DANAOS CORPORATION



2025

Annual Report

DANAOS CORPORATION

Danaos Corporation

DAC LISTED NYSE

Mission Statement



Danaos Corporation seeks to remain the premier choice of global seaborne container transportation for its clients by utilizing its solid operational, technical and financial infrastructure.

Danaos will continue to provide outstanding customer service, enforce rigorous operational standards, maintain a steadfast commitment to safety and environmental protection, and reward its shareholders, employees and business associates.

President & CEO



Dear Fellow Shareholders,

2025 began under the shadow of the Red Sea crisis, the longest sustained disruption to a major global trade route in modern memory, and ended with the first cautious signs of its resolution. For most of the year, container fleets sailed thousands of extra miles around Africa while the Suez Canal stood largely empty, a vivid symbol of how profoundly geopolitics had reshaped commerce. But the Red Sea was only one front. Washington moved to impose port-call fees on Chinese-built vessels in an assertion of maritime sovereignty, before stepping back as part of a broader trade agreement. The war in Ukraine ground on. Tensions in the Strait of Hormuz flared. And yet, when the year's ledger was tallied, global container trade had reached record volumes. The world's appetite for goods is remarkably difficult to suppress.

For Danaos, it was a year that validated every strategic choice we have made. While the industry navigated volatility, our long-term charter coverage shielded us from market swings, our eco-compliant orderbook attracted premium counterparties, and our balance sheet gave us options that others simply did not have. We grew our contracted backlog substantially, expanded into dry bulk alongside containerships, and secured forward visibility that allows us to plan with confidence rather than react under pressure.

That confidence is grounded in results. For the second consecutive year we surpassed the billion-dollar revenue mark, generated strong free cash flows, and maintained one of the lowest leverage ratios in our industry. Our landmark unsecured bond issuance affirmed the capital markets' trust in our platform, and today the overwhelming majority of our fleet operates entirely free of debt. These are not just numbers; they are the foundation on which we are building the next decade.

And build we will. In 2025 we took our first step into energy transportation through a partnership with Glenfarne Group on the Alaska LNG project, extending our reach into a sector with enormous long-term demand while drawing on the operational discipline that defines our container business. We also continued to return capital through consistent dividends and an active buyback program, because disciplined growth and generous returns are two sides of the same commitment.

That confidence is grounded in results. For the second consecutive year we surpassed the billion-dollar revenue mark.

Looking ahead, the world is not standing still. The conflict in Iran and the effective closure of the Strait of Hormuz have reminded us, barely weeks into 2026, that the era of maritime disruption is far from over. The Suez Canal is gradually reopening, new tonnage is entering the market, and trade policies remain in flux. For many, these converging forces will create serious headwinds. For Danaos, they reinforce the value of everything we have built. Our fleet is fully contracted for 2026, our newbuildings are pre-chartered, and our financial strength gives us the freedom to act decisively while others adjust. With new vessels arriving, our LNG ambitions taking shape, and a fleet growing younger, greener, and more versatile, I am convinced we are entering one of the most exciting chapters in our company's history.

I thank our seafarers and shore-based colleagues whose dedication makes everything possible, our customers for their trust, and you, our shareholders, for your partnership on this journey.The best of Danaos is still ahead of us.

Respectfully,
Dr. John Coustas
President and CEO

These are not just numbers; they are the foundation on which we are building the next decade.



Vice President & CFO

Dear Fellow Shareholders,

We are pleased to report that Danaos achieved another year of strong performance in 2025. For the second consecutive year, the Company reported operating revenues in excess of $1 billion, reaching $1.043 billion in 2025, which resulted in an adjusted EBITDA of $719 million and an adjusted net income of $486 million. For the first time, our contracted revenue backlog surpassed $4 billion, reaching $4.3 billion at year-end with an average charter duration of 4.3 years. Contracted operating days charter coverage is 100% for 2026, 87% for 2027 and 64% for 2028, which provides strong medium-term earnings visibility.

Our balance sheet further solidified in 2025, as demonstrated by the pricing of our new senior unsecured issuance in October 2025. The Company successfully placed $500 million of senior unsecured bonds with a seven-year tenor and a coupon of 6.875%. The proceeds were used to redeem in full the 8.5% senior notes due 2028, with redemption completed in March 2026, to repay the debt secured against the fleet built before 2024, and for general corporate purposes. As of December 31, 2025, our gross debt was $1.178 billion with our cash position standing at $1.037 billion. The Company is effectively unlevered, with net debt of $141 million and a net debt to Adjusted EBITDA ratio of 0.2x. Total liquid assets at the end of 2025 were $1.405 billion, including cash on hand of $1.037 billion, our investment in common shares of Star Bulk Carriers Corp. with a market value of $120 million, and undrawn capacity of $247.5 million under our revolving credit facility.

Fleet expansion continued at a deliberate pace, with Danaos surpassing, for the first time, 100 vessels on order and in the water. In 2025, we took delivery of 2 newbuilding vessels. Our orderbook stands at 27 containerships ranging from 1,800 TEU to 9,200 TEU, with expected deliveries of three vessels in 2026, thirteen vessels in 2027, seven vessels in 2028 and four vessels in 2029. Of the 27 containerships on order, 21 are backed by multi-year charters. We continue our expansion in the dry bulk sector with the acquisition of one Capesize vessel and the order of four 211,000 DWT Newcastlemax dry bulk carriers, all scheduled for delivery in 2028. Every vessel in our newbuilding program incorporates the latest environmental and efficiency standards. On a pro forma, fully delivered basis, assuming the delivery of all vessels currently under construction and on order, our fleet would consist of 102 containerships and 15 dry bulk vessels, comprising 11 Capesize bulk carriers and 4 Newcastlemax bulk carriers.

In 2025, the Company generated free cash flow of $608 million, reinforcing our ability to invest in growth while returning capital to shareholders. Under our $300 million share repurchase program, we repurchased 3.2 million shares for $235 million, bringing the program close to completion. In the third quarter of 2025, we raised the quarterly dividend to $0.90 per share, bringing the annual payout to $3.60 — a 6% increase over the prior year. Our capital allocation framework remains unchanged: invest in accretive fleet growth first, maintain a fortress balance sheet, and return surplus capital to shareholders.

The Company continues to seek value-generating investments, with the most notable development being our entry into the energy sector. Danaos became a strategic investor in the Alaska LNG Project, a facility planned to produce 20 million tons per annum, through a $50 million development capital equity investment in Glenfarne Alaska Partners LLC. Additionally, the Company will serve as the preferred tonnage provider, constructing and operating at least six LNG carriers to deliver LNG to global customers on behalf of Glenfarne Alaska LNG, LLC, the majority owner and developer of the Alaska LNG Project. The agreement was completed in early 2026.

None of these results would be possible without the professionalism of our seafarers and the onshore teams at our Manager, Danaos Shipping Co. Ltd. In a year of continuing geopolitical disruption, they maintained the operational standards that underpin our commercial relationships, ensuring consistent service quality and operational safety across our fleet. Our operating costs remain among the most competitive in the industry, a reflection of both efficient management and the caliber of our people. On the governance side, we operated under effective internal controls in accordance with the Sarbanes-Oxley framework for another year, and I thank our Audit Committee and finance team for their rigor.

To our customers, shareholders, and employees — thank you for your continued trust and support.

The position we have built — low leverage, high liquidity, visible earnings, and a modern fleet — gives us the patience to be selective and the capacity to act decisively. We intend to use both.

Thank you for your continued confidence in Danaos.

Respectfully,
Evangelos Chatzis
Vice President and Chief Financial Officer

Operating Revenues

$1.04 billion

Contracted Revenue Backlog

$4.3 billion

Free Cash Flow

$608 million

Net Debt / Adjusted EBITDA

0.2 x



Vice President & COO

Dear Fellow Shareholders,

Looking back at 2025, I am proud to report a year marked by strategic growth, operational excellence, and significant progress in both fleet expansion and manning strategy. These initiatives have strengthened our capacity, optimized our operations, and positioned us to deliver exceptional value to our customers, partners, and shareholders.

A Year of Fleet Growth and Operational Strength

In 2025, we executed our fleet expansion strategy with precision, adding new vessels to meet rising global demand while maintaining high operational efficiency. This growth was complemented by targeted efforts to enhance crew management, ensuring the right talent was in place to support both our expanding fleet and our commitment to safety, quality, and sustainability.

Operational Highlights

Fleet Expansion & Performance

- Expanded our fleet with 2 new vessels, increasing total capacity by 2.5% and supporting our market growth strategy.
- Maintained strong fleet utilization at 98.2%, demonstrating operational efficiency even with a larger fleet.
- Completed energy-efficiency retrofits across key vessels, reinforcing our low-carbon transition goals.
- Sustained operational cost leadership, keeping costs below industry benchmarks while improving productivity.

Manning Strategy & Talent Development

- Conducted comprehensive evaluations of our seafarer pool to align staffing with fleet growth and operational needs.
- Sourced talent from new geographies and diversified recruitment channels to strengthen expertise and workforce resilience.
- Achieved high retention rates at 86%, supported by enhanced training, career development programs, and wellness initiatives.
- Implemented advanced digital tools for crew deployment, scheduling, and performance tracking, improving both efficiency and employee experience.

Innovation and Sustainability

- Continued to expand digitalized processes across operations, enabling faster decision-making, reducing overheads, and enhancing customer service.
- Advanced ESG initiatives, including sustainable procurement, carbon reduction programs, and customer value initiatives.
- Recognized in the top 7% of the Transportation & Infrastructure sector by S&P Global CSA, reflecting continued commitment to responsible and sustainable operations.

Looking Ahead

As we move through 2026, our focus will remain on scaling our fleet sustainably, strengthening crew and employee well-being, and leveraging technology to enhance efficiency and customer satisfaction. By continuing to invest in talent, innovation, and sustainable practices, we are well-positioned to meet emerging challenges and deliver long-term value to our shareholders.

