



Costamare Inc.



**Fourth Quarter 2017 Financial Results
Conference Call**

January 24, 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.

Q4 2017 New Chartering Agreements

➤ No ships laid up.

➤ Larger ships have captured most of the upswing.

#	Vessel	Built	TEUs	Latest Fixture	Term
1	Cape Artemisio	2017	11,010	\$27,000 (net)	11 to 13 months
2	Cape Tainaro	2017	11,010	\$28,250	11 to 14 months
3	Cosco Guangzhou	2006	9,469	\$13,500 / \$16,000	39 to 45 days / 4 to 6 months
4	Cosco Ningbo	2006	9,469	\$16,000	6 to 8 months
5	Cosco Yantian	2006	9,469	\$16,000	6 to 8 months
6	Cosco Beijing	2006	9,469	\$16,000	4 to 6 months
7	Cosco Hellas	2006	9,469	\$16,000	4 to 6 months
8	Ensenada	2001	5,576	\$11,600	39 to 45 days, 39 to 90 days
9	NILEDUTCH PANTHER (ex. Kokura)	1997	7,403	\$12,750	9 to 12 months
10	Maersk Kure	1996	7,403	\$12,500	45 to 90 days
11	Maersk Kawasaki	1997	7,403	\$12,500	45 to 90 days
12	Lakonia	2004	2,586	\$8,500	4 to 8 months
13	Neapolis	2000	1,645	\$8,300	3 to 8 months
14	Ulsan	2002	4,132	\$7,600	3 to 7 months
15	Luebeck	2001	1,078	\$6,500	12 to 14 months
16	Petalidi	1994	1,162	\$6,550	5 to 7 months

Notes

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

Recent Transactions –Newbuild vessel delivery/ New acquisition

Newbuild vessel delivery

- On January 23, 2018, we accepted delivery of the 3,800 TEU containership *Polar Argentina* (ex Hull Nr YZJ2015-1206), which was acquired pursuant to our joint venture with York. The vessel commenced its 7-year charter with Hamburg Süd. Costamare holds a 49% interest in the entity that owns the vessel.

New acquisition

- In October 2017, the Company agreed to purchase the 2005-built 2,556 TEU container vessel *CMA CGM L'Etoile*. On November 3, 2017, we accepted delivery of the vessel. The vessel is chartered to CMA CGM for a period, expiring at the charterers' option, between March 10, 2018 and June 10, 2018, at a daily rate of \$10,250. The acquisition was funded with cash from operations.

Recent Transactions – Dividend Declarations

Dividend Declarations

- On January 2, 2018, we declared a dividend for the fourth quarter ended December 31, 2017, of \$0.10 per share on our common stock, payable on February 6, 2018, to stockholders of record as of January 23, 2018.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the fourth quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On January 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 and a dividend of \$0.546875 per share on our Series D Preferred Stock, which were all paid on January 16, 2018 to holders of record as of January 12, 2018.

Q4 2017 Income Statement Snapshot

Q4 2017 RESULTS

	4Q 2016	4Q 2017	% Change
Ownership Days	4,876	4,843	(0.7%)
Average Number of Vessels	53.0	52.6	(0.8%)
Voyage Revenues	\$110,134	\$100,618	(8.6%)
Net Interest and Finance Costs	17,228	15,766	(8.5%)
Adjusted Net Income Available to Common Stockholders ^(*)	23,039	18,408	(20.1%)
Weighted Average Number of Shares	81,498,030	107,661,705	

Q4 2017 RESULTS – Non Cash and Other Adjustments

	4Q 2016	4Q 2017
Net Income Available to Common Stockholders	(\$16,274)	(\$2,596)
Accrued charter revenue	(2,836)	(2,752)
Impairment loss	-	17,959
Loss on Asset held for sale	37,161	2,379
(Gain) Loss on derivative instruments	(2,346)	(313)
Amortization of Prepaid lease	2,200	2,054
Non-cash G&A and other non-cash items	4,837	864
Swaps breakage cost	297	-
JV Impairment loss (%)	-	896
Realized (gain) loss on Euro/USD FX contracts	-	(83)
Adjusted Net Income Available to Common Stockholders ^(*)	23,039	18,408
Adjusted EPS ^(*)	\$0.28	\$0.17

