



Costamare Inc.



Third Quarter 2017 Financial Results Conference Call

October 25, 2017

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.

Q3 2017 New Chartering Agreements

➤ None of our vessels are currently laid up.

➤ 15 vessels chartered at rates which are, on average, 23% higher than the previous charter hire rates.

#	Vessel	Built	TEUs	Previous Fixture	Latest Fixture	Charter Rate Move
1	Cape Akritas	2016	11,010	*	mid 20 thousands of dollars	↗
2	Cape Kortia	2017	11,010	*	mid 20 thousands of dollars	↗
3	Zim New York	2002	4,992	\$7,736	\$8,401	↗
4	Zim Shanghai	2002	4,992	\$7,736	\$8,401	↗
5	Piraeus	2004	4,992	\$5,100	*	↗
6	Oakland Express	2000	4,890	\$5,500	\$8,800	↗
7	Halifax Express	2000	4,890	\$5,500	\$8,800	↗
8	Singapore Express	2000	4,890	\$5,500	\$8,800	↗
9	Ulsan	2002	4,132	\$8,000	\$7,600	↘
10	Itea	1998	3,842	\$7,250	\$8,000	↗
11	Messini	1997	2,458	\$5,800	\$6,800	↗
12	Arkadia	2001	1,550	\$10,600	\$7,800	↘
13	Prosper	1996	1,504	\$6,750	\$7,500	↗
14	Luebeck	2001	1,078	\$6,800	\$6,950	↗
15	Petalidi	1994	1,162	\$6,950	\$6,400	↘

Notes

1) Fixtures are quoted on dollars per day.

2) Does not include container vessels Maersk Kawasaki, Maersk Kure and Maersk Kokura whose charter rates have been adjusted and reported in 2Q 2017, pursuant to an agreement with their charterer in 1Q 2017.

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

Recent Transactions –New Financing Transactions / Vessel Disposals

New financing transactions

- In August 2017, we entered into a loan agreement with a leading European financial institution for the financing of the 2005-built 7,471 TEU containership, *Maersk Kowloon*. The vessel was acquired in the previous quarter and commenced its 5-year charter to Maersk Line. The respective loan facility will be repayable over 5 years.

Vessel disposals

- In August and September 2017 we sold for demolition the 1988-built 4,828 TEU container vessel *Mandraki* and the 1988-built 4,828 TEU container vessel *Mykonos*, and we recorded an accounting gain of \$1.5 million.

Recent Transactions – Dividend Declarations

Dividend Declarations

- On October 2, 2017, we declared a dividend for the third quarter ended September 30, 2017, of \$0.10 per share on our common stock, payable on November 6, 2017, to stockholders of record as of October 23, 2017.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the third quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On October 2, 2017, 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 and a dividend of \$0.546875 per share on our Series D Preferred Stock which were all paid on October 16, 2017 to holders of record as of October 13, 2017.

Q3 2017 Income Statement Snapshot



Q3 2017 RESULTS

	3Q 2016	3Q 2017	% Change
Ownership Days	4,912	4,922	0.2%
Average Number of Vessels	53.4	53.5	0.2%
Voyage Revenues	\$118,256	\$101,274	(14.4%)
Net Interest and Finance Costs	18,011	17,209	(4.5%)
Adjusted Net Income Available to Common Stockholders ^(*)	28,122	17,176	(38.9%)
Weighted Average Number of Shares	76,486,847	106,528,748	



Q3 2017 RESULTS – Non Cash and Other Adjustments

	3Q 2016	3Q 2017
Net Income Available to Common Stockholders	\$15,348	\$18,819
Accrued charter revenue	(2,827)	(2,853)
(Gain) Loss on sale of vessels	4,440	(1,514)
(Gain) Loss on derivative instruments	(2,079)	246
Amortization of Prepaid lease	2,102	2,055
G&As non-cash component	1,368	924
Non-recurring, non-cash write -off of loan deferred financing costs	586	-
Swaps breakage cost	9,404	-
Realized (gain) loss on Euro/USD FX contracts	(220)	(501)
Adjusted Net Income Available to Common Stockholders ^(*)	28,122	17,176
Adjusted EPS ^(*)	\$0.37	\$0.16

