



Costamare Inc.



**Second Quarter 2018 Financial Results
Conference Call**

July 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.

Q2 Highlights

Performance

- ✓ Adjusted EPS of \$0.10.

Fleet

- ✓ Fleet utilization of 99.7%⁽¹⁾.
- ✓ 27 vessels in new or extended time charters⁽²⁾.

Growth

- ✓ Order of five 12,690 TEU newbuild containerships on 10-year charter to Yang Ming.
- ✓ Acquisition of two 2013-built, 4,957 TEU sister containerships with 7-year charter to Maersk.

Strong Balance Sheet

- ✓ Net Debt to Equity Ratio⁽³⁾ of 0.68x (as of June 30, 2018).
- ✓ No off-balance sheet financing.
- ✓ Leverage of 40%⁽⁴⁾ as per March 31, 2018, bank compliance certificates.

Access to Capital

- ✓ Agreement for the financing of the two 2013-built, 4,957 TEU sister containerships with a European financial institution.

Containership Market

- ✓ Idle fleet represents 1.4% of existing fleet.
- ✓ Orderbook stands at its lowest levels at 11.7% of the existing fleet.

Notes

1. Adjusted for scheduled off-hire days.
2. Including five 12,690 TEU Newbuilds.
3. (Total Bank Debt *plus* Finance Leases *minus* Cash and Cash Equivalents) ("**Net Debt**") / Stockholders' book equity.
4. Net Debt / (Total Market Value Adjusted Assets *minus* Cash and Cash Equivalents).

Q2 2018 New Chartering Agreements (1/2)

#	Vessel	Built	TEUs	Latest Fixture	Term
1	Cape Sounio	2017	11,000	\$30,700	7 to 9 months
2	Sealand Washington	2000	6,648	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	45 to 52 months
3	Sealand Michigan	2000	6,648	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	43 to 50 months
4	Sealand Illinois	2000	6,648	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	42 to 49 months
5	Maersk Kolkata	2003	6,644	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	28 to 35 months
6	MSC Kingston	2003	6,644	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	24 to 31 months
7	MSC Kalamata	2003	6,644	Forward fixing starting from previous earliest redelivery date at a base rate adjusted pursuant to a profit/loss sharing mechanism	23 to 30 months
8	Maersk Kobe	2000	6,648	\$16,000	extended for further 7.5 months over the initial term
9	Sealand New York	2000	6,648	\$16,950	2 to 4 weeks
10	CMA CGM L'Etoile	2005	2,556	\$12,250	264 to 385 days
11	Lakonia	2004	2,586	\$11,300	5 to 8 months

Notes

Fixtures are quoted in dollars per day.

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

Q2 2018 New Chartering Agreements (2/2)

#	Vessel	Built	TEUs	Latest Fixture	Term
12	Prosper	1996	1,504	\$10,100	201 to 260 days
13	MSC Sierra II	1991	2,023	\$9,170	11 to 13 months
14	MSC Namibia II	1991	2,023	\$9,170	11 to 13 months
15	Zagora	1995	1,162	\$7,800	334 to 395 days
16	Petalidi	1994	1,162	\$8,300	2 to 4 months
17	Michigan	2008	1,300	\$8,500	10 to 20 days
18	Piraeus	2004	4,992	*	126 to 168 days
19	ZIM New York	2002	4,992	rate to be determined in September at a market rate plus \$1,100	1 year
20	Zim Shanghai	2002	4,992	rate to be determined in September at a market rate plus \$1,100	1 year
21	Megalopolis	2013	4,957	*	7 years
22	Marathopolis	2013	4,957	*	8 years
23	YZJ2015-2057	2020	12,690	*	10 years
24	YZJ2015-2058	2020	12,690	*	10 years
25	YZJ2015-2059	2020	12,690	*	10 years
26	YZJ2015-2060	2021	12,690	*	10 years
27	YZJ2015-2061	2021	12,690	*	10 years

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 June 2018, we sold for demolition the 1988-built, 4,842 TEU container vessel Itea.
- In July 2018, we agreed to sell for demolition the 1998-built, 1,645 TEU container vessel Padma. The sale is expected to be concluded by the end of July 2018.