Gratitude

I would like to extend my sincere appreciation to our teams for their dedication and professionalism, to our customers for their trust, and to our shareholders for their continued support. Together, we are building a future defined by growth, resilience, and operational excellence.

Respectfully,
Dimitrios Vastarouchas
Vice President & COO

Expansion of our fleet

2 new vessels

Increasing total capacity

2.5%

Maintenance of strong fleet utilization

98.2%

Achievement of high retention rates

86%

We are well-positioned to meet emerging challenges and deliver long-term value to our shareholders.

Social Responsibility

1.
Athens Marathon 2025



- Gandhi

The future depends on what you do today.



2.
Helmepa

3.
AUEB
Educational Visit





4.
Benaki Museum

5.
Bowling





6.
Half Marathon 2025

7.
Race for the Cure



Financial Highlights

Our goal is to ensure that the company remains in an enviable position, capable of navigating near-term volatility.

Results from Continuing Operations

(US dollars in thousands except for share and per share data)

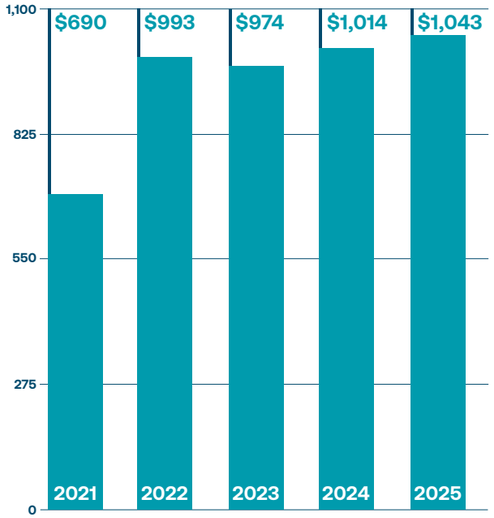
	2025	2024	2023	2022	2021
Operating Revenues [1]	$1,042,456	$1,014,110	$973,583	$993,344	$689,505
Operating Expenses:					
Vessel operating expenses	(208,779)	(185,724)	(162,117)	(158,972)	(135,872)
General & administrative expenses	(64,410)	(54,228)	(43,484)	(36,575)	(43,951)
Depreciation & amortization	(207,440)	(177,505)	(147,950)	(146,441)	(127,098)
Gain on sale of vessels	-	8,332	1,639	37,225	-
Other operating expenses	(63,061)	(64,101)	(41,010)	(35,145)	(24,325)
Income from Operations	498,766	540,884	580,661	653,436	358,259
Net Income	$494,614	$505,073	$576,299	$559,210	$1,052,841
Diluted Earnings per Share	$26.76	$26.05	$28.95	$27.28	$51.15
Adjusted Net Income [1] [2]	$485,723	$532,442	$567,588	$710,980	$362,257
Adjusted Earnings per Share [1] [2]	$26.28	$27.47	$28.52	$34.68	$17.60
Adjusted EBITDA [1] [2]	$719,376	$722,615	$707,002	$851,160	$508,803
Weighted Average Number of Shares (in thousands)	18,480	19,385	19,904	20,501	20,584

[1] From continuing operations

[2] Adjusted for non-cash and one-off items (refer to our earnings releases and SEC filings)

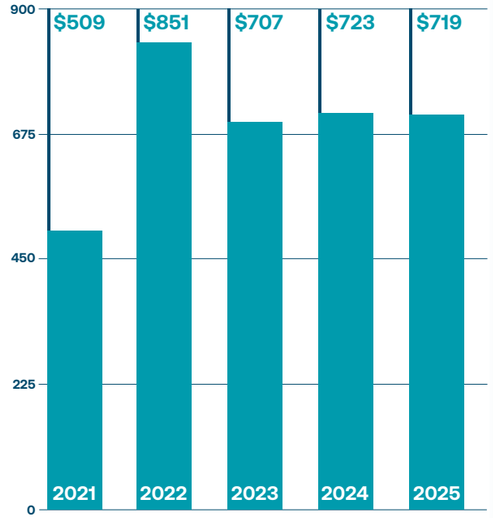
Operating Revenues [1]

(Amounts in million US$)



Adjusted EBITDA [1] [2]

(Amounts in million US$)



Senior Management & Board Of Directors



Dr. John Coustas
Chairman, President and Chief Executive Officer

Dr. John Coustas is our President, Chief Executive Officer and a member of our Board of Directors. He has over 30 years of experience in the shipping industry and assumed management of our company in 1987 from his father Dimitris Coustas, who founded Danaos Shipping in 1972. He has been responsible for our corporate strategy and the management of our affairs since that time. In 1986, Dr. Coustas co-founded Danaos Management Consultants, a company specializing in Maritime Applications and Systems, with operational responsibility for the development of maritime information systems and applications. Dr. Coustas is Vice Chairman of the Board of Directors of the Swedish Club, a member of the Board of Directors of the Union of Greek Shipowners and a member of the DNV Council. He holds a degree in Marine Engineering from the National Technical University of Athens as well as a Master's degree in Computer Science and a Ph.D. in Computer Controls from Imperial College, London.



Evangelos Chatzis
Vice President, Chief Financial Officer, Treasurer and Secretary

Mr. Chatzis has been with Danaos Corporation since 2005 and has over 30 years of experience in corporate finance and the shipping industry. During his years with Danaos he has been actively engaged in the company's initial public offering in the United States and has led the finance function of the company. Throughout his career he has developed considerable experience in operations, corporate finance, treasury and risk management and international business structuring. Prior to joining Danaos, Evangelos was the Chief Financial Officer of Globe Group of Companies, a public company in Greece engaged in a diverse scope of activities including dry bulk shipping, the textile industry, food production & distribution and real estate. During his years with Globe Group, he was involved in mergers and acquisitions, corporate restructurings and privatizations. He holds a Bachelor of Science degree in Economics from the London School of Economics, a Master's of Science degree in Shipping & Finance from City University Cass Business School, as well as a post-graduate diploma in Shipping Risk Management from IMD Business School.



Dimitris Vastarouchas
Vice President & Chief Operating Officer

Mr. Vastarouchas has been the Technical Manager of our Manager since 2005 and has over 30 years of experience in the shipping industry. Mr. Vastarouchas initially joined our Manager in 1995 and prior to becoming Technical Manager he was the New Buildings Projects and Site Manager, under which capacity he supervised newbuilding projects in Korea for 4,250, 5,500 and 8,500 TEU containerships. He holds a degree in Naval Architecture & Marine Engineering from the National Technical University of Athens, Certificates & Licenses of expertise in the fields of Aerodynamics (C.I.T.), Welding (CSWIP), Marine Coating (FROSIO) and Insurance (North of England P&I). He is also a qualified auditor by Det Norske Veritas and Certified Negotiator by Schranner Negotiations Institute (SNI).



Filippos Prokopakis
Chief Commercial Officer

Mr. Prokopakis joined our Manager in 2012 and served as the Commercial Director. Filippos has over 13 years of experience in the shipping and logistics industry. During his tenure with our Manager, he has been in charge of chartering and sale and purchase activities and has developed considerable experience across all commercial operations. Prior to joining our Manager, Filippos was a Project Manager at Mamidoil – Jetoil S.A., responsible for commercial operations concerning aviation fuel, contract negotiations, market analysis and forecasting. He holds a bachelor's degree in business administration from Hofstra University, New York, a Master of Science degree in International Marketing from London South Bank University and Certificates in the fields of Shipping, Negotiations and Decision Making.



Iraklis Prokopakis
Vice Chairman

Iraklis Prokopakis is the Vice Chairman and a member of our board of directors. Mr. Prokopakis joined us in 1998 and served as the Company's Senior Vice President and Chief Operating Officer through 2023. Mr. Prokopakis has over 40 years of experience in the shipping industry while prior to entering the shipping industry he was a captain in the Hellenic Navy. He holds a Bachelor of Science in Mechanical Engineering from Portsmouth University in the United Kingdom, a Master's degree in Naval Architecture and a Ship Risk Management Diploma from the Massachusetts Institute of Technology in the United States and a post-graduate diploma in business studies from the London School of Economics. Mr. Prokopakis also has a Certificate in Operational Audit of Banks from the Management Center Europe in Brussels and a Safety Risk Management Certificate from DNV. He is a member of the Board of the Hellenic Chamber of Shipping and the Owners' Committee of the Korean Register of Shipping.



Myles R. Itkin
Director

Myles R. Itkin has been a member of our board of directors since 2006. Mr. Itkin was the Executive Vice President, Chief Financial Officer and Treasurer of Overseas Shipholding Group, Inc. ("OSG"), in which capacities he served, with the exception of a promotion from Senior Vice President to Executive Vice President in 2006, from 1995 to 2013. Prior to joining OSG in June 1995, Mr. Itkin was employed by Alliance Capital Management L.P. as Senior Vice President of Finance. Prior to that, he was Vice President of Finance at Northwest Airlines, Inc. Mr. Itkin served on the board of directors of the U.K. P&I; Club from 2006 to 2013. Mr. Itkin holds a Bachelor's degree from Cornell University and an MBA from New York University.



Richard Sadler
Director

Richard Sadler has been a member of our Board of Directors since July 2022. Mr. Sadler has, since December 2021, been an advisor and Chief UK Representative to Purus, a Singapore-based shipowner with a modern fleet of gas and offshore energy vessels. He is also a member of the Board of Britannia P&I; Club, having since June 2020 been a Business Advisor to the Board and senior leadership team. In addition, Mr. Sadler chairs two, Purus-owned Norwegian offshore wind support vessel companies and also chairs the UK Trinity House Pension Fund. Mr. Sadler was Chief Operating Officer of NYSE-listed GasLog Ltd and GasLog Partners LP, leading owners and operators of LNG carriers. He holds a Bachelor of Science (Hons) in Naval Architecture from Newcastle University and has been awarded honorary doctorates from both Newcastle and Southampton Universities.



