



Costamare Inc.



**Company Presentation**

December 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 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.

# Costamare Snapshot

- One of the largest independent owners of containerships / Fleet of 79 vessels (incl. 5 newbuilds).
- 44 years of experience in shipping and a dedicated containership owner since 1992.
- YTD total acquisitions and newbuild orders of ca. \$900m.
- Strong track record of uninterrupted profitability.
- Contracted cash flows of \$2.4Bn coming from first class charterers<sup>(1)</sup>.
- Prudent balance sheet management adapting to the cyclicity of the shipping sector.
- Dividend Yield of 7.5%<sup>(2)</sup>.
- Strong sponsor support (ca. 55% ownership)
  - Participation in the Dividend Reinvestment Plan (“DRIP”) since its inception (July 2016), with \$64m reinvested in Costamare to date.

**Note**

1. As of November 30, 2018.
2. As of November 30, 2018 based on a share price of \$5.30 and quarterly dividend of \$0.10 per common share.

# Track Record (1/2)

## ■ Profitability

- Consistently profitable without interruption since Company's inception and as a public company since 2010.
- Average Return on Equity<sup>(1)</sup> ("ROE") of 12.8% over the last 5 full financial years (2013 - 2017).

## ■ Risk Management

- Top quality / creditworthy charterers.
- Never restructured debt obligations or sought debt-related payment deferrals.
- Never had to incur excessive dilution or change of control; founders own ca. 55% of the Company and have never sold a single share.

