	<b>176</b>	<b>1,045,232</b>	<b>173</b>	<b>1,141,107</b>	<b>103</b>	<b>553,514</b>

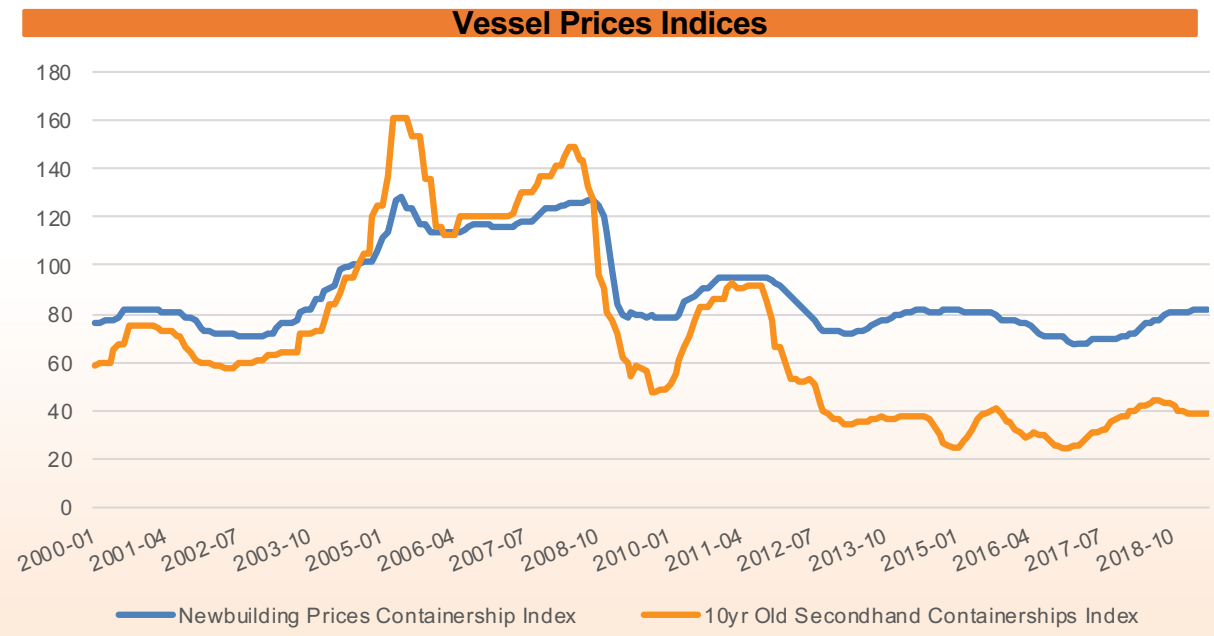
Source: Clarksons Shipping Service, May 2019



# Timecharter Rates and Vessel Prices Continue to Be at Low Levels

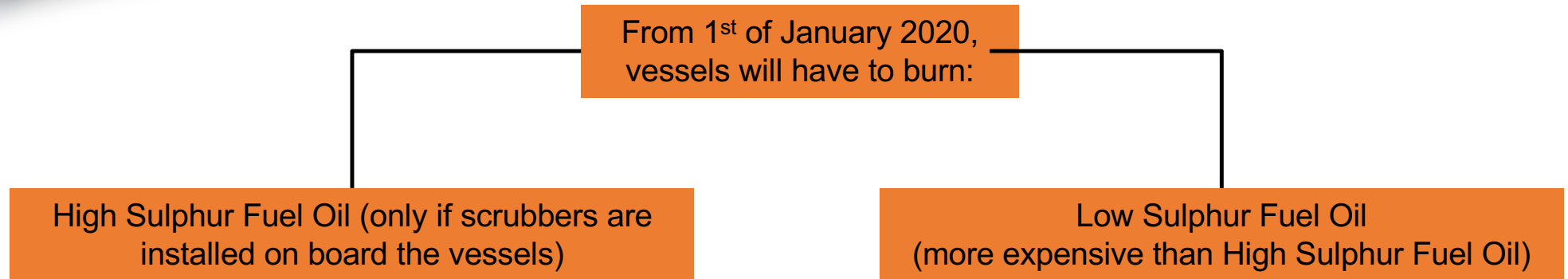


Source: Clarksons Research Services, October 2018



Source: Clarksons Research Services, May 2019

## 2020 Global Sulphur Cap – Wildcards



- **10% of the current containership vessels are expected to have scrubbers installed by 2020. The rest of the fleet will switch to burning the more expensive Low Sulphur Fuel Oil.**
- **The introduction of the 2020 Sulphur Cap on a global basis might have the following positive implications:**
  - **Increased fleet recycling for older vessels (6.0% of the containership fleet is over 20 yrs)**
    - **Economics do not justify the costly installation of scrubbers on older vessels and**
    - **Old vessels have higher fuel consumption.**
- **Higher fuel costs might lead to slower vessel operating speeds, effectively reducing the supply of vessels**
- **Expected temporary reduction of vessel supply in 2019 – 2020 mainly due to required off-hire for installation of scrubbers or tank cleaning for fuel specification switch.**

# COSTAMARE

# Track Record

## ■ Profitability

- Consistently profitable since Company's inception and as a public company from 2010.
- Average Return on Equity<sup>(1)</sup> ("ROE") of 10.3% over the last 5 full financial years (2014 - 2018).