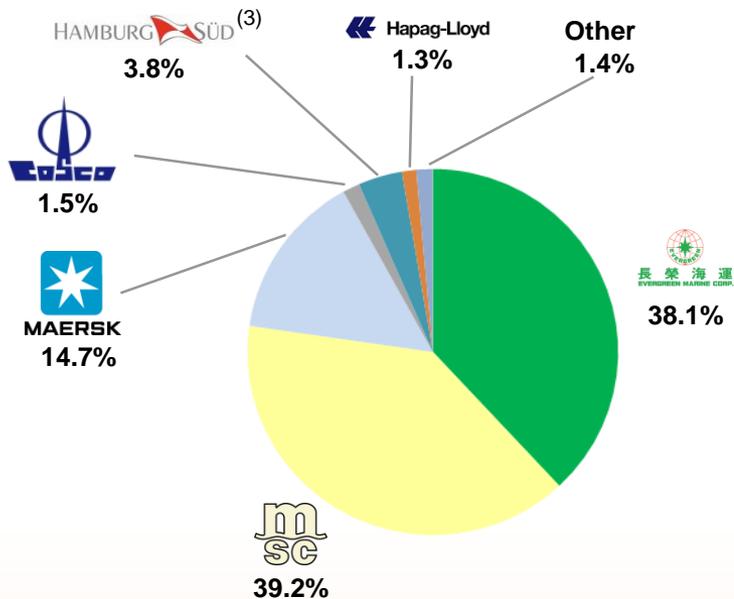
Notes

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⁾



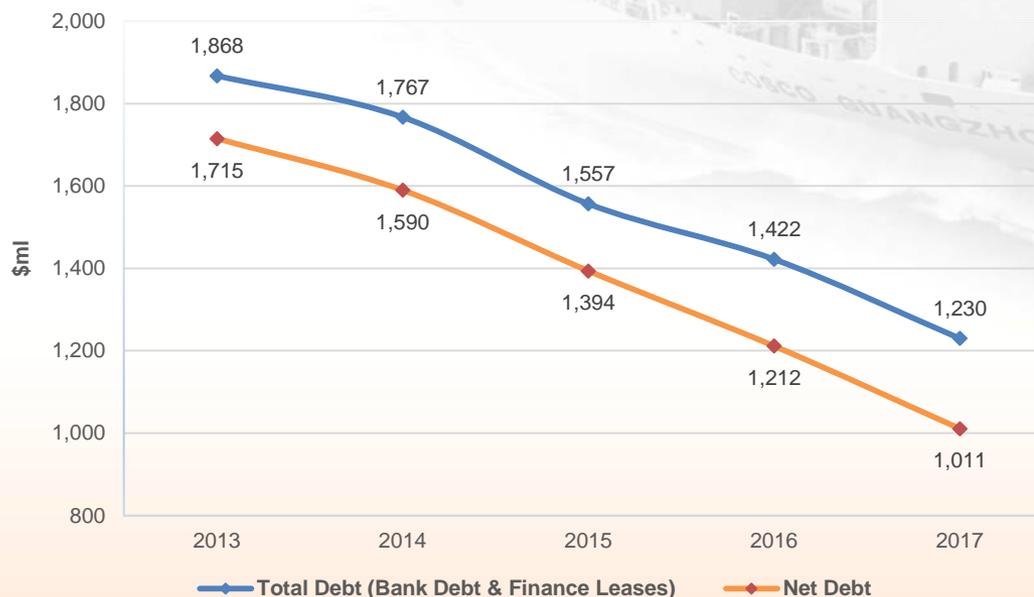
- As of January 24, 2017, contracted revenues of approximately \$1.2Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 2.9 years⁽¹⁾⁽²⁾

Notes

1. Based on contracted revenues as of January 24, 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; eleven 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 has been acquired by Maersk Lines.