Petros Christodoulou
Director

Petros Christodoulou has been a member of our Board of Directors and the Audit Committee since June 2018. He is also the Chair of BoD of Eurobank Ltd (Cyprus) since 2024, and Chair of the Audit Committee of Minetta Insurance (Athens, Greece) since 2020. His career includes roles as Chief Executive Officer and Chief Financial Officer of Capital Product Partners, an owner of crude, product carriers, and containerships, 2014-2015. From 2012 to 2014, he was the Deputy Chief Executive Officer and Executive Member of the Board of the National Bank of Greece Group, where he also served as Chairman of NBG Asset Management, Astir Palace SA, and NBG Bank Assurance. During the same period, he was a member of the Board of Directors of Hellenic Exchanges SA from 2012 to 2014. He held the position of Director General of the Public Debt Management Agency of Greece from 2010 to 2012. Last, he served on the Board of Directors of Aegean Baltic Bank from 2017 to 2023. Mr. Christodoulou holds an MBA from Columbia University and a Bachelor of Commerce degree from the Athens School of Commerce and Economics.



Charalampos (Haris) Pampoukis
Director

Charalampos (Haris) Pampoukis has been a member of our Board of Directors since May 30, 2025. Charalampos Pampoukis is a prolific scholar and legal writer who holds numerous accolades in the field of international trade law. He is currently the Director at the Hellenic Institute of International and Foreign Law at the National and Kapodistrian University of Athens, where he teaches courses in Private International Law and International Trade Law. He has previously taught at the Hague Academy of International Law, and has authored three major treatises on private international and business law and arbitration. Charalampos Pampoukis has been a licensed attorney since 1984 and is a founder and managing partner of a law firm, PMN-Pampoukis - Maravelis - Nikolaidis & Associates (Alpha Law), recognized for its international litigation and international corporate practice. Previously, Charalampos Pampoukis served as Secretary General in the Ministry of Foreign Affairs (1999 - 2000), Minister of State and to Prime Minister (2009 - 2011) and Minister Alternate in Maritime Affairs (2011) in Greece and was honored by the President of the French Republic by being nominated as Commandeur de la Légion d'honneur. Charalampos Pampoukis currently serves on the board of directors of Aktor Group of Companies, Athens International Airport and Alter Ego Media, all of which are listed on the Athens Stock Exchange, and took an active role in the successful listing of the latter two on the Athens Stock Exchange. Charalampos Pampoukis studied law in Paris (Paris I — Panthéon — Sorbonne) from where he also obtained a PhD with honors in 1990 (Docteur d'État en droit).

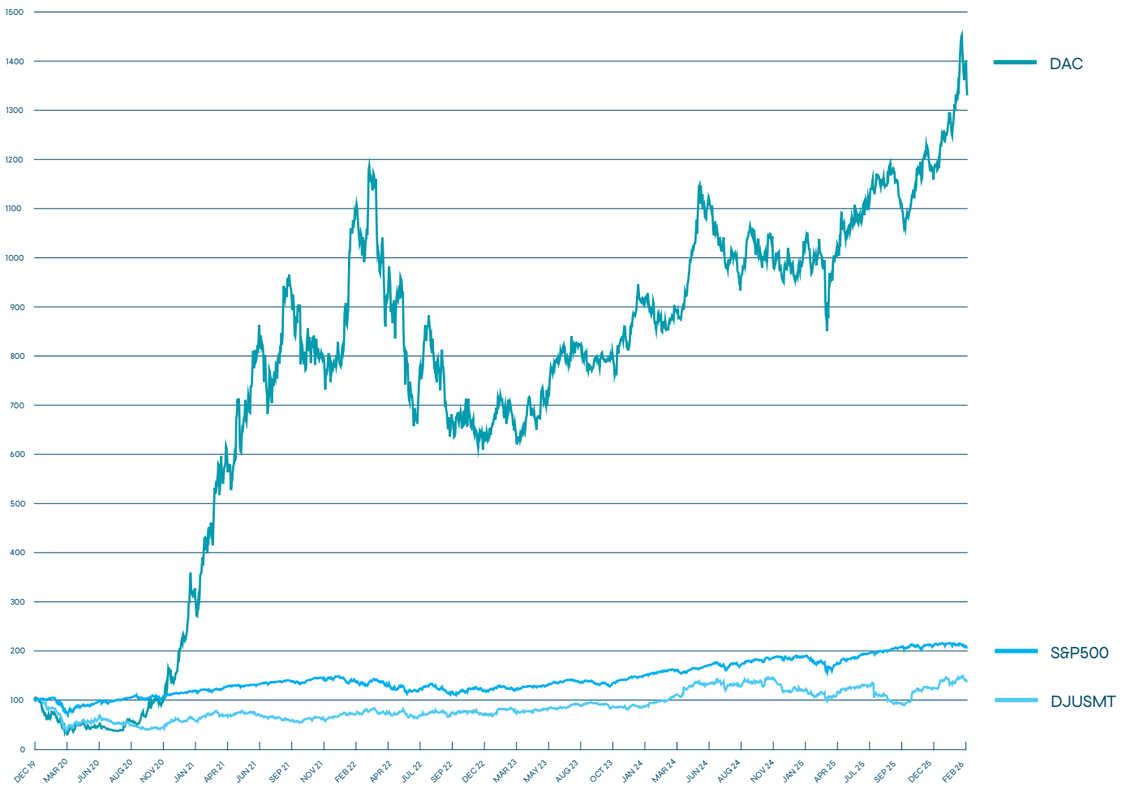
The Company continues to seek value-generating investments, with the most notable development being our entry into the energy sector.

Stockholder Return Performance Presentation

Set forth below is a line graph for the period from January 2020 date until March, 2026 comparing the yearly percentage change in the cumulative total stockholder return on the Company's common stock against the cumulative return of the published DJUSMT Index and the S&P 500.

Stock Performance Graph

Comparison of Cumulative Total Return



Shareholder Information

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E-Mail: cfo@danaos.com

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Athens Branch:
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Athens, 185 45, Greece

Investor Relations

Rose & Company 610
Fifth Avenue, Suite 308
New York, NY 10020
Tel. (212) 517-0810
Email: danaos@rosecoglobal.com

Since our initial public offering in the United States in October 2006, our common stock has been listed on the New York Stock Exchange under the symbol DAC. As of December 31, 2025, there were 18,264,294 shares of the registrant's common stock outstanding.

U.S. Legal Counsel

Goodwin Procter LLP, The New York Times
Building 620 Eighth Avenue New York,
N.Y. 10018
Tel.: +1 212 459 7257

Independent Auditors

Deloitte Certified Public Accountants S.A.
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151 25, Maroussi, Greece
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New York 10005
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Danaos Corporation 20-F

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number 001-33060

DANAOS CORPORATION

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Republic of The Marshall Islands

(Jurisdiction of incorporation or organization)

c/o Danaos Shipping Co. Ltd, Athens Branch
14 Akti Kondyli
185 45 Piraeus
Greece

(Address of principal executive offices)

Evangelos Chatzis
Chief Financial Officer
c/o Danaos Shipping Co. Ltd, Athens Branch
14 Akti Kondyli
185 45 Piraeus
Greece
Telephone: +30 210 419 6480
Facsimile: +30 210 419 6489

(Name, Address, Telephone Number and Facsimile Number of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	DAC	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None.

As of December 31, 2025, there were 18,264,294 shares of the registrant's common stock outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act:

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report:

☒ Yes ☐ No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b) ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ | International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ | Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements based on beliefs of our management. Any statements contained in this annual report that are not historical facts are forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. We have based these forward-looking statements on our current expectations and projections about future events, including:

- future operating or financial results;
- pending acquisitions and dispositions, business strategies and expected capital spending;
- operating expenses, availability of crew, number of off-hire days, drydocking requirements and insurance costs;
- general market conditions and container, drybulk and LNG shipping market trends, including charter rates, vessel values and factors affecting supply and demand;
- geopolitical conditions, including tariffs and other protectionist measures imposed by the United States and other countries;
- our financial condition and liquidity, including our ability to comply with covenants in our financing arrangements and to service or refinance our outstanding indebtedness;
- performance by our charterers of their obligations;
- the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of our ships;
- our ability to obtain financing in the future to fund our contracted newbuilding containerships, additional vessel acquisitions, investments and other general corporate activities;
- our continued ability to enter into multi-year, fixed-rate period charters with our container sector customers;
- our ability to operate profitably in the drybulk sector;
- our ability to pursue and execute potential opportunities in the LNG and energy transportation sectors, including our participation in the Alaska LNG project, which remains subject to development, financing, regulatory approvals and other contingencies and may not proceed as currently contemplated or at all;
- our ability to leverage to our advantage the relationships and reputation of our manager, Danaos Shipping Company Limited ("Danaos Shipping" or "Manager") and its affiliate Danaos Chartering Services Inc. ("Danaos Chartering"), in the containership and drybulk shipping sectors of the international shipping industry;

- the impact of the war in Ukraine and related sanctions, tensions in the Middle East, disruption of shipping routes, such as those due to Houthi attacks in the Red Sea and the Gulf of Aden, political events or acts by terrorists;
- changes in governmental rules and regulations or actions taken by regulatory authorities;
- potential liability from future litigation; and
- other factors discussed in "Item 3. Key Information—Risk Factors" of this annual report.

The words "anticipate," "believe," "estimate," "expect," "forecast," "intend," "potential," "may," "plan," "project," "predict," and "should" and similar expressions as they relate to us are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. We may also from time to time make forward-looking statements in our periodic reports that we file with the U.S. Securities and Exchange Commission ("SEC"), other information sent to our security holders, and other written materials. Such statements reflect our current views and assumptions and all forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect our future financial results are discussed more fully in "Item 3. Key Information—Risk Factors" and in our other filings with the SEC. We caution readers of this annual report not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements.

PART I

Danaos Corporation is a corporation domesticated in the Republic of The Marshall Islands that is referred to in this Annual Report on Form 20-F, together with its subsidiaries, as "Danaos Corporation," "the Company," "we," "us," or "our." This report should be read in conjunction with our consolidated financial statements and the accompanying notes thereto, which are included in Item 18 to this annual report.