## ■ Risk Management

- Focus on stable cashflows derived from contracted revenue of approximately \$2.2Bn with a TEU-weighted average duration of about 3.7 years <sup>(2)(3)</sup>.
- Top quality / creditworthy charterers.
- Prudent Debt amortization; never restructured debt obligations or sought debt-related payment deferrals.
- Never had to incur excessive dilution or change of control; members of the Konstantakopoulos family own ca. 56% of the Company.

## ■ Operational Expertise

- Top notch operational / technical expertise based on over 40 years of shipping experience.
- Competitive levels of vessel operating expenses and high utilization rates.

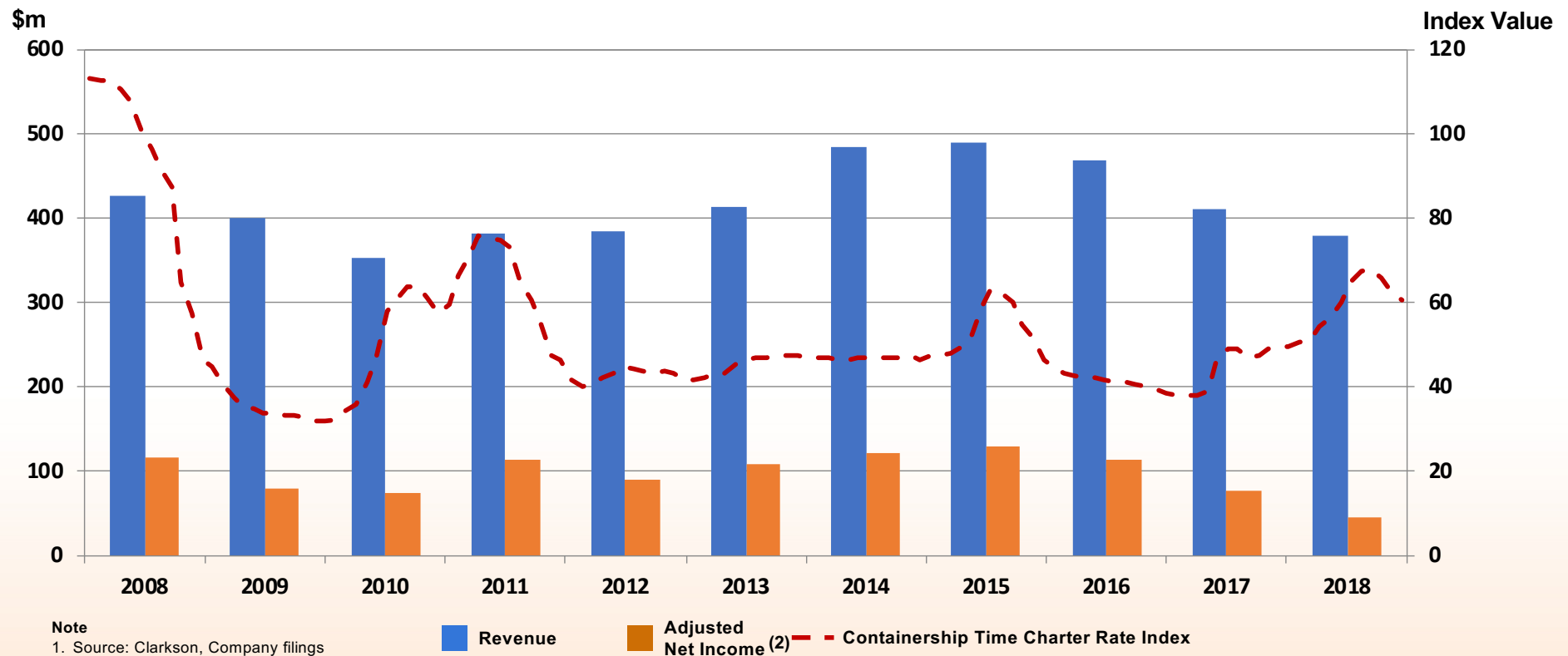
### Note

1. Annual Net Income / Average Total Stockholders Equity (Beginning of Year / End of Year)
2. Based on contracted revenues as of April 23, 2019. Revenues include our ownership percentage of contracted revenues for four secondhand vessels purchased and seven newbuilds ordered pursuant to the Framework Agreement with York. Revenues also include the 5 newbuilds under construction.
3. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.