Dividend Declarations

- On July 2, 2018, we declared a dividend for the quarter ended June 30, 2018, of \$0.10 per share on our common stock, payable on August 8, 2018, to stockholders of record as of July 23, 2018.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the second quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On July 2, 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 July 16, 2018 to holders of record as of July 13, 2018.

Q2 2018 Income Statement Snapshot

Q2 2018 RESULTS

	2Q 2017	2Q 2018	% Change
Ownership Days	4,778	4,948	3.6%
Average Number of Vessels	52.5	54.4	3.6%
Voyage Revenues	\$105,017	\$90,577	(13.8%)
Net Interest and Finance Costs(*)	16,892	13,912	(17.6%)
Adjusted Net Income Available to Common Stockholders(**)	20,575	10,469	(49.1%)
Weighted Average Number of Shares	96,635,709	109,873,071	

Q2 2018 RESULTS – Non Cash and Other Adjustments

	2Q 2017	2Q 2018
Net Income Available to Common Stockholders	\$ 17,724	\$ 6,396
Accrued charter revenue	(2,808)	(1,003)
(Gain) Loss on sale of vessels	-	861
Loss on Asset held for sale	2,732	-
(Gain) Loss on derivative instruments	(116)	220
Amortization of Prepaid lease	2,162	2,032
Non-cash G&A and other non-cash items	1,094	1,193
JV Loss on Asset held for sale (%)	-	668
Realized (gain) loss on Euro/USD FX contracts	(213)	102
Adjusted Net Income Available to Common Stockholders(*)	20,575	10,469
Adjusted EPS ^(*)	\$0.21	\$0.10

Notes

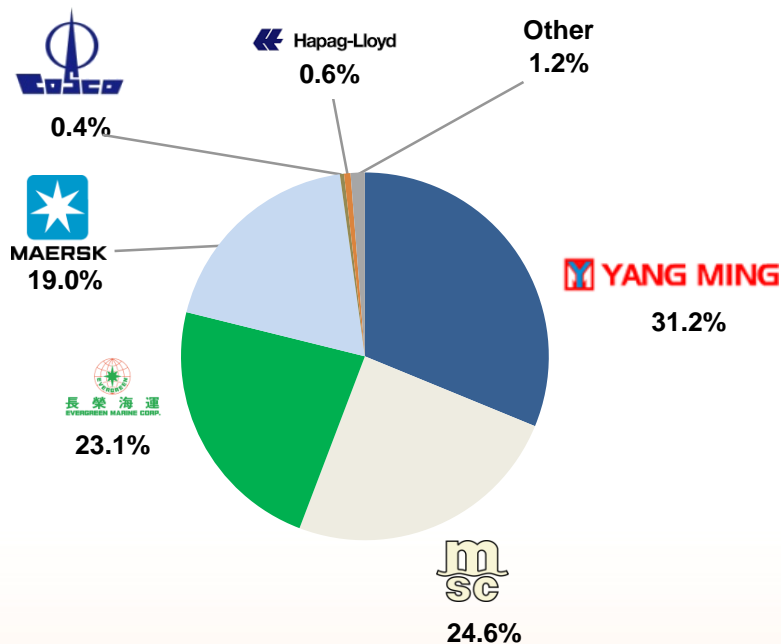
All numbers in thousands, except ownership days, number of vessels, share and per share data.