We use the term "twenty foot equivalent unit," or "TEU," the international standard measure of containers, in describing the capacity of our containerships and dead weight tons, or "DWT", in describing the capacity of our drybulk carriers. Unless otherwise indicated, all references to currency amounts in this annual report are in U.S. dollars.

All data regarding our fleet and the terms of our charters is as of February 25, 2026. As of the date of this annual report, we owned 75 containerships aggregating 477,491 TEUs in capacity, 27 under construction containerships aggregating 174,550 TEUs in capacity, 11 Capesize drybulk carriers aggregating 1,943,286 DWT in capacity, including one scheduled to be delivered to us in March 2026, and four under construction Newcastlemax drybulk carriers aggregating approximately 844,000 DWT in capacity. See "Item 4. Information on the Company—Business Overview—Our Fleet".

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

Capitalization and Indebtedness

The table below sets forth our consolidated capitalization as of December 31, 2025 on an actual and on an as adjusted basis to reflect, in the period from January 1, 2026 to February 25, 2026, (i) the drawdown of $80.0 million for the vessel *Greenhouse* under JOLCO Facility and (ii) repurchases of 60,819 shares of our common stock for an aggregate purchase price of $5.9 million.

Other than these adjustments, there have been no material changes to our capitalization from debt or equity issuances, re-capitalizations, dividends, or debt repayments in the table below between January 1, 2026 and February 25, 2026.

	As of December 31, 2025	
	Actual	As Adjusted
	(US Dollars in thousands)	
Capitalization		
Debt:		
Senior unsecured notes due 2028 (3)	$ 262,766	$ 262,766
Senior unsecured notes due 2032	500,000	500,000
JOLCO Phoebe Facility	79,806	79,806
JOLCO Greenhouse Facility	—	80,000
Syndicated $450 mil. Facility (4)	335,210	335,210
Syndicated $850 mil. Facility	—	—
Citibank $382.5 mil. Revolving Credit Facility	—	—
Total debt (1) (2)	$ 1,177,782	$ 1,257,782
Stockholders' equity:		
Preferred stock, par value $0.01 per share; 100,000,000 preferred shares authorized and none issued; actual and as adjusted	—	—
Common stock, par value $0.01 per share; 750,000,000 shares authorized; 25,790,190 shares issued and 18,264,294 shares outstanding actual; and 25,790,190 shares issued and 18,203,475 shares outstanding as adjusted	183	182
Additional paid-in capital	591,584	585,638
Accumulated other comprehensive loss	(71,412)	(71,412)
Retained earnings (5)	3,275,222	3,275,222
Total stockholders' equity	3,795,577	3,789,630
Total capitalization	**$ 4,973,359**	**$ 5,047,412**

(1) All of the indebtedness reflected in the table, other than Danaos Corporation's unsecured senior notes due 2028 ($262.8 million on an actual basis) and unsecured senior notes due 2032 ($500.0 million on an actual basis), is secured and guaranteed by Danaos Corporation. See Note 10 "Long-Term Debt, net" to our consolidated financial statements included elsewhere in this report.
(2) Total debt is presented gross of deferred finance costs, which amounted to $22.7 million (current and non-current portions).
(3) We have delivered a notice of redemption to redeem in full the senior unsecured notes due 2028 on March 2, 2026, for an aggregate redemption price that is expected to be approximately $273.9 million, consisting of $262.8 million of outstanding principal and approximately $11.2 million of accrued interest, assuming a redemption date of March 2, 2026.
(4) In February 2026, we notified the bank that on March 2, 2026 together with the quarterly instalments under the Syndicated $450.0 million Facility for the tranches relating to the vessels *Catherine C, Greenland, Interasia Accelerate*, and *Interasia Amplify*, amounting to $3.3 million, we would also prepay in full the outstanding principal amount of $213.8 million, resulting in a total cash outflow of $217.1 million.
(5) In February 2026, we declared a dividend of $0.90 per share of common stock for the fourth quarter of 2025, which is payable on March 4, 2026 to stockholders of record as of February 23, 2026.

Reasons for the Offer and Use of Proceeds

Not Applicable.

RISK FACTORS

Risk Factor Summary

An investment in our common stock is subject to a number of risks. The following summarizes some, but not all, of these risks. Please carefully consider all of the information discussed in "Item 3. Key Information— Risk Factors" in this annual report for a more thorough description of these and other risks.

Risks Inherent in Our Business

- Our profitability and growth depend on the demand for containerships and drybulk vessels and global economic conditions, and charter rates for containerships and drybulk vessels may experience volatility or decline significantly.
- The volatile container and drybulk shipping markets and difficulty finding profitable charters for our vessels may adversely affect our results of operations.
- The failure of our counterparties to meet their obligations under our charter agreements may adversely affect our results of operations and financial condition.
- The loss of one of the limited number of customers that account for a large part of our revenues could adversely affect our results of operations.
- A decrease in the level of export of goods due to global economic conditions, geopolitical conditions or an increase in trade protectionism globally, including as a result of tariffs imposed by the United States or other countries, could have a material adverse impact on our charterers' business and could cause a material adverse impact on our business, financial condition, results of operations and cash flows.
- Our profitability and growth depends on our ability to expand relationships with existing charterers and to obtain new charters, for which we will face substantial competition, in the international containership sector and in the drybulk sector, where we are a recent entrant.
- Containership and drybulk vessel values may fluctuate substantially and decline significantly. Depressed vessel values could cause us to incur impairment charges or to fail to comply with our financing agreements.
- We may have difficulty properly managing our growth through acquisitions and we may not realize the expected benefits from these acquisitions, which may have an adverse effect on our results of operations and financial condition.
- Any delays in the completion of the Alaska LNG Project, in which we recently invested and which has not yet begun construction and will requires years to complete, could delay or adversely affect our ability to obtain LNG vessel charters related to such project and any return on our equity investment, and as a new entrant into seaborne energy transportation generally, and LNG transportation specifically, we will face challenges meeting the operational requirements of charterers and significant competition from companies with larger LNG fleets and more experienced operating in the energy industry.
- We must make substantial capital expenditures to maintain the operating capacity of our fleet, which may reduce the amount of cash available for other purposes.
- The aging of our fleet may result in increased operating costs in the future.
- Danaos Shipping may be unable to attract and retain sufficient qualified, skilled crews on our behalf necessary to operate our business or may pay rising crew wages and other vessel operating costs.
- Increased competition in technology could reduce our charter hire income and our vessels' values.
- We rely on our information systems to conduct our business, and failure to protect these systems against security breaches, or the failure or unavailability of these systems, could adversely affect our business and results of operations.

- Due to our limited diversification, adverse developments in the containership and drybulk shipping businesses could reduce our ability to meet our payment obligations and our profitability.
- Inflation could adversely affect our business and financial results by increasing the costs of labor and materials needed to operate our business.

Risks Related to our Financing Arrangements

- If we are unable to comply with various financial and collateral covenants in our credit facilities and other financing arrangements, including due to changes in vessel values, it may adversely affect our results of operations and financial condition and restrict our ability to operate our business.
- Substantial debt levels could limit our flexibility to obtain additional financing and our ability to service our outstanding indebtedness will depend on our future operating performance.
- The terms of the 8.500% Senior Notes due 2028 (the "2028 Senior Notes") issued by Danaos Corporation on February 11, 2021 and 6.875% Senior Notes due 2032 (the "2032 Senior Notes" and, together with the 2028 Senior Notes, the "Senior Notes") issued by Danaos Corporation on October 16, 2025 contain covenants limiting our financial and operating flexibility.
- If we are unable to obtain additional debt financing for future acquisitions, which may be dependent on the performance of our then existing charters and the creditworthiness of our charterers, we may not be able to expand our business.
- We are exposed to volatility in interest rates, including SOFR, and to exchange rate fluctuations.
- We may enter into derivative contracts to hedge our exposure to fluctuations in interest rates, which could result in higher than market interest rates and charges against our income.

Environmental, Regulatory and Other Industry Related Risks

- We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.
- Increased inspection procedures, tighter import and export controls and new security regulations could cause disruption of our business.
- Uncertainties related to compliance with sanctions and embargo laws could adversely affect our business.
- Governments could requisition our vessels during a period of war or emergency, maritime claimants could arrest our vessels and we may be impacted by terrorist attacks or acts of piracy or have contraband smuggled onto our vessels.
- Our insurance may be insufficient to cover losses due to the shipping industry's operational risks.
- Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.

Risks Relating to Our Key Employees and Our Management Arrangements

- Our business depends upon certain employees who may not necessarily continue to work for us.
- The provisions in our restrictive covenant agreement with our chief executive officer restricting his ability to compete with us, like restrictive covenants generally, may not be enforceable.
- We depend on our Manager, Danaos Shipping, and its affiliate Danaos Chartering to operate our business. Our Manager and Danaos Chartering are privately held companies about which there is little publicly available information.
- Being active in multiple lines of business, including managing multiple fleets, requires management to allocate significant attention and resources, and failure to successfully or efficiently manage each line of business may harm our business and operating results.

Risk Related to Investment in a Marshall Islands Corporation

- We are a Marshall Islands corporation, which jurisdiction does not have well-developed corporate laws. It also may be difficult to enforce service of process or judgments against us, our officers and directors.

Tax Risks

- We may have to pay tax on our income or become a passive foreign investment company.

Risks Inherent in Our Business

Our profitability and growth depend on the demand for containerships and global economic conditions. The container shipping industry is cyclical and charter hire rates for containerships are volatile and may again decline significantly, which would, in turn, adversely affect our profitability.