# Profitable Performance Throughout the Business Cycle

Average Return on Equity<sup>(1)</sup> (“ROE”) of 10.3% over the last 5 financial years (2014 - 2018)



**Note**

1. Annual Net Income / Average Total Stockholders Equity (Beginning of Year/ End of Year)
2. Non-GAAP Item, see Appendix I for a definition and reconciliation to the nearest GAAP measures.

## 2018 Transactions Focused on Recurring Cash Flows

- Total newbuilding orders and secondhand acquisitions in 2018 worth approximately \$900m.
- Incremental contracted revenues of approximately \$1.1Bn.
- TEU-weighted average charter period of 8 years.

#	Vessel	TEUs	Year Built	Charter Period (in years) <sup>(1)</sup>
1	<i>Megalopolis</i>	4,957	2013	7
2	<i>Marathopolis</i>	4,957	2013	7
3	<i>Maersk Kleven</i>	8,044	1996	2.5
4	<i>Maersk Kotka</i>	8,044	1996	2.5
5	<i>Newbuild 1</i>	12,690	2020	10
6	<i>Newbuild 2</i>	12,690	2020	10
7	<i>Newbuild 3</i>	12,690	2020	10
8	<i>Newbuild 4</i>	12,690	2021	10
9	<i>Newbuild 5</i>	12,690	2021	10
10	<i>Triton</i>	14,424	2016	7.3
11	<i>Titan</i>	14,424	2016	7.4
12	<i>Talos</i>	14,424	2016	7.7
13	<i>Taurus</i>	14,424	2016	7.7
14	<i>Theseus</i>	14,424	2016	7.8
15	<i>Michigan</i>	1,300	2008	0.8
16	<i>Trader</i>	1,300	2008	Spot

Note

1. As per the date of closing of each transaction

# Appendix – I

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

	Year ended December 31,	
	2017	2018
(Expressed in thousands of U.S. dollars, except share and per share data)		
<b>Net Income</b>	\$ 72,876	\$ 67,239
Earnings allocated to Preferred Stock	(21,063)	(30,503)
<b>Net Income / (Loss) available to common stockholders</b>	<u>51,813</u>	<u>36,736</u>
Accrued charter revenue	(11,204)	(7,294)
General and administrative expenses – non-cash component	3,866	3,755
Amortization of prepaid lease rentals, net	8,429	8,150
Amortization of Time charter assumed	-	26
Realized (Gain) / loss on Euro/USD forward contracts (1)	(765)	97
Loss on sale / disposals of vessels	4,856	3,071
Swaps' breakage costs	-	1,234
Loss on vessel held for sale	2,379	101
Vessels' impairment loss	17,959	-
Vessel impairment loss by a jointly owned company with York included in equity (gain) / loss on investments	896	-
Loss on sale / disposal of vessel by a jointly owned company with York included in equity (gain) / loss on investments	-	707
Loss on asset held for sale by a jointly owned company with York included in equity gain on investments	-	112
(Gain) / loss on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	(1,296)	162
<b>Adjusted Net Income available to common stockholders</b>	<u>\$ 76,933</u>	<u>\$ 46,857</u>
<b>Adjusted Earnings per Share</b>	<u>\$ 0.77</u>	<u>\$ 0.42</u>
Weighted average number of shares	<u>100,527,907</u>	<u>110,395,134</u>

**Note:** Adjusted Net Income available to common stockholders and Adjusted Earnings per Share represent Net Income / (Loss) 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, vessels' impairment loss, loss on sale / disposal of vessels, swaps' breakage costs, non-cash general and administrative expenses and non-cash other items, amortization of prepaid lease rentals, amortization of time charter assumed, 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 / (Loss) available to common stockholders are reflected as deductions to Adjusted Net Income available to common stockholders. Charges negatively impacting Net Income / (Loss) available to common stockholders are reflected as increases to Adjusted Net Income available to common stockholders.