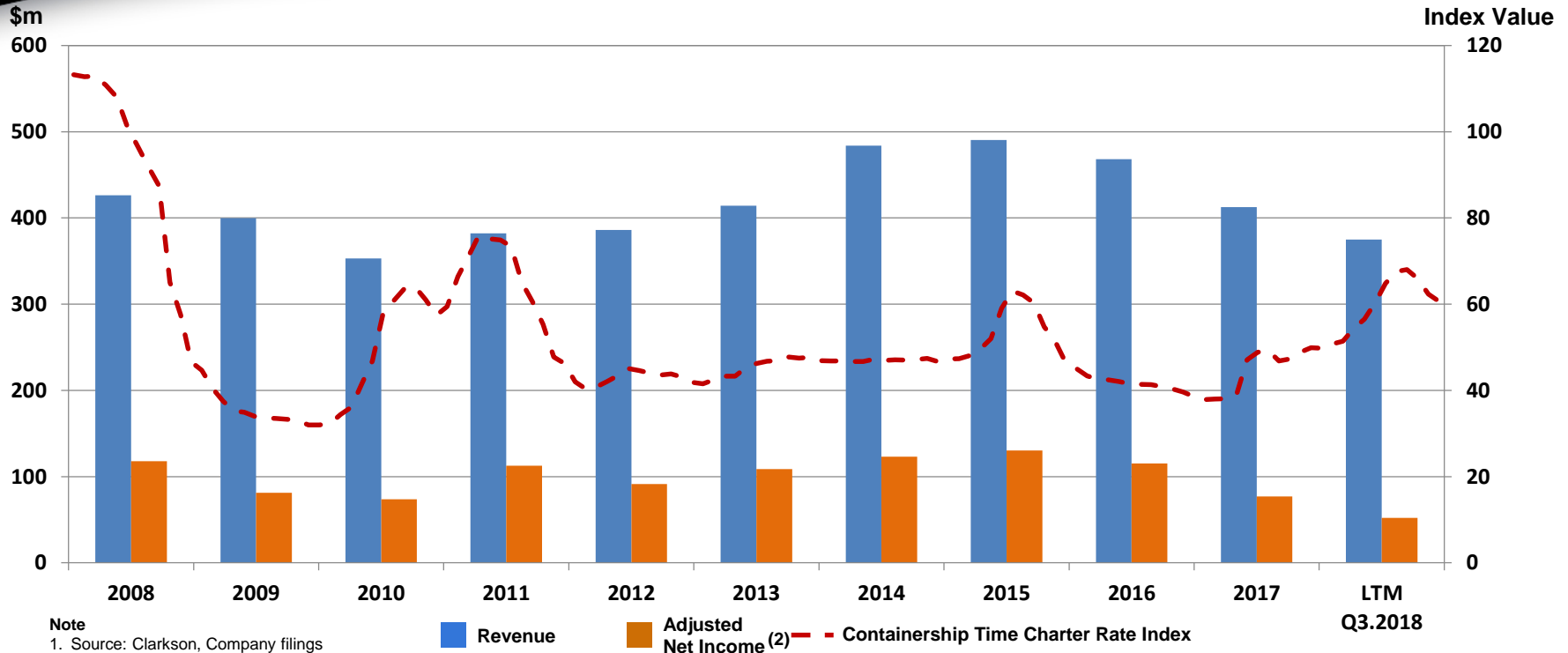
## ■ Operational Expertise

- 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)

# Track Record (2/2)



**Average Return on Equity<sup>(1)</sup> ("ROE") of 12.8% over the last 5 full financial years (2013 - 2017)**

**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 measure for Q3 2018.

## Value Creation 2018 (1/2)

- **Total acquisitions in 2018 worth ca. \$900m.**
- **Acquisition of 16 vessels with an average age<sup>(1)</sup> of 4 years.**
- **Incremental contracted revenues from the 2018 deals worth ca. \$1.1Bn.**
- **Estimated Earnings per Share (“EPS”)<sup>(2)</sup> accretion of \$0.27 for 14 of the 16 vessels which are employed under medium to long term charters.**

### Note

1. TEU weighted
2. Based on:
  - a. Total number of common shares 112,314,630
  - b. Estimations exclude c/v Michigan and c/v Trader which are employed in the spot / short – term market.
  - c. The assumption of no exercise of the option to issue new common shares for the partial payment of the acquisition of the 60% equity interest of York Capital in five 2016 – built 14,000 TEU containerships (Press Release November 19, 2018)
  - d. No issuance of common shares due to participation in DRIP or for compensation to Costamare Shipping Company / Costamare Shipping Services.
  - e. For the 9 delivered vessels, EPS accretion is estimated for 2019. The total EPS accretion for these 9 vessels amounts to \$0.16.
  - f. For the 5 newbuild vessels, EPS is based on estimates for the full calendar year after their respective deliveries in 2020 - 2021. The total estimated EPS accretion for the 5 newbuild vessels and 7 of the 9 delivered vessels (the number remaining at that time employed under their existing timecharters) amounts to \$0.22.

# Value Creation 2018 (2/2)

#	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

- **Estimated annual EPS accretion of \$0.27<sup>(2)</sup> for 14 of the 16 vessels which are employed under medium to long term charters .**
- **Average charter period of 8 yrs<sup>(3)</sup>.**

**Note**

1. As per the date of closing of each transaction

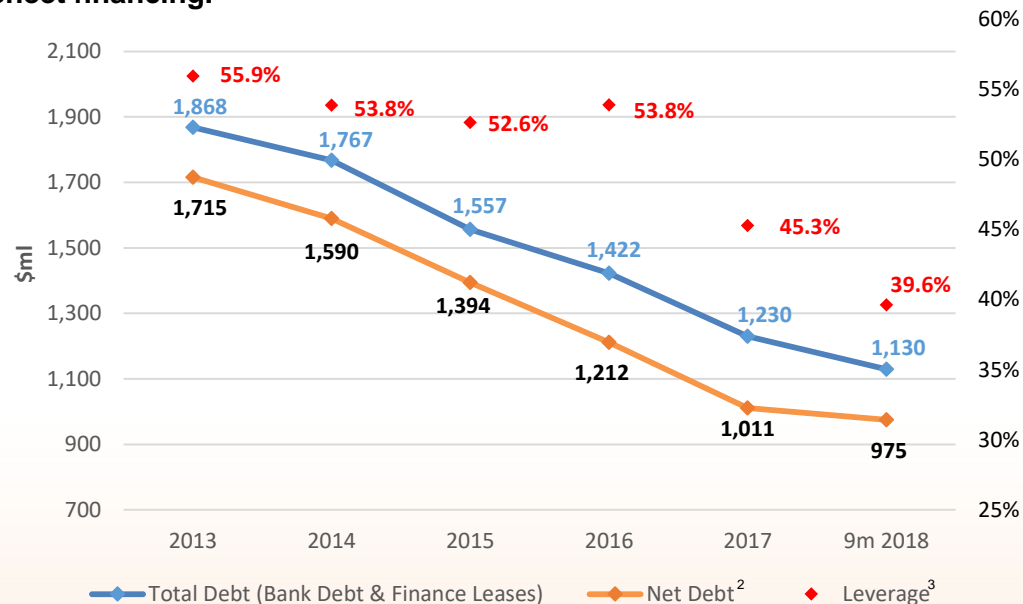
2. Based on:

