

## Danaos Corporation Reports First Quarter Results for the Period Ended March 31, 2021

**Athens, Greece, May 10, 2021** – Danaos Corporation (“Danaos”) (NYSE: DAC), one of the world’s largest independent owners of containerships, today reported unaudited results for the quarter ended March 31, 2021.

### Highlights for the First Quarter Ended March 31, 2021:

- Adjusted net income<sup>1</sup> of \$58.0 million, or \$2.83 per share, for the three months ended March 31, 2021 compared to \$33.3 million, or \$1.34 per share, for the three months ended March 31, 2020, an increase of 74.2%.
- Operating revenues of \$132.1 million for the three months ended March 31, 2021 compared to \$106.2 million for the three months ended March 31, 2020, an increase of 24.4%.
- Adjusted EBITDA<sup>1</sup> of \$96.3 million for the three months ended March 31, 2021 compared to \$71.9 million for the three months ended March 31, 2020, an increase of 33.9%.
- Total contracted operating revenues were \$1.2 billion as of March 31, 2021, with charters extending through 2028 and remaining average contracted charter duration of 2.9 years, weighted by aggregate contracted charter hire.
- Charter coverage of 91% for the next 12 months based on current operating revenues and 88% in terms of contracted operating days.
- Initiated a regular quarterly dividend with a dividend of \$0.50 per share of common stock for the first quarter of 2021. The dividend is payable on June 9, 2021 to stockholders of record as of May 27, 2021.

### Three Months Ended March 31, 2021

#### Financial Summary - Unaudited

*(Expressed in thousands of United States dollars, except per share amounts)*

	Three months ended March 31, 2021	Three months ended March 31, 2020
Operating revenues	\$132,118	\$106,196
Net income	\$296,780	\$29,089
Adjusted net income <sup>1</sup>	\$58,011	\$33,281
Earnings per share, diluted	\$14.47	\$1.17
Adjusted earnings per share, diluted <sup>1</sup>	\$2.83	\$1.34
Diluted weighted average number of shares (in thousands)	20,513	24,789
Adjusted EBITDA <sup>1</sup>	\$96,282	\$71,918

<sup>1</sup> Adjusted net income, adjusted earnings per share and adjusted EBITDA are non-GAAP measures. Refer to the reconciliation of net income to adjusted net income and net income to adjusted EBITDA.

**Danaos' CEO Dr. John Coustas commented:**

" The dramatic turnaround and strength of the market which we experienced in the beginning of the year continues unabated, if not stronger. The continuation of the pandemic and the ensuing slowdown in the terminal operations have exacerbated demand and the liner sector is at the limit of its capacity. The blockage of the Suez Canal further contributed to the disruption in the supply chain and conditions will likely not normalize before the end of the year, possibly after the peak season.

Liner companies are reporting record profits and, more importantly, are signing multi-year contracts at significantly higher levels which will keep their profitability at elevated levels. On the non-operating owners front, charter rates have skyrocketed to levels not seen for at least 10 years and what is more important duration has been significantly increased so that vessels over 4,000 TEU can secure 4+ years employment at very healthy levels.

This euphoria due to the sharp increase in rates and confidence that the market will remain strong has led to a dramatic increase in newbuilding ordering. As a result, the orderbook now stands at 17% of the existing fleet which is higher compared to the 9% nadir at the end of 2020 but still much lower than the 50% it reached in 2008.

Fortunately, the lack of shipyard capacity and the hesitance of many market participants to order vessels with conventional fuel propulsion both are inhibiting factors for new orders and are keeping a lid on excessive ordering. In any event, the recently ordered vessels will not deliver until at least 2023, and the next two years should be lean in terms of fleet supply growth. We believe that the expected strong demand growth post pandemic will comfortably absorb the existing orderbook.

As far as Danaos is concerned we are currently in the best ever position and reaping the benefits of the current market environment. On April 12th we completed our refinancing on very competitive terms and also positioned the company successfully in the US bond market, giving us access to a very significant pool of capital. The amortization profile of our debt is resulting in significant free cash flow for growth opportunities.

