



Costamare Inc.



First Quarter 2018 Financial Results Conference Call

May 2, 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.

Q1 Highlights

Performance

- ✓ Adjusted EPS of \$0.12.

Fleet

- ✓ No vessels laid up. Fleet utilization of 99.8%⁽¹⁾.
- ✓ 16 vessels in new or extended time charters.

Growth

- ✓ Acquisition of two 2008-built 1,300 TEU sister containerships.
- ✓ Delivery of *c/v Polar Brasil* (3,800 TEU), time chartered to Maersk for 7 years, which concludes our current newbuilding program.

Strong Balance Sheet

- ✓ Net Debt to Equity Ratio⁽²⁾ of 0.65x (as of March 31, 2018).
- ✓ No off-balance sheet financing.
- ✓ No capital commitments.
- ✓ Leverage of 45%⁽³⁾ as per December 31, 2017, bank compliance certificates.

Containership Market

- ✓ Charter rates (Howe Robinson Index) have increased by 31% since December 2017.
- ✓ Idle fleet represents 1.4% of existing fleet.

Notes

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

Q1 2018 New Chartering Agreements

- No ships laid up including all vessels acquired under our JV with York Capital.
- Larger ships have captured most of the upswing.

#	Vessel	Built	TEUs	Previous Fixture	Previous Term	Latest Fixture	Latest Term	Charter Rate Move
1	Navarino	2010	8,531	\$9,000	12 to 18 months	undisclosed	10 to 12 months	↗
2	Kure	1996	7,403	\$12,500	45 to 90 days	\$16,350	12 to 15 months	↗
3	Maersk Kawasaki	1997	7,403	\$12,500	45 to 90 days	\$15,000	2 to 6 months	↗
4	Maersk Kobe	2000	6,648	\$26,100	4 years	\$16,000	2 to 5 months, extensible until Q1/Q2 2019	↘
5	Sealand New York	2000	6,648	\$26,100	4 years	\$14,000	2 to 5 months	↘
6	Venetiko	2003	5,928	\$6,600	5 to 14 months	\$11,750	6 to 10 months	↗
7	Ensenada	2001	5,576	\$11,600	39 to 45 days, 39 to 90 days	\$16,000	10 to 13 months	↗
8	Piraeus	2004	4,992	undisclosed	70 to 130 days	undisclosed	42 to 84 days	↗
9	Itea	1998	3,842	\$8,000	121 to 157 days	\$8,000 / \$550,000 Lump sum	35 to 70 days / ~ 50 days	-
10	Elafonisos	1999	2,526	\$6,200	11 to 13 months	undisclosed	10 to 12 months	↗
11	Areopolis	2000	2,474	\$8,300	3 to 8 months	\$9,100	5 to 7 months	↗
12	Messini	1997	2,458	\$8,300	4 to 8 months	\$10,250	3 to 6 months	↗
13	MSC Pylos	1991	2,020	\$6,000	11 to 13 months	\$6,800	11 to 13 months	↗
14	Padma	1998	1,645	\$6,800	4 to 8 months	\$9,800	2 to 3 months	↗
15	Arkadia	2001	1,550	\$7,800	145 to 243 days	\$10,400	5 to 7 months	↗
16	Prosper	1996	1,504	\$7,500	3 to 6 months	\$10,300	18 to 25 days	↗

Notes

- 1) Fixtures are quoted in dollars per day.
- 2) Daily charter rates are gross, unless stated otherwise.

Recent Transactions –New Financing Transactions/ Dividend Declarations

New financing transactions

- In March 2018, we refinanced the outstanding loan amount of \$299.8m under our original 2008 \$1.0bn credit facility with a leading European financial institution. The new facility matures in June 2021 and has a balloon payment at expiry of \$88m. The new amortization schedule and the terms of the new facility result in lower projected debt service repayments and improved liquidity of about \$65m until its maturity.
- In February 2018, we extended the maturity of the credit facility (original balloon payment of \$13.1m) for *Niledutch Panther* until February 2019.

Dividend Declarations

- On April 2, 2018, we declared a dividend for the quarter ended March 31, 2018, of \$0.10 per share on our common stock, payable on May 8, 2018, to stockholders of record as of April 20, 2018.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the first quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On April 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 \$0.462240 per share on our Series E Preferred Stock which were all paid on April 16, 2018 to holders of record as of April 13, 2018.