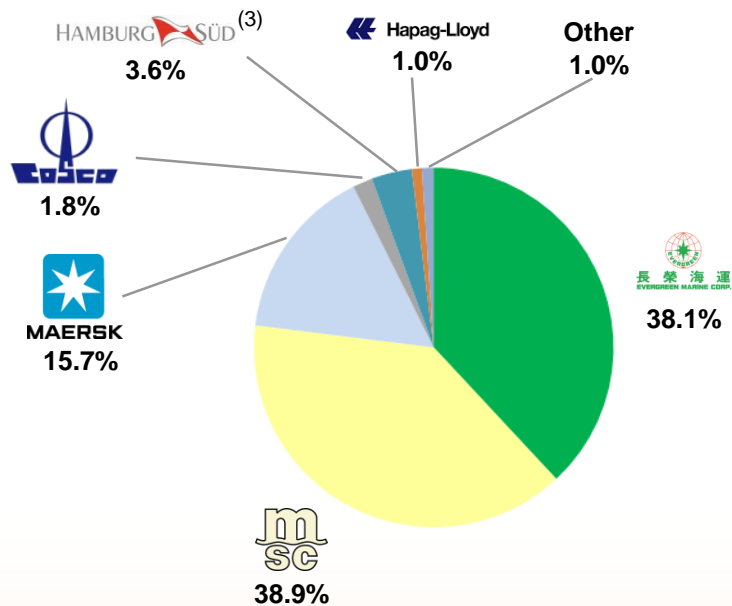
Notes

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

(*) Non-GAAP Items, see Appendix for reconciliation.

High Quality & Stable Cash Flows

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



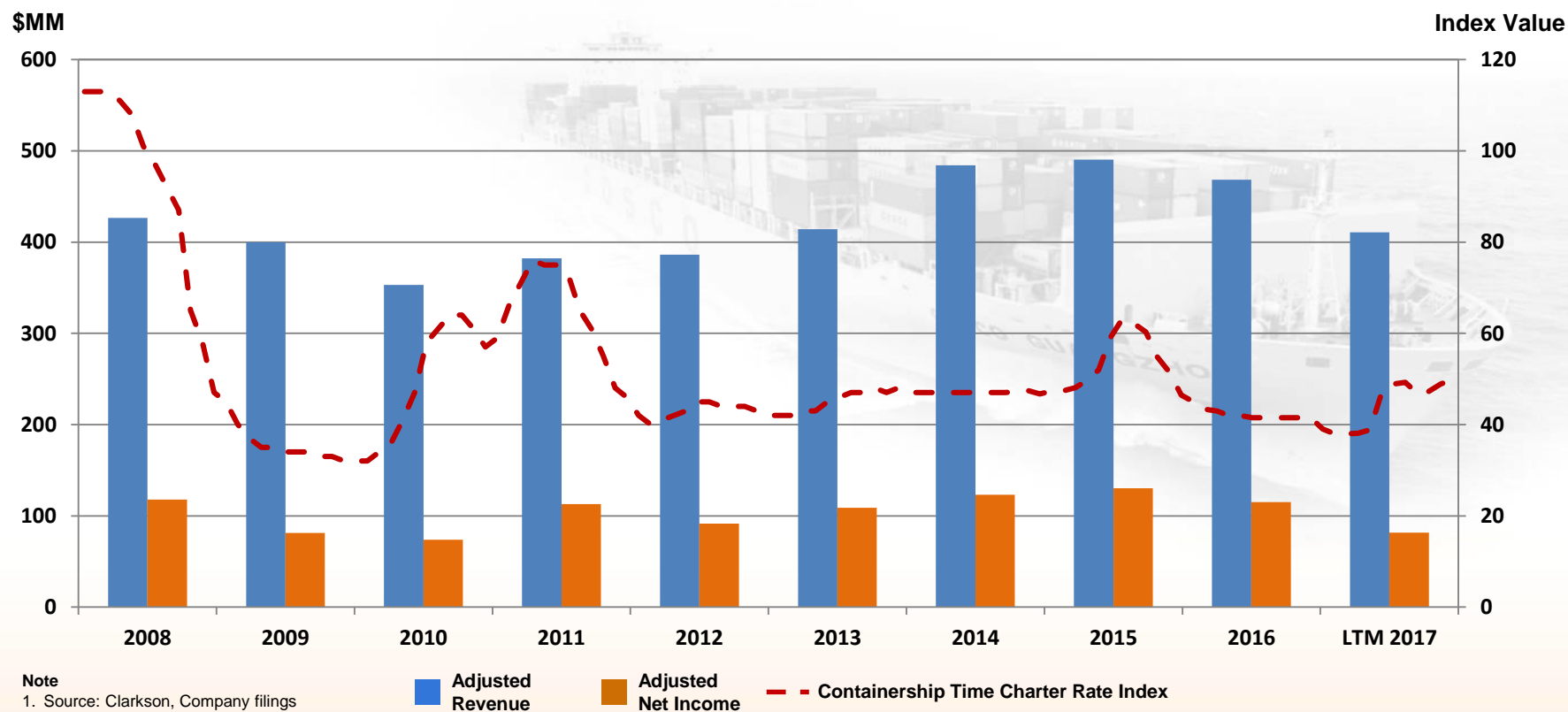
- As of October 25, 2017, contracted revenues of approximately \$1.3Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 3.0 years⁽¹⁾⁽²⁾