The stellar performance of the liner sector had a number of significant consequences for us. First, our shareholding in ZIM is today valued at around \$400 million. Secondly, the dramatic cash flow generation of Zim and HMM induced them to redeem early the bonds which we were holding so we will have a \$75 million cash injection in the second quarter of 2021. Thirdly, the liner sector performance also eliminates counterparty risk for the foreseeable future.

On the chartering front every fixture we concluded was done at a new record level. These fixtures are beginning to take effect and we expect to see improved metrics for every single quarter for this year. Our strong financial standing and optimistic view for the future has led the Board to decide to reinstate a fixed quarterly dividend of \$0.50 per share. Danaos has been repositioned as a growth company and has handsomely rewarded its shareholders through a dramatic share appreciation of greater than 1,000% since our November 2019 equity offering. We believe that our new fixed dividend will both expand our shareholder base to a new group of yield driven institutional investors and also enhance liquidity of the stock.

All the right steps that the company has undertaken in the last couple of years have been greatly appreciated by the market and we will continue along the same path in the future."

**Three months ended March 31, 2021 compared to the three months ended March 31, 2020**

During the three months ended March 31, 2021, Danaos had an average of 60.0 containerships compared to 55.7 containerships during the three months ended March 31, 2020. Our fleet utilization for the three months ended March 31, 2021 was 98.6% compared to 91.3% for the three months ended March 31, 2020. Adjusted fleet utilization, excluding the effect of 188 days of incremental off-hire due to shipyard delays related to the COVID-19 pandemic, was 95% in the three months ended March 31, 2020.

Our adjusted net income amounted to \$58.0 million, or \$2.83 per share, for the three months ended March 31, 2021 compared to \$33.3 million, or \$1.34 per share, for the three months ended March 31, 2020. We have adjusted our net income in the three months ended March 31, 2021 for the change in fair value of

our investment in ZIM of \$247.9 million, a non-cash fees amortization and accrued finance fees charge of \$5.0 million and stock-based compensation of \$4.1 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The increase of \$24.7 million in adjusted net income for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 is attributable mainly to a \$25.9 million increase in operating revenues, a partial collection of common benefit claim of \$3.9 million from Hanjin Shipping, a \$2.5 million decrease in net finance expenses and a \$0.3 million increase in the operating performance of our equity investment in Gemini Shipholdings Corporation ("Gemini"), which were partially offset by a \$7.9 million increase in total operating expenses.

On a non-adjusted basis, our net income amounted to \$296.8 million, or \$14.47 earnings per diluted share, for the three months ended March 31, 2021 compared to net income of \$29.1 million, or \$1.17 earnings per diluted share, for the three months ended March 31, 2020.

### **Operating Revenues**

Operating revenues increased by 24.4%, or \$25.9 million, to \$132.1 million in the three months ended March 31, 2021 from \$106.2 million in the three months ended March 31, 2020.

Operating revenues for the three months ended March 31, 2021 reflect:

- a \$10.5 million increase in revenues in the three months ended March 31, 2021 compared to the three months ended March 31, 2020 due to the incremental revenue generated by the newly-acquired vessels; and
- a \$15.4 million increase in revenues in the three months ended March 31, 2021 compared to the three months ended March 31, 2020 mainly as a result of higher charter rates and improved fleet utilization.

### **Vessel Operating Expenses**

Vessel operating expenses increased by \$5.1 million to \$31.1 million in the three months ended March 31, 2021 from \$26.0 million in the three months ended March 31, 2020, primarily as a result of the increase in the average number of vessels in our fleet and by an increase in the average daily operating cost of \$5,954 per vessel per day for vessels on time charter for the three months ended March 31, 2021 compared to \$5,522 per vessel per day for the three months ended March 31, 2020. The average daily operating cost increased mainly due to the COVID-19 related increase in crew remuneration in the three months ended March 31, 2021. Management believes that our daily operating cost remains among the most competitive in the industry.

### **Depreciation & Amortization**

Depreciation & Amortization includes Depreciation and Amortization of Deferred Dry-docking and Special Survey Costs.

#### *Depreciation*

Depreciation expense increased by 4.9%, or \$1.2 million, to \$25.8 million in the three months ended March 31, 2021 from \$24.6 million in the three months ended March 31, 2020 mainly due to the acquisition of five vessels and installation of scrubbers on nine of our vessels in the year ended December 31, 2020.