The ocean-going container shipping industry, from which we have historically derived substantially all of our revenues and expect to continue to derive most of our revenues, is both cyclical and volatile in terms of charter hire rates and profitability. Charter rates are impacted by various factors, including the level of global trade, including exports from China to Europe and the United States, resulting demand for the seaborne transportation of containerized cargoes and containership capacity. The benchmark containership charter rates increased in all quoted size sectors in 2024 and demonstrated resilience in 2025, supported by continued Cape of Good Hope diversions and historically low tonnage availability. The benchmark one-year daily rate of a 4,400 TEU Panamax containership, which reached an all-time high of $100,000 at the end of 2021, declined to $17,100 at the end of December 2023 before rebounding to approximately $56,000 at the end of 2024 and remaining at approximately $56,000 at the end of 2025. Variations in containership charter rates, which historically have been volatile, including in recent years that included historically high levels followed by significant declines, and may again decline significantly, result from changes in the supply of and demand for ship capacity and changes in the supply of and demand for the major products transported by containerships. Demand for our vessels depends on demand for the shipment of cargoes in containers and, in turn, containerships. The factors affecting the supply and demand for containerships and supply and demand for products shipped in containers are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable. Any slowdown in the global economy and disruptions in the credit markets or changes in consumer preferences may further reduce demand for products shipped in containers and, in turn, containership capacity.

Factors that influence demand for containership capacity include:

- supply and demand for products suitable for shipping in containers;
- changes in global production of products transported by containerships;
- the distance that container cargo products are to be moved by sea;
- the globalization of manufacturing;
- global and regional economic and political conditions;
- developments in international trade, including the imposition of tariffs on finished goods and other products;
- changes in seaborne and other transportation patterns, including changes in the distances over which containerized cargoes are transported, competition with other modes of cargo transportation and steaming speed of vessels;
- environmental and other regulatory developments; and
- currency exchange rates.

Factors that influence the supply of containership capacity include:

- the number of new building deliveries;
- the prevailing and anticipated freight rates and charter rates which in turn affect the rate of newbuilding;
- availability of financing for new vessels;
- the scrapping rate of older containerships;
- the price of steel and other raw materials;
- port and canal congestion;
- the speed of vessel operation which may be influenced by several reasons including energy cost and environmental regulations;
- sanctions;
- the number of containerships that are in or out of service, delayed in ports for several reasons, laid-up, dry docked awaiting repairs or otherwise not available for hire, including due to vessel casualties; and
- changes in environmental and other regulations that may limit the useful lives of vessels or effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage.

Any decreases in shipping volume, including due to any trade disruptions resulting from tariffs recently announced by the United States and retaliatory tariffs from China and other countries, could adversely impact our liner company customers and, in turn, demand for containerships. Such decreases in recent years led to declines in charter rates and vessel values in the containership sector and increased counterparty risk associated with the charters for our vessels, including defaults by certain of our customers. The effective supply of containerships has been impacted in recent years by port congestion, particularly during the COVID-19 pandemic, and trade pattern disruptions, including vessels currently continuing to reroute away from the Red Sea, Gulf of Aden and Suez Canal due to Houthi attacks on ships. These disruptions resulted in fleet inefficiencies and support for container freight and charter rates, which may not continue.

Our ability to recharter our containerships upon the expiration or termination of their current charters, and the charter rates payable under any such charters will depend upon, among other things, the prevailing state of the charter market for containerships. As of February 25, 2026, the charters for 2 of our vessels expire in 2026 and 21 of our vessels expire in 2027. If the charter market has weakened when our vessels' charters expire, we may be forced to recharter the containerships, if we were able to recharter such vessels at all, at reduced rates and possibly at rates whereby we incur a loss. If we were unable to recharter our vessels on favorable terms, we may potentially scrap certain of such vessels, which may reduce our earnings or make our earnings volatile. The same issues will exist to the extent we acquire additional containerships and attempt to obtain multi-year charter arrangements as part of an acquisition and financing plan. The containership market also affects the value of our vessels, which follow the trends of freight rates and containership charter rates.

Charter rates for drybulk vessels, and Capesize and Newcastlemax vessels in particular, are volatile and may decline and remain at low levels for a prolonged period, which may adversely affect our results of operations and financial condition.

The drybulk shipping industry continues to be cyclical with high volatility in charter rates and profitability among the various types of drybulk vessels, including Capesize and Newcastlemax drybulk vessels which make up our entire drybulk fleet. The Baltic Dry Index, or the "BDI", an index published by The Baltic Exchange of shipping rates for key drybulk routes, declined in 2020, principally as a result of the global economic slowdown caused by the COVID-19 pandemic. Strong global growth and increased infrastructure spending led to a rise in demand for commodities, which combined with a historically low orderbook and port delays and congestion, resulted in an increase in BDI in 2021 and the first half of 2022, before moderating and declining significantly in the second half of 2022 as port congestion eased and Chinese demand for drybulk commodities weakened. The BDI increased in the second half of 2023 and the first half of 2024 due in part to disruptions that lengthened sailing distances, including trading pattern disruptions related to Russian sanctions, transit restrictions at the Panama Canal due to low water levels and vessels re-routing away from the Red Sea and Suez Canal due to Houthi attacks on ships, before again declining to relatively low levels which continued to prevail into the second half of 2025, as demand for commodities weakened, before improving in the fourth quarter of 2025 and early 2026. The factors affecting the supply and demand for drybulk vessels are outside of our control and are difficult to predict with confidence. As a result, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for drybulk vessel capacity include:

- demand for and production of drybulk products;
- supply of and demand for energy resources and commodities;
- global and regional economic and political conditions, including weather, natural or other disasters, including health crises such as the COVID-19 pandemic, armed conflicts (including the conflicts in Ukraine and in the Middle East, as well as Houthi attacks in the Red Sea and the Gulf of Aden), terrorist activities and strikes;
- environmental and other regulatory developments;
- the location of regional and global exploration, production and manufacturing facilities and the distance drybulk cargoes are to be moved by sea;
- changes in seaborne and other transportation patterns including shifts in the location of consuming regions for energy resources, commodities, and transportation demand for drybulk transportation;
- international sanctions, embargoes, import and export restrictions, nationalizations and wars, including the conflict in Ukraine;
- natural disaster and weather;
- developments in international trade, including the imposition of tariffs on commodities; and
- currency exchange rates.

Factors that influence the supply of drybulk vessel capacity include:

- the number of newbuilding deliveries;
- the prevailing and anticipated freight and charter rates which in turn affect the rate of newbuilding;
- availability of financing for new vessels;
- the number of shipyards and ability of shipyards to deliver vessels;
- the scrapping rate of older vessels;
- port and canal congestion;

- the speed of vessel operation which may be influenced by several reasons including energy cost and environmental regulations;
- sanctions;
- the number of vessels that are in or out of service, delayed in ports for several reasons, laid-up, dry docked awaiting repairs or otherwise not available for hire, including due to vessel casualties; and
- changes in environmental and other regulations that may limit the useful lives of vessels or effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage.

Factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions. We anticipate that the future demand for our drybulk vessels and, in turn, drybulk charter rates, will be dependent, among other things, upon economic growth in the world's economies, seasonal and regional changes in demand, changes in the capacity of the global drybulk vessel fleet and the sources and supply of drybulk cargo to be transported by sea. A decline in demand for commodities transported in drybulk vessels, in particular iron ore and coal which comprise the vast majority of cargoes transported by Capesize and Newcastlemax drybulk carriers, or an increase in supply of drybulk vessels could cause a significant decline in charter rates, which could materially adversely affect our business, financial condition and results of operations. There can be no assurance as to the sustainability of future economic growth, if any, due to unexpected demand shocks. Fleet inefficiencies, including due to sanctions on Russian energy and disruptions related to vessels re-routing away from the Red Sea, Gulf of Aden and Suez Canal due to Houthi attacks on ships, have resulted in significant lengthening of average sailing distances and, as a result, have increased vessel employment rates in excess of cargo demand at times in recent years; such fleet inefficiencies and resulting support for drybulk charter rates may not continue. Additionally, because we charter our drybulk vessels primarily on short-term time charters and voyage charters, we are exposed to changes in spot market rates, namely to short-term time charter rates and voyage charter rates which are more volatile than longer term charter rates, for drybulk vessels; such changes may affect our earnings and the value of our drybulk vessels at any given time.

We may have difficulty securing profitable employment for our vessels in the containership and drybulk vessel charter markets.

Of our 75 containerships, as of the date of this report, two of our vessels are employed on time charters expiring in 2026 and 21 on time charters expiring in 2027. Our Capesize drybulk vessels are operating on short term charters. Depending on the state of the containership and drybulk charter markets, as applicable, when we are seeking to employ these vessels, we may be unable to secure employment for these vessels at attractive rates, or at all, when their charters expire. Although we do not receive any revenues from our vessels while not employed, as was also the case for certain of our vessels for periods in past years, we are required to pay expenses necessary to maintain the vessel in proper operating condition, insure it and service any indebtedness secured by such vessel. If we cannot re-charter our vessels profitably, our results of operations and cash flow will be adversely affected.

We are dependent on the ability and willingness of our charterers to honor their commitments to us for all of our revenues and the failure of our counterparties to meet their obligations under our charter agreements could cause us to suffer losses or otherwise adversely affect our business.

We derive all of our revenues from the charter payments by our charterers. Each of our 75 containerships is currently employed under time or bareboat charters with 13 liner companies, with 66% of our revenues in 2025 generated from six such companies. We also own 11 Capesize drybulk vessels, including one expected to be delivered in March 2026, which we operate in the spot market on voyage charters or on short term time charters. We could lose a charterer or the benefits of a time charter if:

- the charterer fails to make charter payments to us because of its financial inability, disagreements with us, defaults on a payment or otherwise;
- the charterer exercises certain specific limited rights to terminate the charter;
- we do not take delivery of any newbuilding containership we may contract for at the agreed time; or
- the charterer terminates the charter because the ship fails to meet certain guaranteed speed and fuel consumption requirements and we are unable to rectify the situation or otherwise reach a mutually acceptable settlement.

In 2016, Hanjin Shipping cancelled the charters for eight of our containerships after it filed for court receivership in September 2016 and in July 2016 we agreed to modifications to the charters for 13 of our containerships with Hyundai Merchant Marine ("HMM") with substantial charter rate reductions.