- a. Total number of common shares 112,314,630
- b. Estimations exclude c/v Michigan and c/v Trader which are employed in the spot / short – term market.
- c. The assumption of no exercise of the option to issue new common shares for the partial payment of the acquisition of the 60% equity interest of York Capital in five 2016 – built 14,000 TEU containerships (Press Release November 19,2018)
- d. No issuance of common shares due to participation in DRIP or for compensation to Costamare Shipping Company / Costamare Shipping Services.
- e. For the 9 delivered vessels, EPS accretion is estimated for 2019. The total EPS accretion for these 9 vessels amounts to \$0.16.
- f. For the 5 newbuild vessels, EPS is based on estimates for the full calendar year after their respective deliveries in 2020 - 2021. The total estimated EPS accretion for the 5 newbuild vessels and 7 of the 9 delivered vessels (the number remaining at that time employed under their existing timecharters) amounts to \$0.22.

3. TEU weighted

# Leverage Considerations

- Net Debt to Total Assets Ratio<sup>(1)</sup> of 0.38x (as of September 30, 2018).
- Disciplined management of our Balance Sheet, with \$0.9Bn of Net Debt as of September 30, 2018.
- Prudent debt amortization. Over the last 12 months (ending Q3 2018) debt amortization stands at 2.2x vessels' depreciation/amortization.
- No Off-Balance Sheet financing.