#### *Amortization of Deferred Dry-docking and Special Survey Costs*

Amortization of deferred dry-docking and special survey costs increased by \$0.2 million to \$2.5 million in the three months ended March 31, 2021 from \$2.3 million in the three months ended March 31, 2020.

### **General and Administrative Expenses**

General and administrative expenses increased by \$5.1 million to \$10.9 million in the three months ended March 31, 2021, from \$5.8 million in the three months ended March 31, 2020. The increase was mainly due to a \$4.6 million increase in stock-based compensation and increased management fees due to the increased size of our fleet.

### **Other Operating Expenses**

Other Operating Expenses include Voyage Expenses.

#### *Voyage Expenses*

Voyage expenses increased by \$0.2 million to \$4.2 million in the three months ended March 31, 2021 from \$4.0 million in the three months ended March 31, 2020 primarily as a result of the increase in the average number of vessels in our fleet.

#### **Interest Expense and Interest Income**

Interest expense decreased by 7.4%, or \$1.2 million, to \$15.1 million in the three months ended March 31, 2021 from \$16.3 million in the three months ended March 31, 2020. The decrease in interest expense is attributable to:

(i) a \$2.0 million decrease in interest expense due to a decrease in average cost of debt service by approximately 1.5%, which was partially offset by a \$70.3 million increase in our average debt (including leaseback obligations), to \$1,614.5 million in the three months ended March 31, 2021, compared to \$1,544.2 million in the three months ended March 31, 2020; and

(ii) a \$0.8 million increase in the amortization of deferred finance costs and debt discount related to our debt.

Our total outstanding debt as of March 31, 2021, reflects an additional amount of \$300 million relating to our Senior Notes issued in February 2021, with net proceeds of \$294.4 million placed in an escrow account. These net proceeds were used, together with the net proceeds from a new \$815 million senior secured credit facility and a new \$135 million leaseback arrangement, each drawn in April 2021, to refinance a substantial majority of our outstanding senior secured indebtedness on April 12, 2021. See “Recent Developments”.

As of March 31, 2021, our outstanding debt, net of \$294.4 million escrowed net cash proceeds from the Senior Notes and gross of deferred finance costs, was \$1,306.8 million and our leaseback obligation was \$117.5 million compared to our outstanding debt of \$1,396.3 million and our leaseback obligation of \$134.3 million as of March 31, 2020.

Interest income increased by \$0.3 million to \$2.0 million in the three months ended March 31, 2021 compared to \$1.7 million in the three months ended March 31, 2020.

#### **Change in fair value of investments**

The change in fair value of investments of \$247.875 million relates to the change in fair value of our shareholding interest in ZIM, which completed its initial public offering and listing on the New York Stock Exchange of its ordinary shares on January 27, 2021. We currently own 10,186,950 ordinary shares of ZIM, which were valued at \$247.95 million as of March 31, 2021 compared to the book value of these shares of \$75 thousand as of December 31, 2020.

#### **Other finance costs, net**

Other finance costs, net decreased by \$0.2 million to \$0.4 million in the three months ended March 31, 2021 compared to \$0.6 million in the three months ended March 31, 2020.

#### **Equity income on investments**

Equity income/(loss) on investments increased by \$0.3 million to \$1.8 million of income on investments in the three months ended March 31, 2021 compared to a \$1.5 million income on investments in the three months ended March 31, 2020 due to the improved operating performance of Gemini, in which the Company has a 49% shareholding interest.

#### **Loss on derivatives**

Amortization of deferred realized losses on interest rate swaps remained stable at \$0.9 million in each of the three months ended March 31, 2021 and March 31, 2020.

#### **Other income, net**

Other income, net was \$4.0 million in income in the three months ended March 31, 2021 compared to \$0.2 million in the three months ended March 31, 2020. The increase was mainly due to the collection from Hanjin Shipping of \$3.9 million as a partial payment of common benefit claim and interest.