If we lose a time charter, we may be unable to re-deploy the related vessel on terms as favorable to us or at all. We would not receive any revenues from such a vessel while it remained unchartered, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition, insure it and service any indebtedness secured by such vessel.

The time charters on which we deploy our vessels may provide for charter rates that are above market rates prevailing at any particular time, as is currently the case with some of our container vessels. The ability and willingness of each of our counterparties to perform its obligations under their time charters with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the container or drybulk shipping industry, as applicable, and the overall financial condition of the counterparty. The likelihood of a charterer seeking to renegotiate or defaulting on its charter with us may be heightened to the extent such customers are not able to utilize the vessels under charter from us, and instead leave such chartered vessels idle. Should a counterparty fail to honor its obligations under agreements with us, it may be difficult to secure substitute employment for such vessel, and any new charter arrangements we secure may be at lower rates, particularly if weaker charter markets are then prevailing.

If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, as part of a court-supervised restructuring or otherwise, we could sustain significant reductions in revenue and earnings which could have a material adverse effect on our business, financial condition, results of operations and cash flows, as well as our ability to comply with the covenants contained in our credit facilities and Senior Notes and our ability to refinance our financing agreements. In such an event, we could be unable to service our debt and other obligations.

We depend upon a limited number of customers for a large part of our revenues. The loss of these customers or further concentration of these customers through mergers, joint ventures or alliances could adversely affect us.

Our customers in the containership sector consist of a limited number of liner operators. The percentage of our revenues derived from these customers has varied in past years. In the past several years, CMA CGM, MSC, PIL, Hapag Lloyd and Maersk have represented substantial amounts of our revenue. In 2025, approximately 66% of our operating revenues were generated by six customers, including 21% from CMA CGM and 16% from MSC, and in 2024 approximately 62% of our operating revenues were derived from six customers including 20% from CMA CGM and 13% from MSC. As of the date of this report, we have 17 charters with CMA CGM, 10 charters with MSC, nine charters with Hapag Lloyd, seven charters COSCO, six charters with PIL, five charters with each of Maersk, ONE and Sealead, four charters with OOCL, two charters with each of Samudera, Interasia Lines and Yang Ming, and one charter with ZIM. We expect that a limited number of liner companies may continue to generate a substantial portion of our revenues. If any of these liner operators cease doing business or do not fulfill their obligations under their charters for our vessels, as was the case with Hanjin Shipping and HMM in 2016 for instance, due to financial pressure on these liner companies from any significant decreases in demand for the seaborne transport of containerized cargo or otherwise, our results of operations and cash flows, and ability to comply with covenants in our financing arrangements, could be adversely affected.

As liner companies consolidate through mergers, joint ventures or alliances, such as those a number of our customers currently participate in, our risk relative to the concentration of our customers may increase. Further, if we encounter any difficulties in our relationships with these charterers, our results of operations, cash flows, and financial condition could be adversely affected. In recent years a number of liner companies that have consolidated through mergers or formed cooperative alliances have also increased the percentage of their total fleet capacity that is directly owned by them rather than chartered-in from charter owners like us. If this trend continues, our risk relative to the concentration of our customers may increase.

Containership and drybulk vessel values can fluctuate substantially over time and may again experience significant declines. Depressed vessel values could cause us to incur impairment charges for our vessels, or to incur a loss if these values are low at a time we are attempting to dispose of a vessel.

Containership and drybulk vessel market values can fluctuate substantially over time, and may again experience significant declines as they have in past years, due to a number of different factors, including:

- prevailing economic conditions in the markets in which these vessels operate;
- changes in and the level of world trade;
- the supply of containership or drybulk vessel capacity;
- prevailing charter rates; and
- the cost of retrofitting or modifying existing ships, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

As of December 31, 2025, no impairment loss was recorded. In the future, if the market values of our vessels or other assets experience deterioration or we lose the benefits of the existing charter arrangements for any of our vessels and cannot replace such arrangements with charters at comparable rates, we may be required to record additional impairment charges in our financial statements, which could adversely affect our results of operations. Any impairment charges incurred as a result of declines in charter rates could negatively affect our financial condition and results of operations. In addition, if we sell any vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount on our financial statements, resulting in a loss and a reduction in earnings.

If global economic conditions weaken, particularly in Europe, the United States or the Asia Pacific region, it could have a material adverse effect on our business, financial condition and results of operations.

Global economic conditions impact worldwide demand for various goods and commodities and, thus, container and drybulk shipping. The current macroeconomic environment is characterized by significant inflation, which caused the U.S. Federal Reserve and other central banks to increase interest rates, which may raise the cost of capital, increase operating costs and reduce economic growth, disrupting global trade and shipping. Political events such as the continued global trade war between the U.S. and China, expansion of U.S. tariffs and trade protectionism policies to other countries, including Canada and Mexico, and other policies that the new U.S. administration has stated, such as demands related to the operation of the Panama Canal, as well as ongoing conflicts throughout the world, such as those in Ukraine and in the Middle East, including Houthi attacks on ships in the Red Sea and the Gulf of Aden, may disrupt global supply chains and negatively impact globalization and global economic growth. Weakened global economic conditions could disrupt financial markets, and may lead to weaker consumer demand in the European Union, the United States and other parts of the world which could have a material adverse effect on our business.

In particular, we anticipate a significant number of the port calls made by our vessels will continue to involve the loading or unloading of containers and drybulk cargoes in ports in the Asia Pacific region. As a result, negative changes in economic conditions in any Asia Pacific country, in particular China which has been one of the world's fastest growing economies in recent years, can have a significant impact on the demand for container and drybulk shipping. If China's pace of growth continues to decline or other countries in the Asia Pacific region experience slower or negative economic growth in the future, this may also negatively affect the economies of the United States and the European Union, or "EU", and container and drybulk shipping demand. Our business, financial condition, results of operations, as well as our future prospects, will likely be materially and adversely affected by an economic downturn in any of these countries.

As a result of past disruptions in the credit markets and more recently increased interest rates, the cost of obtaining bank financing in the shipping industry increased and many lenders enacted tighter lending standards, required more restrictive terms, including higher collateral ratios for advances, shorter maturities and smaller loan amounts, refused to refinance existing debt at maturity at all or on terms similar to our current debt. Furthermore, certain banks that have historically been significant lenders to the shipping industry have reduced or ceased lending activities in the shipping industry. We cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due. In the absence of available financing, we may be unable to take advantage of business opportunities or respond to competitive pressures or refinance existing debt, any of which could have a material adverse effect on our revenues and results of operations.

In addition, public health threats, such as the coronavirus, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, could adversely impact our operations, and the operations of our customers.

Trade protectionism, including in the form of tariffs, could significantly adversely affect global economic conditions, global trade volume and the demand for seaborne transportation of containerized cargo.

In April 2025, the United States imposed blanket 10% tariffs on virtually all imports to the U.S. and significantly higher tariffs applicable to imports from many countries, including tariffs aggregating over 100% on imports from China, as well as tariffs on specific goods which have resulted in other countries imposing additional tariffs, including substantial additional tariffs on imports from the U.S., announced by China, and is likely to continue to result in more retaliatory tariffs. On April 9, 2025, the U.S. announced a temporary pause on its tariffs applicable to many countries, while increasing the tariffs applicable to imports from China, with the U.S. subsequently announcing the imposition of substantial tariffs, well in excess of the blanket 10% tariff threshold previously announced, on numerous countries and specific goods effective from August 1, 2025. A ruling by the U.S. Supreme Court in February 2026 invalidated many of the tariffs imposed by the U.S. administration in 2025, however, the U.S. administration immediately imposed new tariffs based on different statutory authority. The U.S. administration has and is expected to continue to broadly impose tariffs, which has led, and could lead to further, corresponding punitive actions by the countries with which the U.S. trades.

In April 2025, the U.S. also announced that it would impose additional port fees on (1) Chinese-owned ships of $50 per net ton for the arriving vessel commencing October 14, 2025, increasing to $80 per net ton on April 17, 2026, $110 per net ton on April 17, 2027 and $140 per net ton on April 17, 2028 and (2) operators of Chinese-built vessels of $18 per net ton ($120 per container, if applicable) commencing October 14, 2025, increasing to $23 per net ton ($153 per container, if applicable) on April 17, 2026, $28 per net ton ($195 per container, if applicable) on April 17, 2027 and $33 per net ton ($250 per container, if applicable) on April 17, 2028. On October 10, 2025, China announced port fees, effective October 14, 2025, on vessels built in the U.S., flying the U.S. flag or owned or operated by U.S. enterprises, other organizations, or individuals, including those in which U.S. enterprises, other organizations, or individuals directly or indirectly hold 25% or more of the equity (voting rights or board seats), in the following amounts: per voyage: (1) from October 14, 2025: RMB 400 per net ton; (2) from April 17, 2026: RMB 640 per net ton; (3) from April 17, 2027: RMB 880 per net ton; and (4) from April 17, 2028: RMB 1,120 per net ton. The U.S. and Chinese fees are each charged up to five times per year, per vessel. On October 30, 2025, the U.S. and China each announced that these port fees would be suspended for a one-year period. It is unknown the effect that these port fees, the implementation of which remains unclear, will have on us and our fleet or our industry generally. It is unknown the effect that these proposed new port fees, whether adopted in the form proposed or with modifications, will have on us and our fleet, which includes a number of Chinese-built vessels and newbuildings, or our industry generally.

These policy pronouncements have created significant uncertainty about the future relationship between the United States and China, Canada, Mexico, the EU and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs, and has led to concerns regarding the potential for an extended trade war. While the ultimate impact such developments, or the perception they may occur, will have on our industry and our business is currently unknown, such developments may have a material adverse effect on global economic conditions, and may significantly reduce global trade, which could adversely and materially affect freight rates and charter rates for our containerships to the extent we are seeking employment for our vessels and therefore our business, results of operations, and financial condition.