Q1 2018 Income Statement Snapshot

Q1 2018 RESULTS

	1Q 2017	1Q 2018	% Change
Ownership Days	4,678	4,770	2.0%
Average Number of Vessels	52.0	53.0	1.9%
Voyage Revenues	\$105,524	\$92,754	(12.1%)
Net Interest and Finance Costs(*)	17,330	13,588	(21.6%)
Adjusted Net Income Available to Common Stockholders(**)	20,774	13,366	(35.7%)
Weighted Average Number of Shares	91,036,935	108,802,614	

Q1 2018 RESULTS – Non Cash and Other Adjustments

	1Q 2017	1Q 2018
Net Income Available to Common Stockholders	\$ 17,866	\$ 12,289
Accrued charter revenue	(2,791)	(2,564)
(Gain) Loss on sale of vessels	3,638	-
(Gain) Loss on derivative instruments	(1,113)	(281)
Amortization of Prepaid lease	2,158	2,009
Non-cash G&A and other non-cash items	984	934
Swaps breakage costs	-	1,234
Realized (gain) loss on Euro/USD FX contracts	32	(255)
Adjusted Net Income Available to Common Stockholders(**)	20,774	13,366
Adjusted EPS(**)	\$0.23	\$0.12

Notes

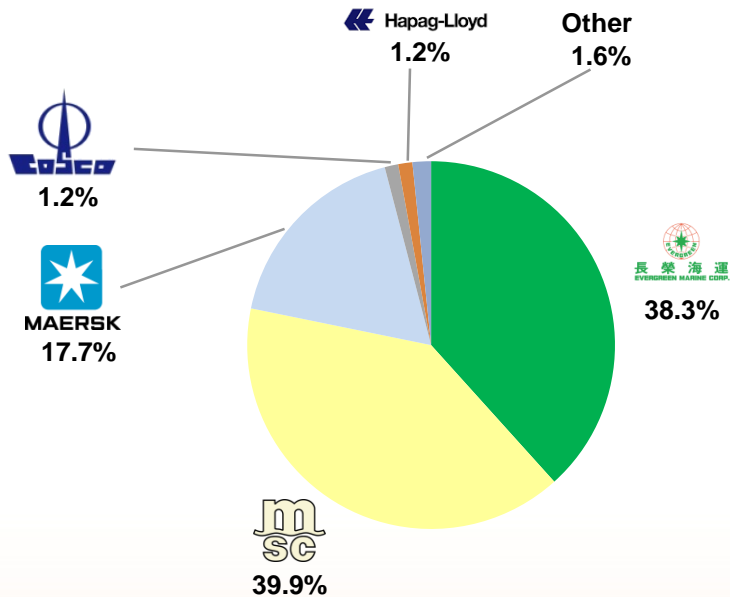
All numbers in thousands, except ownership days, number of vessels, share and per share data.

(*) Interest and finance costs *minus* Interest Income

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

High Quality & Stable Cash Flows

Revenue Contribution (All Vessels)⁽¹⁾⁽²⁾



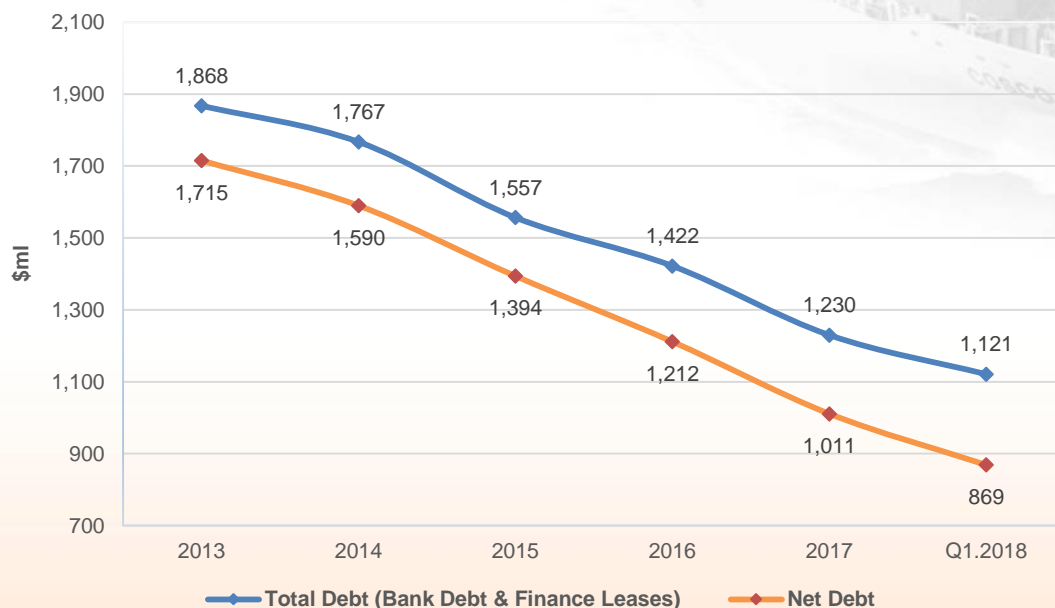
- As of May 1, 2018, contracted revenues of approximately \$1.2Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 2.7 years⁽¹⁾⁽²⁾