**Adjusted EBITDA**

Adjusted EBITDA increased by 33.9%, or \$24.4 million, to \$96.3 million in the three months ended March 31, 2021 from \$71.9 million in the three months ended March 31, 2020. As outlined above, the increase is mainly attributable to a \$25.9 million increase in operating revenues, a partial collection of common benefit claim of \$3.9 million from Hanjin Shipping and a \$0.3 million increase in the operating performance of our equity investees, which were partially offset by a \$5.7 million increase in total operating expenses. Adjusted EBITDA for the three months ended March 31, 2021 is adjusted for change in fair value of investments of \$247.9 million and stock based compensation of \$4.9 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

**Dividend Payment**

On May 10, 2021 we declared a dividend of \$0.50 per share of common stock for the first quarter of 2021, which is payable on June 9, 2021 to stockholders of record as of May 27, 2021. We intend to pay regular quarterly dividends on our common stock. Payments of dividends are subject to the discretion of our board of directors, provisions of Marshall Islands law affecting the payment of distributions to stockholders and the terms of our credit facilities, which permit the payment of dividends so long as there has been no event of default thereunder nor would occur as a result of such dividend payment, and will be subject to conditions in the container shipping industry, our financial performance and us having sufficient available excess cash and distributable reserves.

**Recent Developments**

On April 12, 2021, the Company refinanced a substantial majority of its outstanding senior secured indebtedness with the proceeds from a \$815 million senior secured credit facility with Citibank N.A. and National Westminster Bank plc, a \$135 million sale leaseback agreement with Oriental Fleet International Company Limited, an affiliate of COSCO Shipping Lease Co., Ltd., with respect to five vessels, and the net proceeds of the Company's February 2021 offering of \$300 million of 8.500% Senior Notes due 2028.

**Conference Call and Webcast**

On Tuesday, May 11, 2021 at 9:00 A.M. ET, the Company's management will host a conference call to discuss the results.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 844 802 2437 (US Toll Free Dial In), 0800 279 9489 (UK Toll Free Dial In) or +44 (0) 2075 441 375 (Standard International Dial In). Please indicate to the operator that you wish to join the Danaos Corporation earnings call.

A telephonic replay of the conference call will be available until May 18, 2021 by dialing 1 877 344 7529 (US Toll Free Dial In) or 1-412-317-0088 (Standard International Dial In) and using 10156175# as the access code.

**Audio Webcast**

There will also be a live and then archived webcast of the conference call on the Danaos website ([www.danaos.com](http://www.danaos.com)). Participants of the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

**Slide Presentation**

A slide presentation regarding the Company and the containership industry will also be available on the Danaos website ([www.danaos.com](http://www.danaos.com)).

**About Danaos Corporation**

Danaos Corporation is one of the largest independent owners of modern, large-size containerships. Our current fleet of 65 containerships aggregating 403,793 TEUs, including five vessels owned by Gemini Shipholdings Corporation, a joint venture, ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Our fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Our long track record of success is predicated on our efficient and rigorous operational standards and environmental controls. Danaos Corporation's shares trade on the New York Stock Exchange under the symbol "DAC".

### **Forward-Looking Statements**

Matters discussed in this release may constitute forward-looking statements within the meaning of the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The forward-looking statements in this release are based upon various assumptions. Although Danaos Corporation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Danaos Corporation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the impact of the COVID-19 pandemic and efforts throughout the world to contain its spread, including effects on global economic activity, demand for seaborne transportation of containerized cargo, the ability and willingness of charterers to perform their obligations to us, charter rates for containerships, shipyards performing scrubber installations, drydocking and repairs, changing vessel crews and availability of financing; Danaos' ability to achieve the expected benefits of the 2021 debt refinancing and comply with the terms of its new credit facilities and other financing agreements; the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, charter counterparty performance, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in Danaos Corporation's operating expenses, including bunker prices, dry-docking and insurance costs, ability to obtain financing and comply with covenants in our financing arrangements, actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by Danaos Corporation with the U.S. Securities and Exchange Commission.

Visit our website at [www.danaos.com](http://www.danaos.com)

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### **Investor Relations and Financial Media**

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## Appendix

### Fleet Utilization

Danaos had 51 unscheduled off-hire days in the three months ended March 31, 2021. The following table summarizes vessel utilization and the impact of the off-hire days on the Company's revenue.