(*) 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⁾



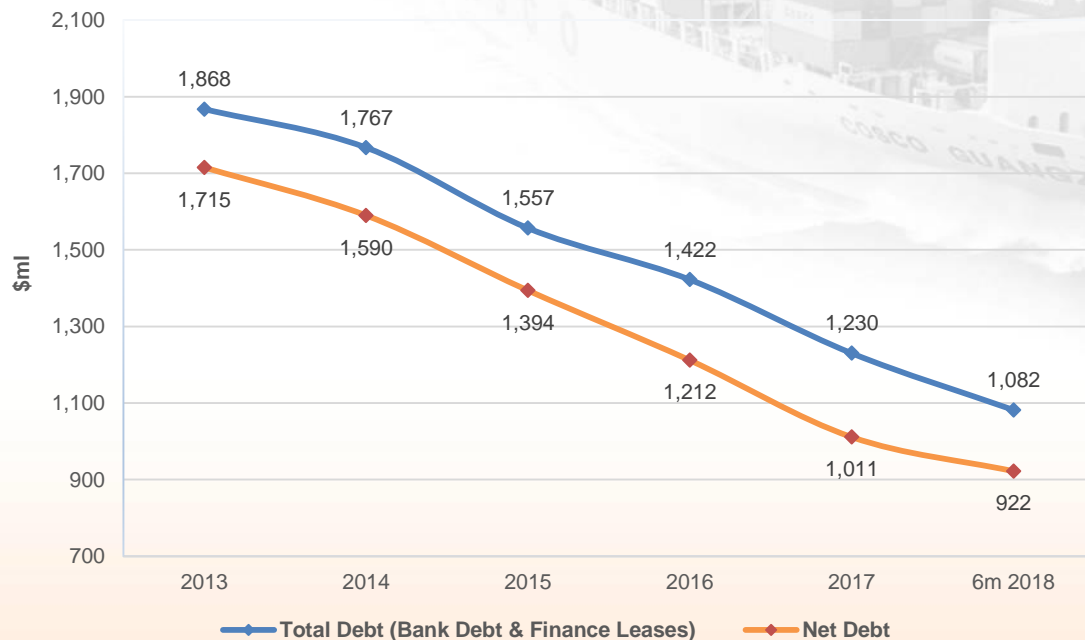
- As of July 25, 2018, contracted revenues of approximately \$1.8Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 3.7 years⁽¹⁾⁽²⁾

Notes

- Based on contracted revenues as of July 25, 2018. Revenues include our ownership percentage of contracted revenues for six secondhand vessels purchased and twelve newbuilds ordered pursuant to the Framework Agreement with York. Revenues also include the 5 NBs on order and one second-hand 5,000 TEU containership expected to be delivered to us latest by the end of September 2018.
- 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 June 30, 2018 of \$160m.
- Disciplined management of our Balance Sheet, with \$0.9 bn of Net Debt as of June 30th.
- Net Debt to Equity Ratio of 0.68x (as of June 30, 2018).
- Gross Total Debt⁽¹⁾ decreased from \$1.9bn to \$1.1bn, whilst since 2013 Costamare has raised approximately \$0.75bn of new debt related to vessel acquisitions.



Notes

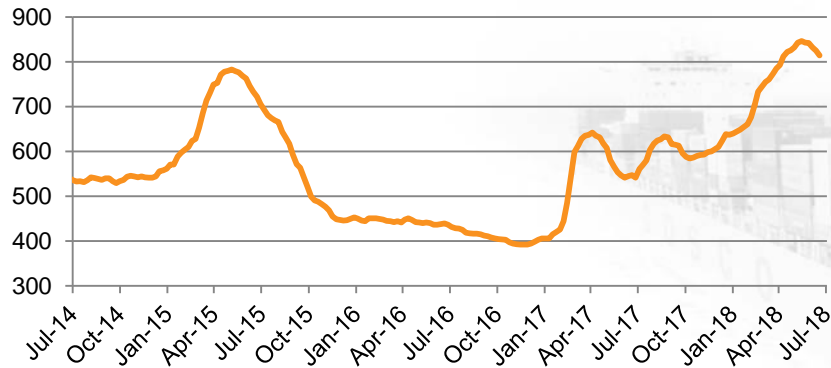
1. Total Bank Debt *plus* Finance Leases.