Notes

1. Based on contracted revenues as of October 25, 2017. Revenues include our ownership percentage of contracted revenues for six secondhand vessels purchased and twelve newbuilds ordered pursuant to the Framework Agreement with York; ten of the twelve newbuilds have already been delivered.
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.
3. Hamburg Süd is expected to be acquired by Maersk Lines once necessary regulatory approvals are granted.

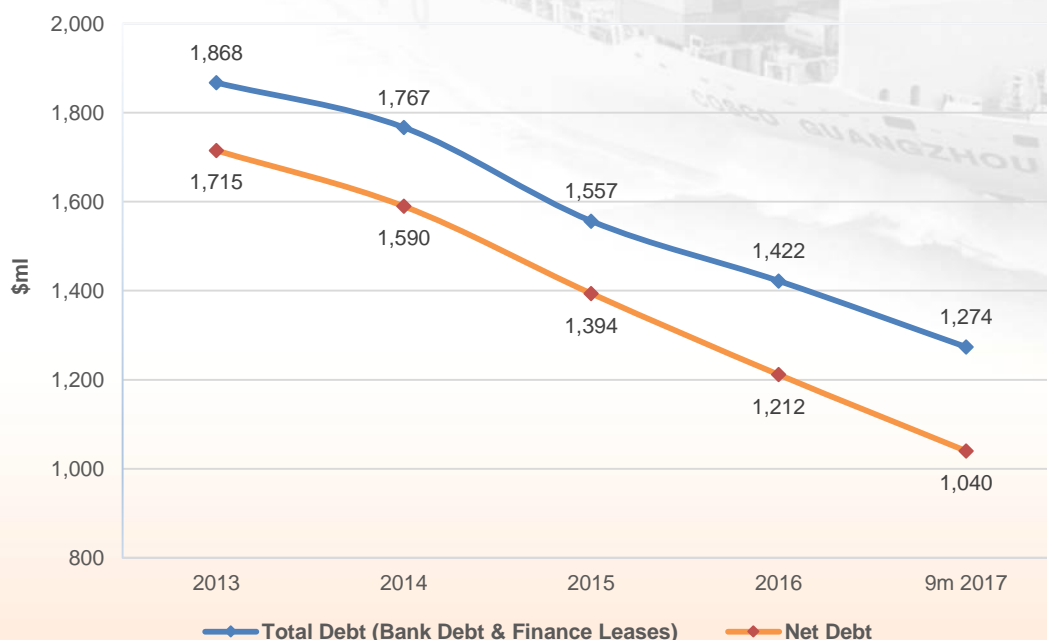
Consistently Strong Performance

Historical Financial Performance vs. Containership Time Charter Rate Index ⁽¹⁾



Prudent Balance Sheet Management

- Total Cash and Cash Equivalents as of September 30, 2017 of \$234m.
- Disciplined management of our Balance Sheet, with \$1.04bn of Net Debt¹ as of September 30th.
- Leverage Ratio² of 51%, as per latest compliance certificate provided to our financing banks on June 30th.
- Gross Total Debt³ decreased from \$1.9bn to \$1.3bn in less than 5 years, whilst since 2013 Costamare raised approximately \$0.75bn of new debt related to vessel acquisitions.