A decrease in the level of export of goods, in particular from Asia, or an increase in trade protectionism globally, including as a result of tariffs imposed by the United States or other countries, could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our business, financial condition, results of operations and cash flows.

Our operations expose us to the risk that increased trade protectionism from the United States, China or other nations adversely affect our business. Governments may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports, thereby depressing the demand for shipping. Restrictions on imports, including in the form of tariffs, could have a major impact on global trade and demand for shipping. Trade protectionism in the markets that our charterers serve may cause an increase in the cost of exported goods, the length of time required to deliver goods and the risks associated with exporting goods and, as a result, a decline in the volume of exported goods and demand for shipping. Due to the interconnected nature of the global supply chain for many products, these policies could impact imports and exports from countries not directly imposing or subject to tariffs.

Tensions over trade and other matters remain high between the U.S. and China. In recent years, the United States instituted large tariffs on a wide variety of goods, including from China, which led to retaliatory tariffs from leaders of other countries including China, and the U.S. administration led by President Trump has used tariffs extensively as a policy tool. In 2025, the United States imposed significant tariffs on nearly all other countries, including tariffs exceeding 100% on Chinese goods, and other countries, including China, responded with significant retaliatory tariffs on U.S. goods. The US also increased port fees for Chinese-built or owned ships and China in turn imposed substantial port fees on U.S.-built or owned ships, which were suspended for one-year in October 2025. The new U.S. administration has continued to broadly impose tariffs on products from other countries, which could lead to additional corresponding punitive actions by the countries with which the U.S. trades. These policy pronouncements have created significant uncertainty about the future relationship between the United States and China, Canada, Mexico and other exporting countries, including with respect to trade policies, treaties, government regulations and tariffs, and has led to concerns regarding the potential for an extended trade war. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade and, in particular, trade between the United States and other countries, including China, which could adversely and materially affect our business, results of operations, and financial condition.

Our containerships are deployed on routes involving containerized trade in and out of emerging markets, and our charterers' container shipping and business revenue may be derived from the shipment of goods from Asia to various overseas export markets, including the United States and Europe. Any reduction in or hindrance to the output of Asia-based exporters could have a material adverse effect on the growth rate of Asia's exports and on our charterers' business.

The employment of our drybulk vessels and the respective revenues depend on the international shipment of raw materials and commodities primarily to China, Japan, South Korea and Europe from North and South America, India, Indonesia, and Australia. China is estimated to account for around 70% of the demand in recent years for commodities, namely iron and coal, transported on Capesize drybulk carriers. Any reduction in or hindrance to the demand for such materials could negatively affect demand for our vessels and, in turn, harm our business, results of operations and financial condition. For instance, the government of China has implemented economic policies aimed at reducing the consumption of coal which may, in turn, result in a decrease in shipping demand.

Furthermore, the government of China has implemented economic policies aimed at increasing domestic consumption of Chinese-made goods and containing capital outflows. These policies may have the effect of reducing the supply of goods available for exports and the level of international trading and may, in turn, result in a decrease in demand for container shipping and the raw materials and commodities consumed in China. In addition, reforms in China for a gradual shift to a "market economy" including with respect to the prices of certain commodities, are unprecedented or experimental and may be subject to revision, change or abolition and if these reforms are reversed or amended, the level of imports to and exports from China could be adversely affected.

Any new or increased trade barriers or restrictions on trade, including as a result of tariffs imposed by the United States or other countries, would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter payments to us and to renew and increase the number of their charters with us. Such adverse developments could in turn have a material adverse effect on our business, financial condition, results of operations, cash flow, and our ability to service or refinance our debt.

Demand for the seaborne transport of products in containers has a significant impact on the financial performance of liner companies and, in turn, demand for containerships and our charter counterparty risk.

Demand for the seaborne transportation of products in containers, which is significantly impacted by global economic activity, remained at relatively low levels for a prolonged period from the onset of the global economic crisis of 2008 and 2009 until the second half of 2020. Consequently, during this period, the cargo volumes and freight rates achieved by liner companies, with which all of the existing container vessels in our fleet are chartered, declined sharply, reducing liner company profitability and, at times, failing to cover the costs of liner companies operating vessels on their shipping lines. In response to such reduced cargo volume and freight rates, the number of vessels being actively deployed by liner companies decreased, before increasing alongside cargo volume and freight rates from the second half of 2020 into 2022. In 2024, cargo volume slightly increased compared to 2023 and 2022 and the freight rates and charter rates increased, and such conditions largely continued in 2025 with slightly increased freight and charter rates, in part due to the continued Houthi attacks on ships in the Red Sea and in the Gulf of Aden which disrupted traditional shipping routes away from the Suez Canal increasing tonne-mile demand; however, easing of such disruptions, of which there have been some limited signs such as Maersk resuming same routes through the Suez Canal, could result in lower freight rates and tonne-mile demand and in turn lower charter rates.

Any decline in demand for the services of our liner company customers could reduce demand for containerships and increase the likelihood of one or more of our customers being unable or unwilling to pay us the contracted charter hire rates under the charters for our vessels, such as we agreed with HMM in 2016 and ZIM in 2014 and Hanjin Shipping's cancellation of long-term charters for eight of our vessels in 2016. We generate most of our revenues, and all of our revenues in our container vessel segment, from these charters and if our charterers fail to meet their obligations to us, we would sustain significant reductions in revenue and earnings, which could materially adversely affect our business and results of operations, as well as our ability to comply with covenants in our financing arrangements.

An over-supply of containership capacity may adversely affect charter rates and our ability to recharter our containerships at profitable rates or at all and, in turn, reduce our profitability.

The size of the containership order book increased significantly in 2021 through 2025, and at the end of 2025, newbuilding containerships represented approximately 35.4% of the existing global fleet capacity, and approximately 58.5% of large containerships of over 12,000 TEU. The size of the orderbook will likely result in an increase in the size of the world containership fleet over the next few years. An over-supply of containership capacity, particularly in conjunction with a decline in the level of demand for the seaborne transport of containers, could negatively affect charter rates, which any continued liner company consolidation may accentuate. We do not hedge against our exposure to changes in charter rates, due to increased supply of containerships or otherwise. As such, if the charter rate environment is weak when the current charters for our containerships expire or are terminated, we may only be able to recharter those containerships at reduced or unprofitable rates or we may not be able to charter those vessels at all.

An over-supply of drybulk vessel capacity may adversely affect the current charter rates and, in turn, adversely affect our profitability.

Dry bulk newbuildings were delivered in significant numbers beginning in 2006 and continued through 2017, before declining to more moderate delivery levels. The overall level of the dry bulk order book has declined in recent years; however, orders for Capesize vessels increased in 2024 and 2025 and stood at approximately 11.4% of the existing Capesize fleet capacity at the end of 2025. The dry bulk order book may increase as a percentage of the existing fleet, and an oversupply of dry bulk vessel capacity could further depress charter rates. If fleet capacity increases without a corresponding increase in demand, or if demand grows more slowly than capacity, charter rates could materially decline, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

Our profitability and growth depends on our ability to expand relationships with existing charterers and to obtain new charters, for which we will face substantial competition from established companies with significant resources as well as new entrants.

One of our objectives is, when market conditions warrant, to acquire additional containerships in conjunction with entering into additional multi-year, fixed-rate time charters for these vessels, as well as to continue to expand our fleet of drybulk vessels in which sector we have entered since mid-2023. We employ our vessels in highly competitive markets that are capital intensive and highly fragmented, with a highly competitive process for obtaining new multi-year time charters for containerships that generally involves an intensive screening process and competitive bids, and often extends for several months. Generally, we compete for charters based on price, customer relationship, operating expertise, professional reputation and the size, age and condition of our vessels. In past years, during the downturn in the containership charter market last decade, other containership owners chartered their vessels to liner companies at extremely low rates, including at unprofitable levels, increasing the price pressure when competing to secure employment for our containerships. In recent years, drybulk vessels were also deployed at very low rates by owners of drybulk vessels. Containership and drybulk vessel charters are awarded based upon a variety of factors relating to the vessel operator, including:

- shipping industry relationships and reputation for customer service and safety;
- container shipping and drybulk shipping, as applicable, experience and quality of ship operations (including cost effectiveness);
- quality and experience of seafaring crew;
- the ability to finance vessels at competitive rates and financial stability in general;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

We face substantial competition from a number of experienced companies, including state-sponsored entities and major shipping companies. Some of these competitors have significantly greater financial resources than we do and can therefore operate larger fleets and may be able to offer better charter rates. We anticipate that other marine transportation companies may also enter the containership and drybulk shipping sectors, including many with strong reputations and extensive resources and experience. This increased competition may cause greater price competition for time charters and, in stronger market conditions, for secondhand vessels and newbuildings.

In addition, a number of our competitors in the containership sector, including several that are among the largest charter owners of containerships in the world, have been established in the form of a German KG (Kommanditgesellschaft), which provides tax benefits to private investors. Although the German tax law was amended to significantly restrict the tax benefits to taxpayers who invest in these entities after November 10, 2005, the tax benefits afforded to all investors in the KG-model shipping entities continue to be significant, and such entities may continue to be attractive investments. Their focus on these tax benefits allows the KG-model shipping entities more flexibility in offering lower charter rates to liner companies. Further, since the charter rate is generally considered to be one of the principal factors in a charterer's decision to charter a vessel, the rates offered by these sizeable competitors can have a depressing effect throughout the charter market.

As a result of these factors, we may be unable to compete successfully with established companies with greater resources or new entrants for charters at a profitable level, or at all, which would have a material adverse effect on our business, results of operations and financial condition.

The international drybulk industry is highly competitive, and we may be unable to compete successfully for charters on favorable terms or at all with established companies or new entrants that may have greater resources and access to capital, which may have a material adverse effect on our business, prospects, financial condition, liquidity and results of operations.