# Appendix – II

FLEET IN THE WATER				
#	Vessel Name	CMRE %	Year Built	Container Capacity (TEUs)
1	TRITON	100%	2016	14,424
2	TITAN	100%	2016	14,424
3	TALOS	100%	2016	14,424
4	TAURUS	100%	2016	14,424
5	THESEUS	100%	2016	14,424
6	COSCO GUANGZHOU	100%	2006	9,469
7	COSCO NINGBO	100%	2006	9,469
8	COSCO YANTIAN	100%	2006	9,469
9	COSCO BEIJING	100%	2006	9,469
10	COSCO HELLAS	100%	2006	9,469
11	MSC AZOV	100%	2014	9,403
12	MSC AJACCIO	100%	2014	9,403
13	MSC AMALFI	100%	2014	9,403
14	MSC ATHENS	100%	2013	8,827
15	MSC ATHOS	100%	2013	8,827
16	VALOR	100%	2013	8,827
17	VALUE	100%	2013	8,827
18	VALIANT	100%	2013	8,827
19	VALENCE	100%	2013	8,827
20	VANTAGE	100%	2013	8,827
21	NAVARINO	100%	2010	8,531
22	MAERSK KLEVEN	100%	1996	8,044
23	MAERSK KOTKA	100%	1996	8,044
24	MAERSK KOWLOON	100%	2005	7,471
25	MAERSK KAWASAKI	100%	1997	7,403
26	KOKURA	100%	1997	7,403
27	MAERSK KURE	100%	1996	7,403
28	MSC METHONI	100%	2003	6,724
29	YORK	100%	2000	6,648
30	MAERSK KOBE	100%	2000	6,648
31	SEALAND	100%	2000	6,648
32	SEALAND MICHIGAN	100%	2000	6,648
33	SEALAND ILLINOIS	100%	2000	6,648
34	MAERSK KOLKATA	100%	2003	6,644
35	MAERSK KINGSTON	100%	2003	6,644
36	MAERSK KALAMATA	100%	2003	6,644
37	VENETIKO	100%	2003	5,928
38	ZIM NEW YORK	100%	2002	4,992
39	ZIM SHANGHAI	100%	2002	4,992
40	LEONIDIO	100%	2014	4,957
41	KYPARISSIA	100%	2014	4,957
42	MEGALOPOLIS	100%	2013	4,957
43	MARATHOPOLIS	100%	2013	4,957
44	OAKLAND EXPRESS	100%	2000	4,890
45	HALIFAX EXPRESS	100%	2000	4,890
46	SINGAPORE EXPRESS	100%	2000	4,890
47	LJLSAN	100%	2002	4,132
48	LAKONIA	100%	2004	2,586
49	CMA CGM L'ETOILE	100%	2005	2,556
50	AREOPOLIS	100%	2000	2,474
51	MESSINI	100%	1997	2,458
52	MSC Reunion	100%	1992	2,024
53	MSC SIERRA II	100%	1991	2,023
54	MSC NAMIBIA II	100%	1991	2,023
55	NEAPOLIS	100%	2000	1,645
56	PROSPER	100%	1996	1,504
57	MICHIGAN	100%	2008	1,300
58	TRADER	100%	2008	1,300
59	ZAGORA	100%	1995	1,162
60	LUEBECK	100%	2001	1,078
61	CAPE TAINARO (JV)	49%	2017	11,010
62	CAPE ARTEMISIO (JV)	49%	2017	11,010
63	CAPE AKRITAS (JV)	49%	2016	11,010
64	ENSENADA (JV)	49%	2001	5,576
65	POLAR ARGENTINA (JV)	49%	2018	3,800
66	POLAR BRASIL (JV)	49%	2018	3,800
67	ELAFONISSOS (JV)	49%	1999	2,524
68	MONEMVASIA (JV)	49%	1998	2,472
69	ARKADIA (JV)	49%	2001	1,550
70	CAPE KORTIA (JV)	25%	2017	11,010
71	CAPE SOUNIO (JV)	25%	2017	11,010
<b>TOTAL</b>				<b>477,105</b>

NEWBUILDINGS				
#	HULL NR	CMRE %	Year Built	Container Capacity (TEUs)
1	YZJ2015-2060	100%	2021	12,690
2	YZJ2015-2061	100%	2021	12,690
3	YZJ2015-2057	100%	2020	12,690
4	YZJ2015-2058	100%	2020	12,690
5	YZJ2015-2059	100%	2020	12,690
<b>TOTAL</b>				<b>63,450</b>

## Appendix – III

### Scenario: Containership Supply Sensitivity to Speed

*Example scenarios on the basis of slower speeds by vessels on mainlane trades, starting in 2019*

TRADE LANE	Speed / Service Change Scenario	Total Nominal Capacity, 000 TEU	Est. Additional Capacity Required, 000 TEU	% of Global Total Capacity	Service Speed*
Far East - Europe		4,934			17.0
	+1 ship per service ***		449	2.0%	15.6
	slow down 1 knot		308	1.4%	16.0
	slow down 0.5 knot		154	0.7%	16.5
Transpacific**		4,285			17.0
	+1 ship per service ***		476	2.2%	15.3
	slow down 1 knot		268	1.2%	16.0
	slow down 0.5 knot		184	0.6%	16.5

\* Standard current service speed assumed at 17 knots

\*\* Transpacific includes USWC and USEC services

\*\*\* Basis current standard service deploying 11 ships on Far East - Europe and 9 ships on Transpacific (8 to USWC, 11 to USEC)

Source: Clarksons Research Services, January 2019

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- Strong track record of profitability.
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- Dividend Yield of 7.8%<sup>(2)</sup>.
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