



Costamare Inc.



**Fourth Quarter 2018 Financial Results  
Conference Call**

January 24, 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.

# Highlights

## Performance

- ✓ Adjusted Q4 EPS of \$0.12<sup>(1)</sup>.

## Fleet

- ✓ Fleet utilization of 99.6%<sup>(2)</sup>.
- ✓ 12 vessels in new or extended time charters.

## Growth

- ✓ Newbuilding orders and secondhand acquisitions worth of \$900 million during 2018.
- ✓ Acquired the 60% equity interest of York Capital Management in five 2016 – built, 14,000 TEU containerships bringing the Company's ownership in these five vessels to 100% (included in the above \$900 million transactions).

## Access to Capital

- ✓ Entered into a financing agreement with a European financial institution for the two 1996-built, 8,044 TEU containerships, the *Maersk Kleven* and *Maersk Kotka*.
- ✓ Refinanced the outstanding loan amount of \$44.4 million under two credit facilities with a leading European financial institution.

## Strong Balance Sheet

- ✓ No off-balance sheet financing.
- ✓ Total Liabilities to Total Assets<sup>(3)</sup> of 56%.
- ✓ Estimated Leverage<sup>(4)</sup> of 51% (as of December 31, 2018).

## Containership Market

- ✓ Idle fleet represents 2.5% of existing fleet.
- ✓ 2019 and 2020 expected deliveries stand at 5.1% and 4.6% of the existing fleet, respectively<sup>(5)</sup> (excluding scrapping/ slippage).

### 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. As per book values as of December 31, 2018 Financial Statements
4. (Total Debt *plus* Finance Leases *minus* Cash and Cash Equivalents) / Total Market Value Adjusted Assets. Calculated in accordance with relevant provisions of bank financing agreements.
5. Source: Alphaliner January 2019 Monthly Report

# Q4 2018 New Chartering Agreements

#	Vessel	Built	TEUs	Latest Fixture	Term
1	<i>Cape Sounio</i>	2017	11,010	\$33,500	12 to 14 months
2	<i>Cape Artemisio</i>	2017	11,010	\$32,500	10 to 12 months
3	<i>Oakland Express</i>	2000	4,890	\$10,000	10 to 12 months
4	<i>Halifax Express</i>	2000	4,890	\$10,000	21 to 23 months
5	<i>Singapore Express</i>	2000	4,890	\$10,000	18 to 20 months
6	<i>Ensenada</i>	2001	5,576	\$9,150	50 to 70 days
7	<i>Kokura</i>	1997	7,403	\$11,000	42 to 84 days
8	<i>Venetiko</i>	2003	5,928	\$9,750	6 to 11 months
9	<i>Piraeus</i>	2004	4,992	*	42 to 126 days
10	<i>Prosper</i>	1996	1,504	\$6,975	4 to 7 months
11	<i>Neapolis</i>	2000	1,645	\$7,100	4 to 7 months
12	<i>Luebeck</i>	2001	1,078	\$6,200	11 to 13 months

**Notes**

Fixtures are quoted in dollars per day.

(\*) Denotes charter daily rates which are treated as confidential.

# Recent Transactions –Vessel Disposals/ Dividend Declarations

## Vessels disposals

- In November 2018, we sold for demolition the 1994-built, 1,162 TEU container vessel *Petalidi*.

## Dividend Declarations

- On January 3, 2019, we declared a dividend for the quarter ended December 31, 2018 of \$0.10 per share on our common stock, payable on February 7, 2019, to stockholders of record of common stock as of January 22, 2019.
- On January 3, 2019, 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 January 15, 2019 to holders of record as of January 14, 2019.

# Q4 2018 Income Statement Snapshot

## Q4 2018 RESULTS

	4Q 2017	4Q 2018	% Change
Ownership Days	4,843	5,505	13.7%
Average Number of Vessels	52.6	59.8	13.7%
Voyage Revenues	\$100,618	\$106,153	5.5%
Net Interest and Finance Costs <sup>(*)</sup>	15,766	18,924	20.0%
Adjusted Net Income Available to Common Stockholders <sup>(**)</sup>	18,408	13,259	(28.0%)
Weighted Average Number of Shares	107,661,705	111,951,107	