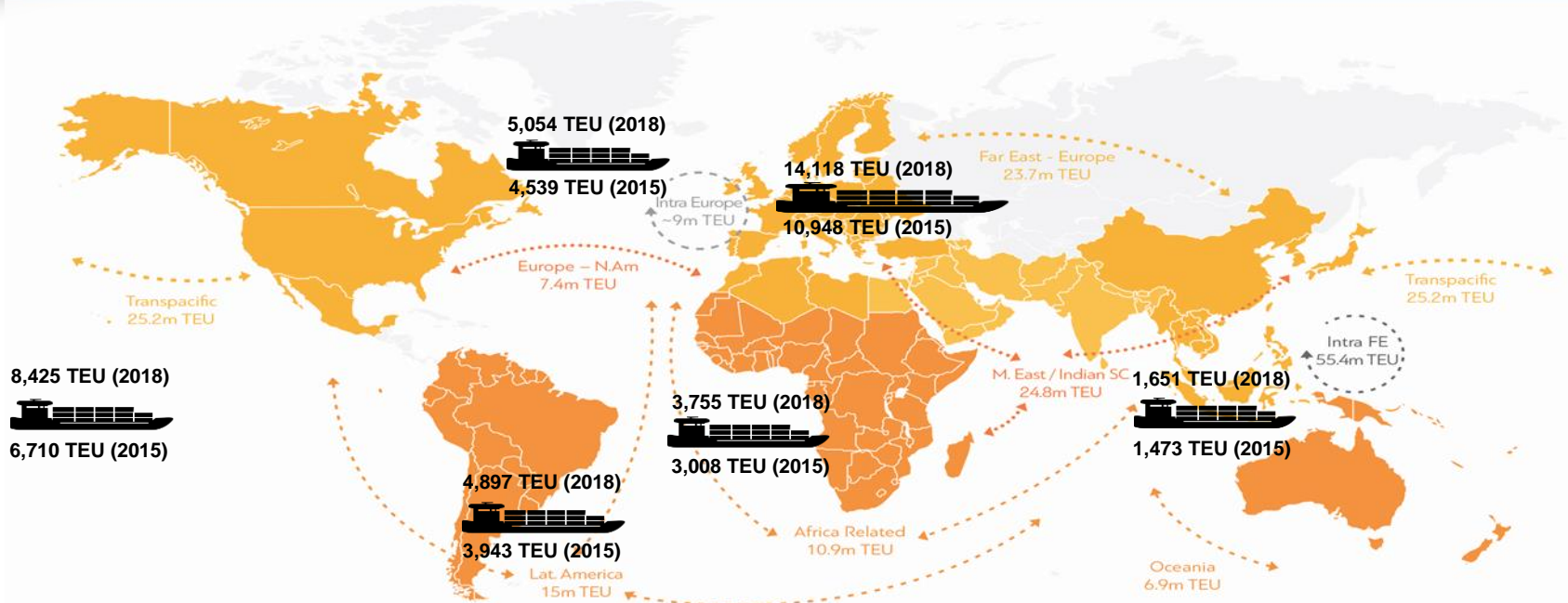
## Notes

1. (Total Bank Debt *plus* Finance Leases *minus* Cash and Cash Equivalents) / Total Assets.
2. Total Bank Debt *plus* Finance Leases *minus* Cash and Cash Equivalents
3. (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.



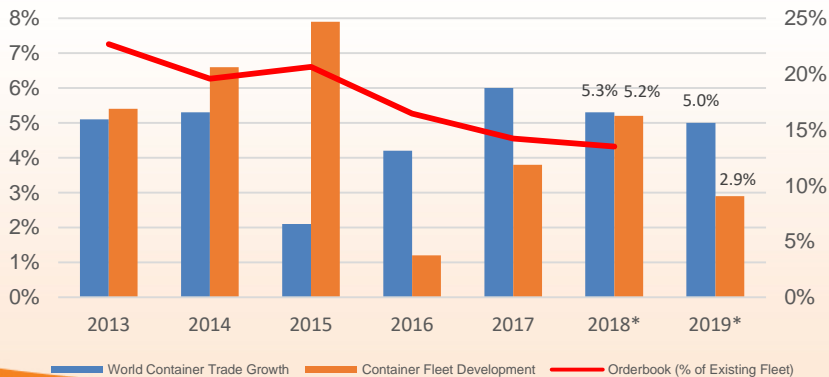
# Container Trade is Growing Across all Regions

## WORLDWIDE CONTAINER TRADE

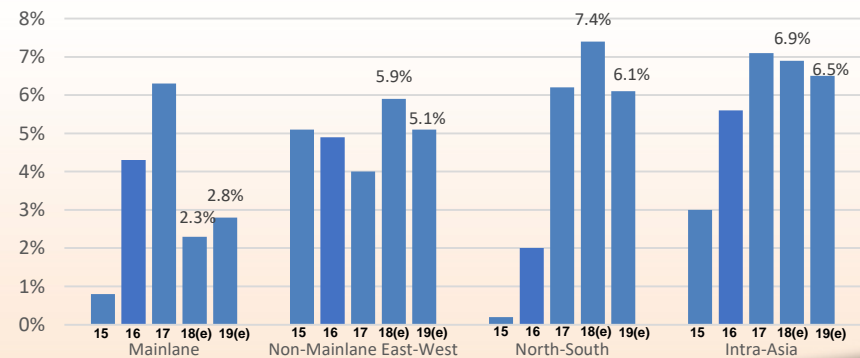


Source: Alphaliner Monthly Reports

### Container Trade Demand exceeds Supply



### Broad Based Growth Across Regions



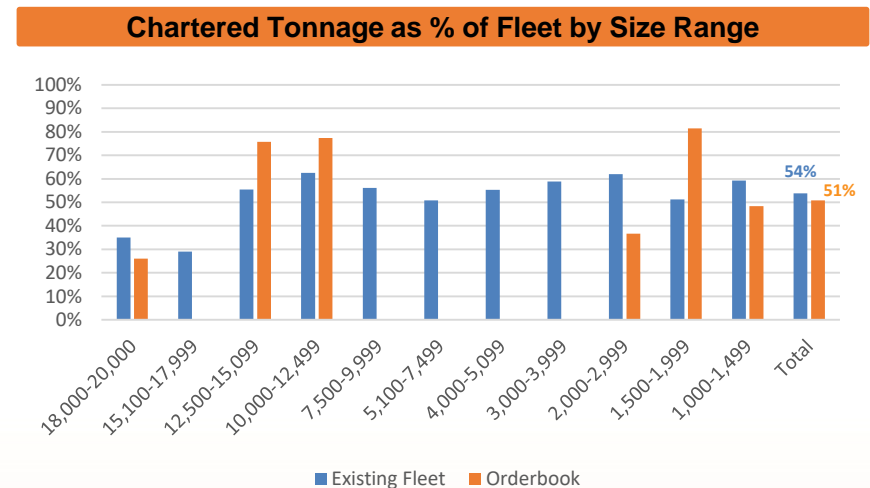
Source: Clarksons Research Services, September/October 2018