Notes

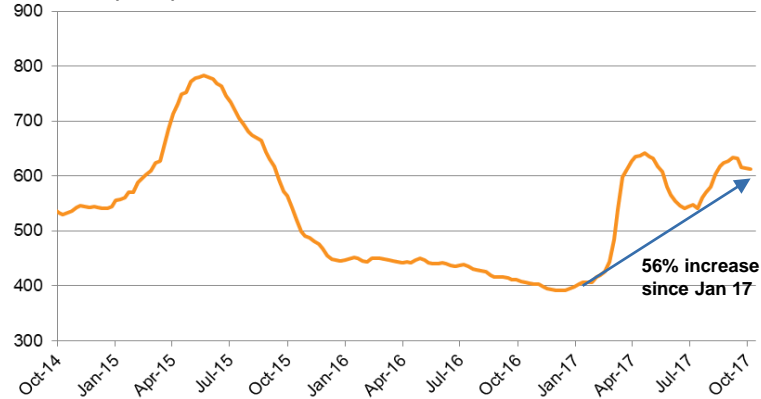
1. Total Bank Debt *plus* Finance Leases *minus* Cash and Cash Equivalents.
2. Net Debt / (Total Market Value Adjusted Assets *minus* Cash and Cash Equivalents).
3. Bank Debt *plus* Finance Leases.

Container Shipping Industry



Charter Rates

Charter Index (HRCI)⁽¹⁾

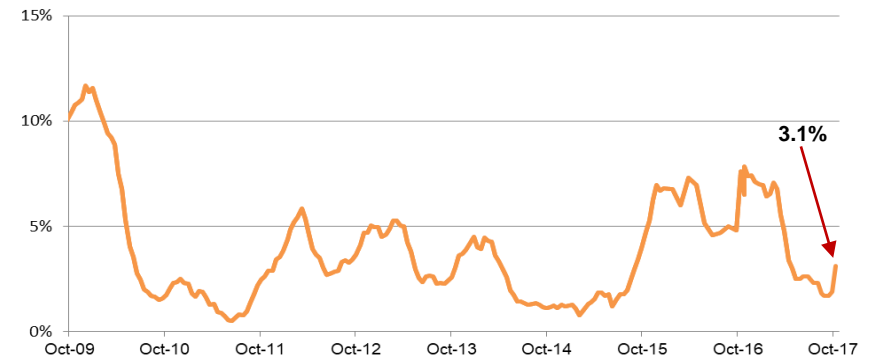


Source: Howe Robinson as of October 18, 2017



Idle Fleet

% of fleet



Source: AXS-Alphaliner as of October 16, 2017



Orderbook

Orderbook/ Total Fleet (%)



Source: Clarkson as of October 23, 2017

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



Box Rates

CCFI Index



Source: Clarkson as of October 20, 2017

Q & A

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

	Three-month period ended September 30,	
	2016	2017
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 20,672	\$ 24,143
Earnings allocated to Preferred Stock	(5,324)	(5,324)
Net Income available to common stockholders	<u>15,348</u>	<u>18,819</u>
Accrued charter revenue	(2,827)	(2,853)
General and administrative expenses – non-cash component	1,368	924
Amortization of prepaid lease rentals, net	2,102	2,055
Realized Gain on Euro/USD forward contracts ⁽¹⁾	(220)	(501)
(Gain) / Loss on sale / disposals of vessels ⁽¹⁾	4,440	(1,514)
Non-recurring, non-cash write-off of loan deferred financing costs	586	-
Swap breakage cost	9,404	-
(Gain) / Loss on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments ⁽¹⁾	(2,079)	246
Adjusted Net Income available to common stockholders	<u>\$ 28,122</u>	<u>\$ 17,176</u>
Adjusted Earnings per Share	<u>\$ 0.37</u>	<u>\$ 0.16</u>
Weighted average number of shares	<u>76,486,847</u>	<u>106,528,748</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, (gain) / loss on sale / disposal of vessels, non-recurring, non-cash write-off of loan deferred financing costs, swap breakage cost, general and administrative expenses - non-cash component, 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 are reflected as deductions to Adjusted Net Income. Charges negatively impacting Net Income are reflected as increases to Adjusted Net Income.