Container Shipping Industry



Charter Rates

Charter Index (HRCI)⁽¹⁾

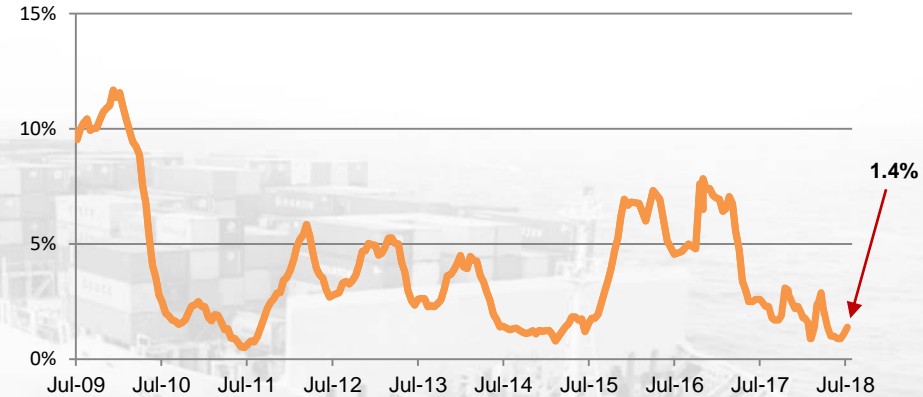


Source: Howe Robinson as of July 18, 2018



Idle Fleet

% of fleet



Source: AXS-Alphaliner as of July 17, 2018



Orderbook

Orderbook/ Total Fleet (%)

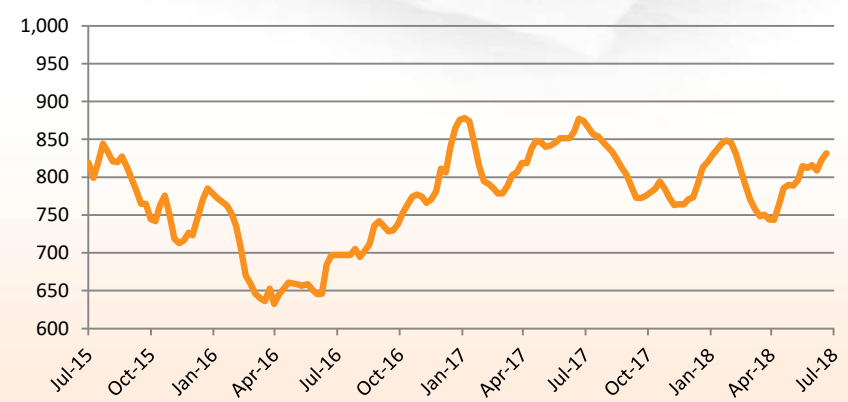


Source: Clarksons as of July 23, 2018



Box Rates

CCFI Index



Source: Clarksons as of July 20, 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

	<u>Three-month period ended June 30,</u>	
	<u>2017</u>	<u>2018</u>
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 23,048	\$ 14,300
Earnings allocated to Preferred Stock	(5,324)	(7,904)
Net Income available to common stockholders	<u>17,724</u>	<u>6,396</u>
Accrued charter revenue	(2,808)	(1,003)
General and administrative expenses – non-cash component	1,094	1,193
Amortization of prepaid lease rentals, net	2,162	2,032
Realized (Gain) / loss on Euro/USD forward contracts (1)	(213)	102
Loss on sale / disposals of vessels	-	861
Swaps' breakage costs	-	-
Loss on vessel held for sale	2,732	-
Loss on asset held for sale by a jointly owned company with York included in equity gain on investments	-	668
(Gain) / loss on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	<u>(116)</u>	<u>220</u>
Adjusted Net Income available to common stockholders	<u>\$ 20,575</u>	<u>\$ 10,469</u>
Adjusted Earnings per Share	<u>\$ 0.21</u>	<u>\$ 0.10</u>
Weighted average number of shares	<u>96,635,709</u>	<u>109,873,071</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 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.