Vessel Utilization (No. of Days)	First Quarter	First Quarter
	2021	2020
Ownership Days	5,400	5,073
Less Off-hire Days:		
Scheduled Off-hire Days	(22)	(336)
Other Off-hire Days	(51)	(104)
<b>Operating Days</b>	<b>5,327</b>	<b>4,633</b>
<b>Vessel Utilization</b>	<b>98.6%</b>	<b>91.3%</b>
<b>Operating Revenues (in '000s of US Dollars)</b>	<b>\$132,118</b>	<b>\$106,196</b>
<b>Average Gross Daily Charter Rate</b>	<b>\$24,802</b>	<b>\$22,922</b>

### Fleet List

The following table describes in detail our fleet deployment profile as of May 10, 2021:

Vessel Name	Vessel Size (TEU)	Year Built	Expiration of Charter <sup>(1)</sup>
<i>Hyundai Ambition</i>	13,100	2012	June 2024
<i>Hyundai Speed</i>	13,100	2012	June 2024
<i>Hyundai Smart</i>	13,100	2012	May 2024
<i>Hyundai Respect</i>	13,100	2012	March 2024
<i>Hyundai Honour</i>	13,100	2012	February 2024
<i>Express Rome</i>	10,100	2011	February 2022
<i>Express Berlin</i>	10,100	2011	April 2022
<i>Express Athens</i>	10,100	2011	February 2022
<i>Le Havre</i>	9,580	2006	April 2023
<i>Pusan C</i>	9,580	2006	March 2023
<i>Bremen</i>	9,012	2009	December 2022
<i>C Hamburg</i>	9,012	2009	January 2023
<i>Niledutch Lion</i>	8,626	2008	February 2022
<i>Charleston</i>	8,533	2005	December 2021
<i>CMA CGM Melisande</i>	8,530	2012	May 2024
<i>CMA CGM Attila</i>	8,530	2011	October 2023
<i>CMA CGM Tancredi</i>	8,530	2011	November 2023
<i>CMA CGM Bianca</i>	8,530	2011	January 2024
<i>CMA CGM Samson</i>	8,530	2011	March 2024
<i>America</i>	8,468	2004	February 2023
<i>Europe</i>	8,468	2004	March 2023
<i>Phoebe</i>	8,463	2005	April 2022
<i>CMA CGM Moliere</i>	6,500	2009	February 2022
<i>CMA CGM Musset</i>	6,500	2010	August 2022
<i>CMA CGM Nerval</i>	6,500	2010	October 2022
<i>CMA CGM Rabelais</i>	6,500	2010	December 2022
<i>CMA CGM Racine</i>	6,500	2010	January 2023
<i>YM Mandate</i>	6,500	2010	January 2028
<i>YM Maturity</i>	6,500	2010	April 2028
<i>Performance</i>	6,402	2002	May 2024



<b>Vessel Name</b>	<b>Vessel Size (TEU)</b>	<b>Year Built</b>	<b>Expiration of Charter<sup>(1)</sup></b>
<i>Dimitra C</i>	6,402	2002	January 2023
<i>Seattle C</i>	4,253	2007	September 2021
<i>Vancouver</i>	4,253	2007	December 2021
<i>Derby D</i>	4,253	2004	January 2022
<i>ANL Tongala</i>	4,253	2004	January 2023
<i>Rio Grande</i>	4,253	2008	December 2021
<i>ZIM Sao Paolo</i>	4,253	2008	February 2023
<i>ZIM Kingston</i>	4,253	2008	April 2023
<i>ZIM Monaco</i>	4,253	2009	July 2022
<i>ZIM Dalian</i>	4,253	2009	November 2022
<i>ZIM Luanda</i>	4,253	2009	August 2025
<i>Dimitris C</i>	3,430	2001	January 2022
<i>Express Black Sea</i>	3,400	2011	January 2022
<i>Express Spain</i>	3,400	2011	January 2022
<i>Express Argentina</i>	3,400	2010	May 2023
<i>Express Brazil</i>	3,400	2010	September 2021
<i>Express France</i>	3,400	2010	October 2021
<i>Singapore</i>	3,314	2004	October 2021
<i>Colombo</i>	3,314	2004	December 2021
<i>Zebra</i>	2,602	2001	August 2021
<i>Amalia C</i>	2,452	1998	January 2023
<i>Artotina (ex Danae C)</i>	2,524	2001	February 2022
<i>Advance</i>	2,200	1997	January 2022
<i>Future</i>	2,200	1997	November 2021
<i>Sprinter</i>	2,200	1997	December 2021
<i>Stride</i>	2,200	1997	February 2022
<i>Progress C</i>	2,200	1998	December 2021
<i>Bridge</i>	2,200	1998	April 2022
<i>Highway</i>	2,200	1998	August 2022
<i>Vladivostok</i>	2,200	1997	October 2021
<i>Belita<sup>(2)</sup></i>	8,533	2006	September 2021
<i>Catherine C<sup>(2)</sup></i>	6,422	2001	January 2023
<i>Leo C<sup>(2)</sup></i>	6,422	2002	August 2022
<i>Suez Canal<sup>(2)</sup></i>	5,610	2002	March 2023
<i>Genoa<sup>(2)</sup></i>	5,544	2002	November 2024