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

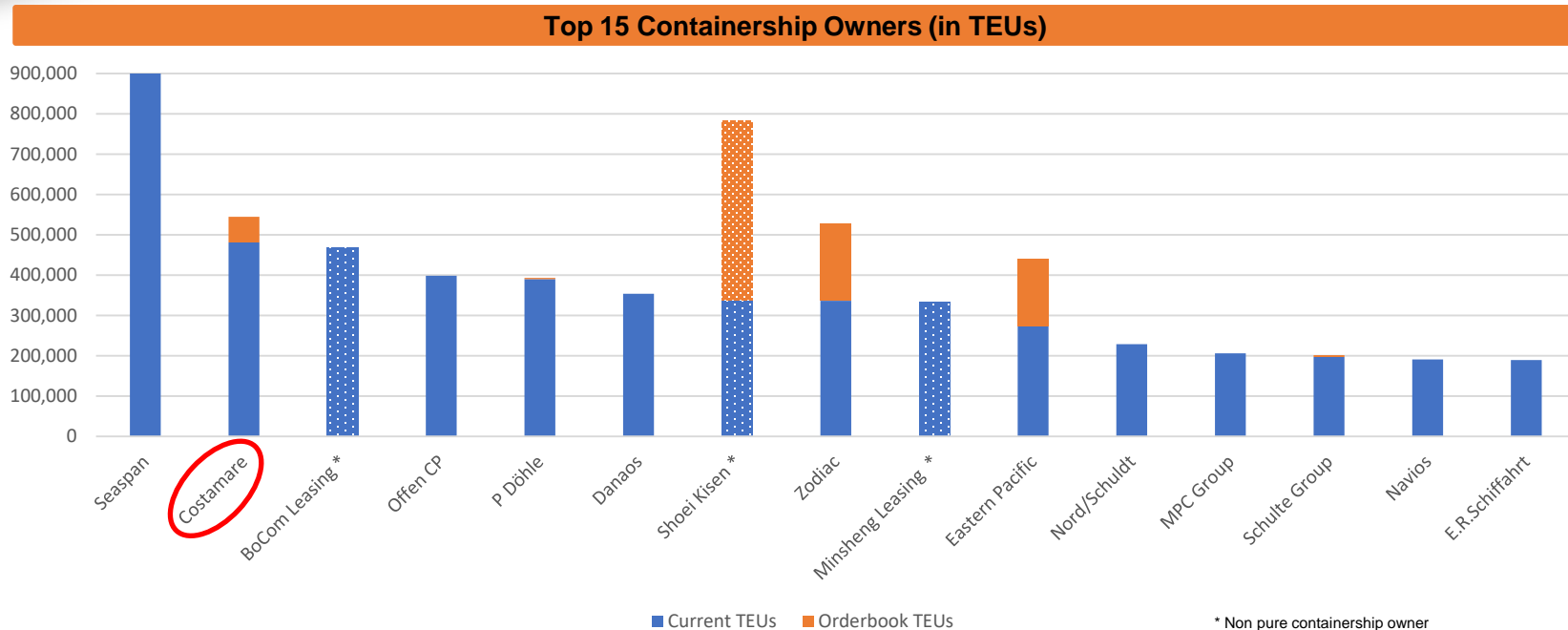
- Liners charter in just over half of their vessels both existing and on order.
- Long term charters are awarded to financially strong owners who have proven access to financing in a capital intensive industry.