## Q4 2018 RESULTS – Non Cash and Other Adjustments

	4Q 2017	4Q 2018
Net Income Available to Common Stockholders	\$ (2,596)	\$ 11,915
Accrued charter revenue	(2,752)	(2,263)
(Gain) / Loss on sale of vessels	-	291
Impairment loss	17,959	-
Loss on vessel held for sale	2,379	101
(Gain) / Loss on derivative instruments	(313)	322
Amortization of Prepaid lease	2,054	2,055
Amortization of TC assumed	-	26
Non-cash G&A and other non-cash items	864	657
JV Impairment loss (%)	896	-
JV Loss on sale of vessels	-	43
JV Loss on Asset held for sale (%)	-	112
Realized (gain) / loss on Euro/USD FX contracts	(83)	-
Adjusted Net Income Available to Common Stockholders <sup>(**)</sup>	18,408	13,259
Adjusted EPS <sup>(**)</sup>	\$0.17	\$0.12

### 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.

## 2018 Transactions Focused on Recurring Cash Flows

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

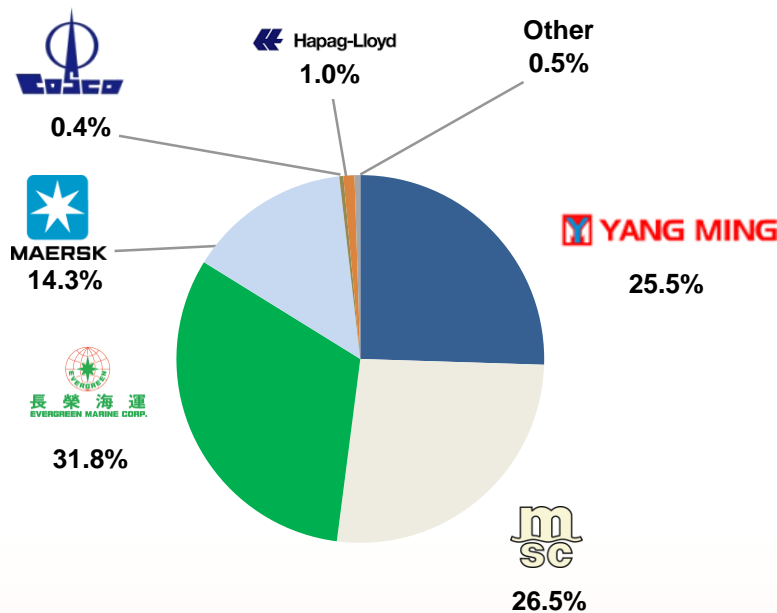
#	Vessel	TEUs	Year Built	Charter Period (in years) <sup>(1)</sup>
1	<i>Megalopolis</i>	4,957	2013	7
2	<i>Marathopolis</i>	4,957	2013	7
3	<i>Maersk Kleven</i>	8,044	1996	2.5
4	<i>Maersk Kotka</i>	8,044	1996	2.5
5	<i>Newbuild 1</i>	12,690	2020	10
6	<i>Newbuild 2</i>	12,690	2020	10
7	<i>Newbuild 3</i>	12,690	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

# High Quality & Stable Cash Flows

Revenue Contribution (All Vessels)<sup>(1)(2)</sup>



- As of January 23, 2019, contracted revenues of approximately \$2.3Bn<sup>(1)(2)</sup>
- TEU-weighted average remaining time charter duration for the fleet is about 3.8 years<sup>(1)(2)</sup>

**Notes**

1. Based on contracted revenues as of January 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.
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.