(1) Earliest date charters could expire. Some charters include options to extend their terms.

(2) Vessels acquired by Gemini Shipholdings Corporation, in which Danaos holds a 49% equity interest.



**DANAOS CORPORATION**  
**Condensed Consolidated Statements of Income - Unaudited**  
**(Expressed in thousands of United States dollars, except per share amounts)**

	Three months ended March 31, <b>2021</b>	Three months ended March 31, <b>2020</b>
<b>OPERATING REVENUES</b>	<b>\$132,118</b>	<b>\$106,196</b>
<b>OPERATING EXPENSES</b>		
Vessel operating expenses	(31,078)	(26,002)
Depreciation & amortization	(28,308)	(26,891)
General & administrative	(10,895)	(5,840)
Other operating expenses	(4,228)	(4,046)
<b>Income From Operations</b>	<b>57,609</b>	<b>43,417</b>
<b>OTHER INCOME/(EXPENSES)</b>		
Interest income	1,978	1,714
Interest expense	(15,111)	(16,313)
Change in fair value of investments	247,875	-
Other finance expenses	(452)	(622)
Equity income on investments	1,803	1,545
Other income, net	3,971	251
Realized loss on derivatives	(893)	(903)
<b>Total Other Income/(Expenses), net</b>	<b>239,171</b>	<b>(14,328)</b>
<b>Net Income</b>	<b>\$296,780</b>	<b>\$29,089</b>
<b>EARNINGS PER SHARE</b>		
Basic earnings per share	\$14.62	\$1.18
Diluted earnings per share	\$14.47	\$1.17
Basic weighted average number of common shares (in thousands of shares)	20,293	24,573
Diluted weighted average number of common shares (in thousands of shares)	20,513	24,789

**Non-GAAP Measures<sup>1</sup>**  
**Reconciliation of Net Income to Adjusted Net Income – Unaudited**

	Three months ended March 31, <b>2021</b>	Three months ended March 31, <b>2020</b>
Net income	<b>\$296,780</b>	<b>\$29,089</b>
Change in fair value of investments	(247,875)	-
Amortization of financing fees, debt discount & finance fees accrued	5,028	4,192
Stock-based compensation	4,078	-
<b>Adjusted Net Income</b>	<b>\$58,011</b>	<b>\$33,281</b>
<b>Adjusted Earnings Per Share, diluted</b>	<b>\$2.83</b>	<b>\$1.34</b>
Diluted weighted average number of shares (in thousands)	20,513	24,789

<sup>1</sup> The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2021 and 2020. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

**DANAOS CORPORATION**  
**Condensed Consolidated Balance Sheets - Unaudited**  
**(Expressed in thousands of United States dollars)**