Notes

1. Based on contracted revenues as of May 1, 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; all of the newbuilds vessels have been delivered.
2. 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 March 31, 2018 of \$252m.
- Disciplined management of our Balance Sheet, with \$0.9 bn of Net Debt as of March 31st.
- Net Debt to Equity Ratio of 0.65x (as of March 31, 2018).
- Gross Total Debt⁽¹⁾ decreased from \$1.9bn to \$1.2bn, whilst since 2013 Costamare has raised approximately \$0.75bn of new debt related to vessel acquisitions.



Notes

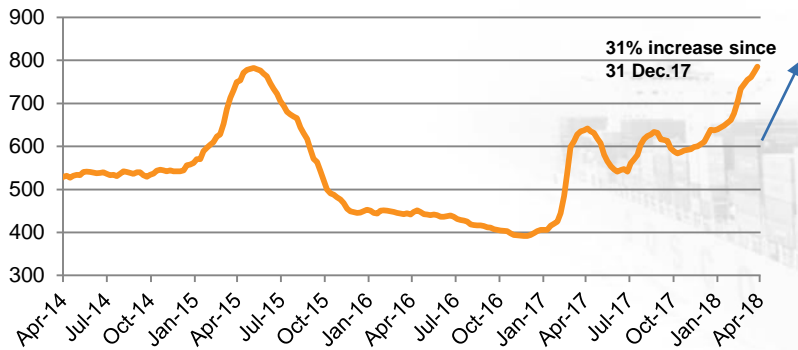
1. Total Bank Debt *plus* Finance Leases.

Container Shipping Industry



Charter Rates

Charter Index (HRCI)⁽¹⁾



Source: Howe Robinson as of April 25, 2018



Orderbook

Orderbook/ Total Fleet (%)

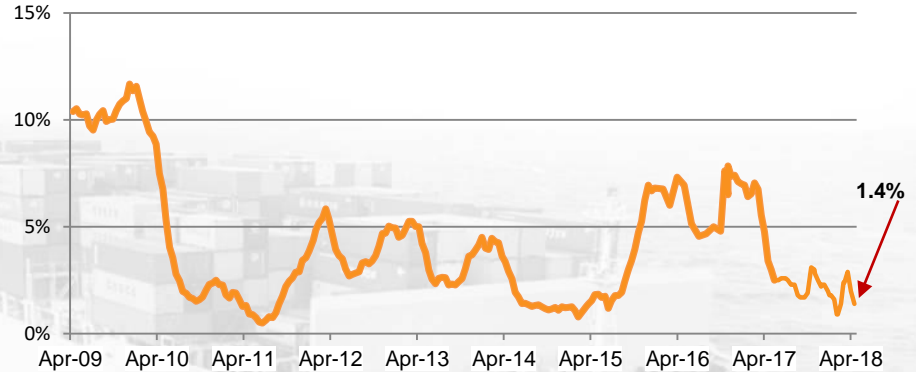


Source: Clarksons as of April 19, 2018



Idle Fleet

% of fleet



Source: AXS-Alphaliner as of April 16, 2018



Box Rates

CCFI Index



Source: Clarksons as of April 30, 2018

Note: (1) Howe Robinson Container 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

	Three-month period ended March 31,	
	2017	2018
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 23,015	\$ 19,167
Earnings allocated to Preferred Stock	(5,149)	(6,878)
Net Income available to common stockholders	17,866	12,289
Accrued charter revenue	(2,791)	(2,564)
Non-cash general and administrative expenses	984	934
Amortization of prepaid lease rentals, net	2,158	2,009
Realized (gain)/loss on Euro/USD forward contracts (1)	32	(255)
Loss on sale / disposals of vessels (1)	3,638	-
Swaps' breakage costs	-	1,234
Gain on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	(1,113)	(281)
Adjusted Net Income available to common stockholders	<u>\$ 20,774</u>	<u>\$ 13,366</u>
Adjusted Earnings per Share	<u>\$ 0.23</u>	<u>\$ 0.12</u>
Weighted average number of shares	<u>91,036,935</u>	<u>108,802,614</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 on Euro/USD forward contracts, loss on sale / disposal of vessels, swaps' breakage costs, non-cash general and administrative expenses, 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.