Prudent Balance Sheet Management

- Total Cash and Cash Equivalents as of December 31, 2017 of \$219m.
- Disciplined management of our Balance Sheet, with \$1.01bn of Net Debt¹ as of December 31st.
- Expected Leverage Ratio² of 50%, for FY 2017 based on compliance certificates to be delivered to financing banks.
- Gross Total Debt³ decreased from \$1.9bn to \$1.2bn in less than 5 years, whilst since 2013 Costamare has 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⁾

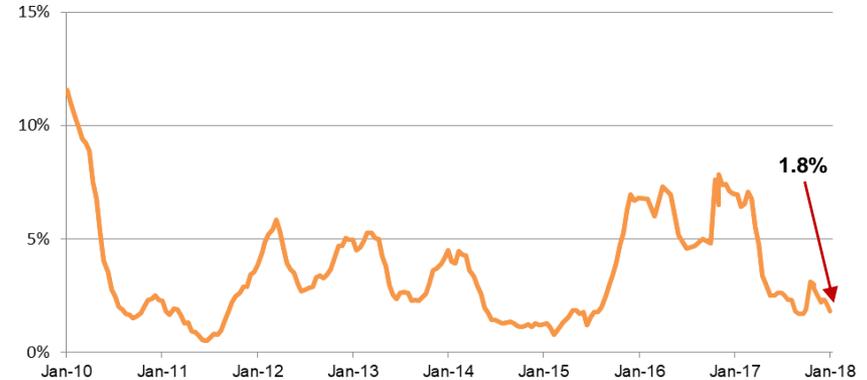


Source: Howe Robinson as of January 17, 2018



Idle Fleet

% of fleet



Source: AXS-Alphaliner as of January 18, 2018



Orderbook

Orderbook/ Total Fleet (%)



Source: Clarkson (as of January 23, 2018) & AXS-Alphaliner (as of January 18, 2018)



Box Rates

CCFI Index



Source: Clarkson as of January 19, 2018

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

Takeaways

Performance

- ✓ Adjusted EPS of \$0.17.

Fleet

- ✓ No vessels laid up.
- ✓ 16 vessels in new or extended timecharters.
- ✓ Delivery of 3,800 TEU containership (Polar Argentina) on 7-year charter with Hamburg Süd.
- ✓ Acquisition of the 2005-built 2,556 TEU container vessel (CMA CGM L'Etoile) with cash from operations.

Strong Balance Sheet

- ✓ Expected Leverage Ratio of 50%, for FY 2017 based on compliance certificates to be delivered to financing banks.
- ✓ Total Debt reduction of \$0.7bn since 2013.
- ✓ 4 vessels currently unencumbered.

Capital Expenditure Commitments

- ✓ Remaining equity commitment of USD1.1m related to one newbuilding (under our joint venture with York).

Containership Market

- ✓ Idle fleet represents 1.8% of existing fleet.
- ✓ Average charter rates (Howe Robinson Index) have increased by 60% since January 2017.

Q & A

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

	Three-month period ended December 31,	
	2016	2017
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income / (Loss)	\$ (11,008)	\$ 2,670
Earnings allocated to Preferred Stock	(5,266)	(5,266)
Net Income / (Loss) available to common stockholders	<u>(16,274)</u>	<u>(2,596)</u>
Accrued charter revenue	(2,836)	(2,752)
Non-cash general and administrative expenses and non-cash other items	4,837	864
Amortization of prepaid lease rentals, net	2,200	2,054
Realized Gain on Euro/USD forward contracts (1)	-	(83)
Loss on sale / disposals of vessels (1)	-	-
Loss on asset held for sale	37,161	2,379
Vessels' impairment loss	-	17,959
Vessel impairment loss by a jointly owned company with York included in equity (gain)/loss on investments	-	896
Non-recurring, non-cash write-off of loan deferred financing costs	-	-
Swap breakage cost	297	-
Gain on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	(2,346)	(313)
Adjusted Net Income available to common stockholders	<u>\$ 23,039</u>	<u>\$ 18,408</u>
Adjusted Earnings per Share	<u>\$ 0.28</u>	<u>\$ 0.17</u>
Weighted average number of shares	<u>81,498,030</u>	<u>107,661,705</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, loss on asset held for sale, vessels' impairment loss, vessel impairment loss by a jointly owned company with York included in equity (gain)/loss on investments, non-recurring, non-cash write-off of loan deferred financing costs, swap breakage cost, 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 are reflected as deductions to Adjusted Net Income. Charges negatively impacting Net Income are reflected as increases to Adjusted Net Income.