	As of March 31, 2021	As of December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$68,104	\$65,663
Accounts receivable, net	7,343	7,556
Other current assets	121,349	45,229
	<u>196,796</u>	<u>118,448</u>
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	2,455,171	2,479,937
Deferred charges, net	15,737	17,339
Restricted cash	294,404	-
Investments in affiliates	17,076	15,273
Other non-current assets	275,378	83,383
	<u>3,057,766</u>	<u>2,595,932</u>
<b>TOTAL ASSETS</b>	<u><b>\$3,254,562</b></u>	<u><b>\$2,714,380</b></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt, current portion	\$111,130	\$155,662
Accumulated accrued interest, current portion	7,169	18,036
Long-term leaseback obligations, current portion	24,862	24,515
Accounts payable, accrued liabilities & other current liabilities	47,459	41,472
	<u>190,620</u>	<u>239,685</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net	1,458,947	1,187,345
Accumulated accrued interest, net of current portion	140,037	136,433
Long-term leaseback obligations, net	89,673	95,585
Other long-term liabilities	17,539	19,755
	<u>1,706,196</u>	<u>1,439,118</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock	206	204
Additional paid-in capital	760,297	755,390
Accumulated other comprehensive loss	(66,189)	(86,669)
Retained earnings	663,432	366,652
	<u>1,357,746</u>	<u>1,035,577</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><b>\$3,254,562</b></u>	<u><b>\$2,714,380</b></u>

**DANAOS CORPORATION**  
**Condensed Consolidated Statements of Cash Flows - Unaudited**  
**(Expressed in thousands of United States dollars)**

	Three months ended March 31, 2021	Three months ended March 31, 2020
<b>Operating Activities:</b>		
Net income	\$296,780	\$29,089
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation	25,799	24,581
Amortization of deferred drydocking & special survey costs, finance cost, debt discount and other finance fees accrued	7,537	6,502
PIK interest	642	807
Change in fair value of investments	(247,875)	-
Payments for drydocking/special survey	(907)	(4,850)
Amortization of deferred realized losses on cash flow interest rate swaps	893	903
Equity (income)/loss on investments	(1,803)	(1,545)
Stock based compensation	4,909	298
Accounts receivable	213	(776)
Other assets, current and non-current	1,002	(1,889)
Accounts payable and accrued liabilities	3,278	5,343
Other liabilities, current and long-term	(2,210)	(3,036)
<b>Net Cash provided by Operating Activities</b>	<b>88,258</b>	<b>55,427</b>
<b>Investing Activities:</b>		
Vessel additions and advances	(1,236)	(42,246)
Investments	2,392	(75)
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>1,156</b>	<b>(42,321)</b>
<b>Financing Activities:</b>		
Proceeds from long-term debt	294,386	-
Debt repayment	(71,849)	(32,637)
Payments of leaseback obligations	(5,916)	(3,876)
Payments of accumulated accrued interest	(4,702)	(8,329)
Finance costs	(4,488)	(10,415)
<b>Net Cash provided by/(used in) Financing Activities</b>	<b>207,431</b>	<b>(55,257)</b>
Net Increase/(Decrease) in cash, cash equivalents and restricted cash	296,845	(42,151)
Cash, cash equivalents and restricted cash, beginning of period	65,663	139,170
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$362,508</b>	<b>\$97,019</b>

**DANAOS CORPORATION**  
**Reconciliation of Net Income to Adjusted EBITDA - Unaudited**  
**(Expressed in thousands of United States dollars)**

	Three months ended	Three months ended
	March 31,	March 31,
	2021	2020
Net income	\$296,780	\$29,089
Depreciation	25,799	24,581
Amortization of deferred drydocking & special survey costs	2,509	2,310
Amortization of deferred finance costs, debt discount and other finance fees accrued	5,028	4,192
Amortization of deferred realized losses on interest rate swaps	893	903
Interest income	(1,978)	(1,714)
Interest expense	10,217	12,259
Change in fair value of investments	(247,875)	-
Stock based compensation	4,909	298
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$96,282</b>	<b>\$71,918</b>

- 1) Adjusted EBITDA represents net income before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs, amortization of deferred finance costs, debt discount and other finance fees accrued, amortization of deferred realized losses on interest rate swaps, change in fair value of investments and stock based compensation. However, Adjusted EBITDA is not a recognized measurement under U.S. generally accepted accounting principles, or "GAAP." We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that Adjusted EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of Adjusted EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions, items which may vary for different companies for reasons unrelated to overall operating performance. In evaluating Adjusted EBITDA, 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 EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Note: Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to net income. Charges negatively impacting net income are reflected as increases to net income.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2021 and 2020. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.