Fleet Statistics					
TEU	Existing Fleet		Orderbook		Orderbook/ Existing %
	Units	TEU	Units	TEU	
18,000 +	88	1,725,861	49	1,080,588	<b>63%</b>
15,100- 17,999	32	528,743	3	45,846	<b>9%</b>
12,500- 15,099	236	3,239,299	54	778,440	<b>24%</b>
10,000- 12,499	158	1,683,857	36	424,944	<b>25%</b>
7,500- 9,999	480	4,226,935	0	0	<b>0%</b>
5,100- 7,499	458	2,842,591	1	5,295	<b>0%</b>
4,000- 5,099	643	2,915,091	2	8,000	<b>0%</b>
3,000- 3,999	245	852,874	12	40,032	<b>5%</b>
2,000- 2,999	657	1,670,441	105	275,390	<b>16%</b>
1,500- 1,999	602	1,033,226	86	155,548	<b>15%</b>
1,000- 1,499	715	824,421	40	47,191	<b>6%</b>
<b>TOTAL</b>	<b>5,293</b>	<b>22,188,732</b>	<b>412</b>	<b>2,876,184</b>	<b>13%</b>

Source: Alphaliner Monthly Monitor, October 2018



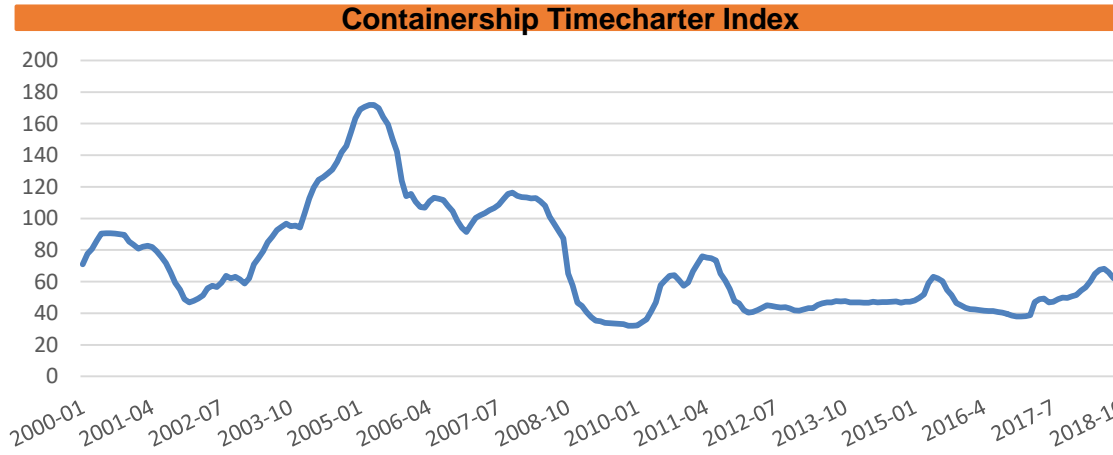
# Limited Competition



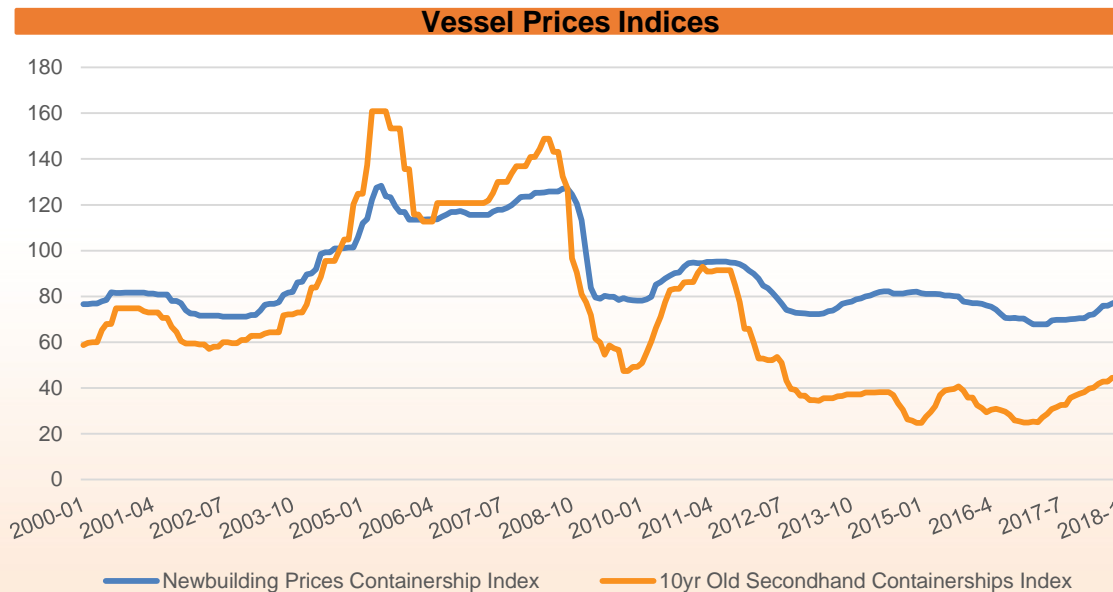
\* Non pure containership owner  
 Source: Alphaliner Monthly Monitor, October 2018