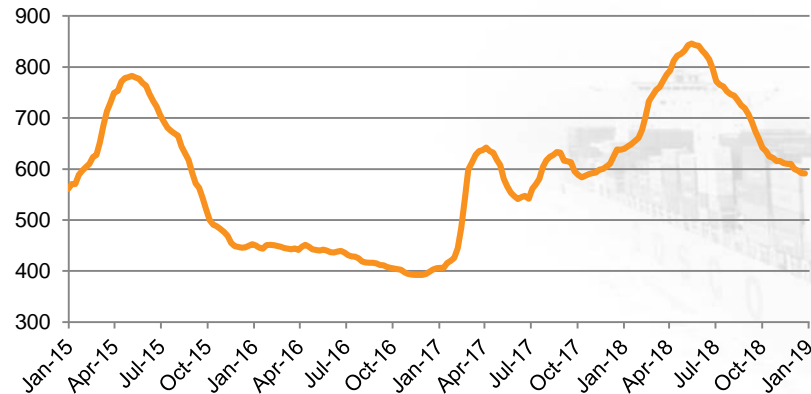


# Container Shipping Industry



## Charter Rates

Charter Index (HRCI)<sup>(1)</sup>

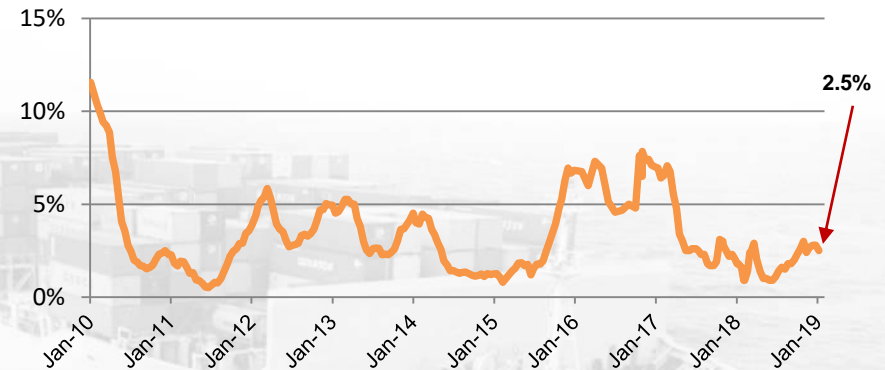


Source: Howe Robinson as of January 23, 2019



## Idle Fleet

% of fleet



Source: AXS-Alphaliner as of January 15, 2019



## Orderbook

Orderbook/ Total Fleet (%)

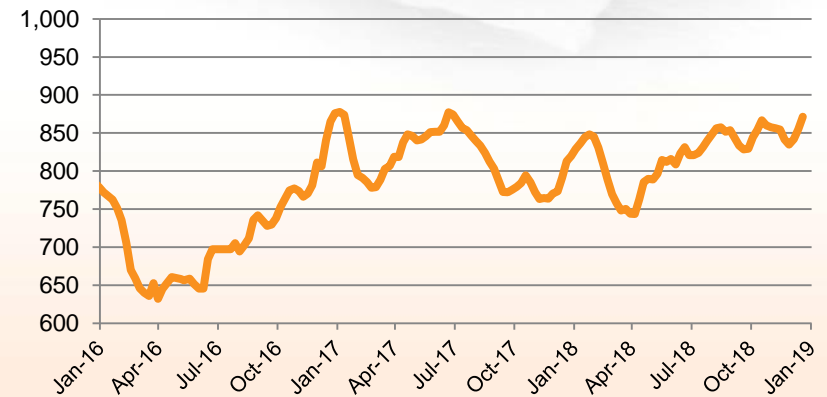


Source: Clarksons as of January 23, 2019



## Box Rates

CCFI Index



Source: Clarksons as of January 18, 2019

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

## Q & A

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

	<b>Three-month period ended December 31,</b>	
	<b>2017</b>	<b>2018</b>
(Expressed in thousands of U.S. dollars, except share and per share data)		
<b>Net Income</b>	\$ 2,670	\$ 19,732
Earnings allocated to Preferred Stock	(5,266)	(7,817)
<b>Net Income / (Loss) available to common stockholders</b>	<b>(2,596)</b>	<b>11,915</b>
Accrued charter revenue	(2,752)	(2,263)
General and administrative expenses – non-cash component	864	657
Amortization of prepaid lease rentals, net	2,054	2,055
Amortization of Time charter assumed	-	26
Realized (Gain) / loss on Euro/USD forward contracts (1)	(83)	-
Loss on sale / disposals of vessels	-	291
Swaps' breakage costs	-	-
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	-	43
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)	(313)	322
<b>Adjusted Net Income available to common stockholders</b>	<b>\$ 18,408</b>	<b>\$ 13,259</b>
<b>Adjusted Earnings per Share</b>	<b>\$ 0.17</b>	<b>\$ 0.12</b>
Weighted average number of shares	107,661,705	111,951,107

**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 on sale / disposal of vessels, loss on vessel held for sale, loss on sale / disposal of vessel by a jointly owned company with York included in equity gain on investments, 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, 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 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.