- Top 15 owners account for:
  - 59.7% of the chartered orderbook and
  - 44% of the in the water chartered fleet.
  
- Consolidation / cooperation amongst containership owners is expected to continue in the future driven by:
  - Financially distressed operators
  - Lenders with seized vessels
  - Liners' efficiency requirements

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



Source: Clarksons Research Services, October 2018



Source: Clarksons Research Services, November 2018

# 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)		
<b>Net Income</b>	\$ 24,143	\$ 14,040
Earnings allocated to Preferred Stock	(5,324)	(7,904)
<b>Net Income available to common stockholders</b>	18,819	6,136
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)
<b>Adjusted Net Income available to common stockholders</b>	\$ 17,176	\$ 9,763
<b>Adjusted Earnings per Share</b>	\$ 0.16	\$ 0.09
Weighted average number of shares	106,528,748	110,913,448

**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.

# 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 (ex. NILEDUTCH)	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 WASHINGTON	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 PIRAEUS	100%	2004	4,992
39 ZIM NEW YORK	100%	2002	4,992
40 ZIM SHANGHAI	100%	2002	4,992
41 LEONIDIO	100%	2014	4,957
42 KYPARISSIA	100%	2014	4,957
43 MEGALOPOLIS	100%	2013	4,957
44 MARATHOPOLIS	100%	2013	4,957
45 OAKLAND EXPRESS	100%	2000	4,890
46 HALIFAX EXPRESS	100%	2000	4,890
47 SINGAPORE EXPRESS	100%	2000	4,890
48 ULSAN	100%	2002	4,132
49 LAKONIA	100%	2004	2,586
50 CMA CGM L'ETOILE	100%	2005	2,556
51 AREOPOLIS	100%	2000	2,474
52 MESSINI	100%	1997	2,458
53 MSC Reunion	100%	1992	2,024
54 MSC SIERRA II	100%	1991	2,023
55 MSC NAMIBIA II	100%	1991	2,023
56 MSC PYLOS	100%	1991	2,020
57 NEAPOLIS	100%	2000	1,645
58 PROSPER	100%	1996	1,504
59 MICHIGAN	100%	2008	1,300
60 TRADER	100%	2008	1,300
61 ZAGORA	100%	1995	1,162
62 LUEBECK	100%	2001	1,078
63 CAPE TAINARO (JV)	49%	2017	11,010
64 CAPE ARTEMISIO (JV)	49%	2017	11,010
65 CAPE AKRITAS (JV)	49%	2016	11,010
66 ENSENADA (JV)	49%	2001	5,576
67 POLAR ARGENTINA (JV)	49%	2018	3,800
68 POLAR BRASIL (JV)	49%	2018	3,800
69 ELAFONISSOS (JV)	49%	1999	2,524
70 MONEMVASIA (JV)	49%	1998	2,472
71 ARKADIA (JV)	49%	2001	1,550
72 PETALIDI (JV)	49%	1994	1,162
73 CAPE KORTIA (JV)	25%	2017	11,010
74 CAPE SOUNIO (JV)	25%	2017	11,010
<b>TOTAL</b>			<b>485,279</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>