The international drybulk shipping industry is highly competitive, capital intensive and highly fragmented with virtually no barriers to entry. Competition arises primarily from other vessel owners, some of whom may have greater resources and access to capital than we have. In addition, we are a new entrant in the drybulk industry and some of our competitors may have more experience and more established customer relationships. Competition among vessel owners for the seaborne transportation of drybulk cargo can be intense and depends on the charter rate, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Many of our competitors have greater resources and access to capital than we have and operate larger drybulk carrier fleets than we operate, and thus they could be able to offer lower charter rates or higher quality vessels than we are able to offer. If this were to occur, we may be unable to retain or attract new charterers on attractive terms or at all, which may have a material adverse effect on our business, prospects, financial condition, liquidity and results of operations.

We may have more difficulty entering into multi-year, fixed-rate time charters for our containerships if a more active short-term or spot container shipping market develops.

One of our principal strategies is to enter into multi-year, fixed-rate containership time charters particularly in strong charter rate environments, although in weaker charter rate environments we would generally expect to target somewhat shorter charter terms, particularly for smaller vessels. As more vessels become available for the spot or short-term market, we may have difficulty entering into additional multi-year, fixed-rate time charters for our containerships due to the increased supply of containerships and the possibility of lower rates in the spot market and, as a result, our cash flows may be subject to instability in the long-term. A more active short-term or spot market may require us to enter into charters based on changing market rates, as opposed to contracts based on a fixed rate, which could result in a decrease in our cash flows and net income in periods when the market for container shipping is depressed or insufficient funds are available to cover our financing costs for related containerships.

Delays in deliveries of our newbuilding vessels for which we have entered into construction contracts or any secondhand vessels we may agree to acquire could harm our business.

Delays in the delivery of our newbuilding vessels with planned deliveries in 2026 through 2029 or any secondhand vessels we may agree to acquire, would delay our receipt of revenues under any arranged time charters and could result in the cancellation of such time charters or other liabilities under such charters, and therefore adversely affect our anticipated results of operations. The delivery of any newbuilding vessel could also be delayed because of, among other things:

- work stoppages or other labor disturbances or other events that disrupt the operations of the shipyard building the vessels;
- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- lack of raw materials;
- bankruptcy or other financial crisis of the shipyard building the vessel;
- our inability to obtain requisite financing or make timely payments;
- a backlog of orders at the shipyard building the vessel;
- hostilities or political or economic disturbances in China, where the vessels are being built;
- weather interference or catastrophic event, such as a major earthquake or fire;
- our requests for changes to the original vessel specifications;
- requests from the companies, with which we have arranged charters for such vessels, to delay construction and delivery of such vessels due to weak economic conditions and shipping demand;
- shortages of or delays in the receipt of necessary construction materials, such as steel;

- our inability to obtain requisite permits or approvals; or
- a dispute with the shipyard building the vessel.

The shipbuilders with which we contracted for our newbuildings, which are all located in China, may be affected by instability in the financial markets and other market conditions, including with respect to the fluctuating price of commodities and currency exchange rates and further declines in China's pace of growth, or geopolitical conditions, including an extended trade war between China and the U.S. In addition, the refund guarantors under our newbuilding contracts we entered into, which would be banks, financial institutions and other credit agencies, may also be affected by financial market conditions in the same manner as our lenders and, as a result, in weak market conditions may be unable or unwilling to meet their obligations under their refund guarantees. If shipbuilders or refund guarantors are unable or unwilling to meet their obligations to us, this will impact our acquisition of vessels and may materially and adversely affect our operations and our obligations under our financing arrangements.

The delivery of any secondhand containership or drybulk vessels we may agree to acquire, could be delayed because of, among other things, hostilities or political disturbances, non-performance of the purchase agreement with respect to the vessels by the seller, our inability to obtain requisite permits, approvals or financing or damage to or destruction of the vessels while being operated by the seller prior to the delivery date.

We may have difficulty properly managing our intended growth through acquisitions of additional vessels or other assets or acquisitions of or investments in other shipping companies and we may not realize the expected benefits from these acquisitions and investments, which may have an adverse effect on our results of operations and financial condition.

Since the beginning of 2022, we have ordered 35 newbuilding containerships, of which 27 have not yet been delivered. We have also ordered four Newcastlemax drybulk vessels. Since 2023, we have acquired 11 secondhand Capesize drybulk vessels, including one expected to be delivered in March 2026. In addition, we have made an investment in shares of a U.S.-listed drybulk shipping company and entered into a strategic partnership in the LNG sector, including a development capital equity investment.

We intend to continue growing our business through further acquisitions and investments. This may include ordering additional newbuilding containerships, selectively acquiring secondhand containerships and drybulk vessels, and making strategic acquisitions of, or investments in, other shipping companies, including potentially in sectors in which we do not currently operate.

However, our ability to grow through acquisitions and investments will depend on a number of factors, including:

- our ability to identify suitable acquisition or investment candidates;
- our ability to obtain required financing on acceptable terms;
- our ability to negotiate appropriate terms for, and consummate, such acquisitions or investments;
- our ability to enlarge our customer base;
- developments in the charter markets that make it attractive for us to expand our fleet in those sectors;
- the operations of the shipyard building any newbuilding vessels we may order; and
- our ability to manage any expansion.

During periods in which charter rates are high, asset values generally are high as well, as has recently been the case in the containership sector, and it may be difficult to acquire vessels, fleets, other shipping companies, equity interests in other shipping companies or other assets at favorable prices at those times. In addition, growing any business by acquisition, in particular acquisitions of other companies, presents numerous risks, such as exposure to unanticipated liabilities, managing relationships with customers, retaining personnel and integrating newly acquired assets into existing infrastructure, including assimilation of operations, systems and technologies. Integration efforts associated with any acquisitions may require significant capital and operating expense. If we fail to successfully execute our growth plans, we may not realize expected benefits and synergies from any such acquisitions, and we may incur significant expenses, liabilities and losses in connection with such growth efforts, which may negatively impact our results of operations, cash flows, liquidity and our ability to pay dividends to our stockholders.

Our growth in the LNG sector depends on the completion of the Alaska LNG Project, and continued growth in LNG production and demand for LNG and LNG shipping.

Our growth strategy includes expansion in the LNG sector, where we recently entered into a strategic partnership with Glenfarne Group to advance the Alaska LNG Project, which partnership includes our $50 million development capital equity investment in Glenfarne Alaska Partners LLC and our designation as a preferred tonnage provider to construct and operate six LNG carriers to deliver LNG to global customers for Glenfarne Alaska LNG, LLC, majority owner and developer of the Alaska LNG Project. The future performance of our LNG business will depend on the timely completion of the Alaska LNG Project, which has not yet begun construction and will require years to complete, and continued growth in LNG production and the demand for LNG and LNG shipping. A complete LNG project includes production, liquefaction, storage, re-gasification, and distribution facilities, in addition to the marine transportation of LNG, which is a costly and lengthy process. Many LNG projects in recent years have experienced significant delays, and any failure of the Alaska LNG Project to be completed, or material delays in its completion, could adversely affect or delay our ability to obtain LNG vessel charters related to such project and the value of our equity investment. Even absent delays, we will not generate revenues from any vessel charters related to the Alaska LNG Project for a number of years. In addition, we will have to either develop or subcontract for adequate personnel with the expertise to run our LNG operations in the future. We are a new entrant in the highly competitive LNG shipping industry and some of our competitors may have more experience and more established customer relationships, and to the extent we seek to expand our LNG business outside our strategic partnership relating to the Alaska LNG Project, we may be unable to compete successfully for charters on favorable terms or at all with these companies.

Increased infrastructure investment has led to an expansion of LNG production capacity in recent years, but material delays in the construction of new liquefaction facilities could constrain the amount of LNG available for shipping, reducing ship utilization. The rate of growth in global LNG demand has fluctuated due to several factors, including global economic conditions and economic uncertainty, fluctuations in the price of natural gas and other sources of energy, growth in natural gas production from unconventional sources in regions such as North America and the highly complex and capital-intensive nature of new or expanded LNG projects, including liquefaction projects. Growth in LNG production and demand for LNG and LNG shipping could be negatively affected by several factors, including:

- increases in the cost of natural gas derived from LNG relative to the cost of natural gas generally;
- increases in the production levels of low-cost natural gas in domestic natural gas consuming markets, which could further depress prices for natural gas in those markets and render LNG uneconomical;
- increases in the production of natural gas in areas linked by pipelines to consuming areas, the extension of existing, or the development of new pipeline systems in markets we may serve, or the conversion of existing non-natural gas pipelines to natural gas pipelines in those markets;
- decreases in the consumption of natural gas due to increases in its price, decreases in the price of alternative energy sources or other factors making consumption of natural gas less attractive;
- any significant explosion, spill or other incident involving an LNG facility or carrier;
- infrastructure constraints such as delays in the construction of liquefaction facilities, the inability of project owners or operators to obtain financing or governmental approvals to construct or operate LNG facilities, as well as community or political action group resistance to new LNG infrastructure due to concerns about the environment, safety and terrorism;
- labor or political unrest or military conflicts affecting existing or proposed areas of LNG production or re-gasification;
- price fluctuations in the price of LNG, between geographical regions, could negatively impact our expected returns relating to investments in LNG shipping projects;
- technological advances render existing LNG carriers obsolete or non-viable; or
- negative global or regional economic or political conditions, particularly in LNG consuming regions, which could reduce energy consumption or its growth.

Reduced demand for LNG or LNG shipping, or any reduction or limitation in LNG production capacity, could have a material adverse effect on our ability to secure future multi-year time charters for any new LNG carriers we may acquire, particularly any additional LNG carriers we may seek to acquire to expand outside of the strategic partnership with Glenfarne Group relating to the Alaska LNG Project. Driven in part by an increase in LNG production capacity and the expectation of further future capacity, the construction and delivery of new LNG carriers has been increasing. Any future expansion of the global LNG carrier fleet that cannot be absorbed by existing or future LNG projects may have a negative impact on charter rates, vessel utilization and vessel values. Such impact could be amplified if the expansion of LNG production capacity does not keep pace with fleet growth. These factors could harm our business, financial condition, results of operations and cash flows, including cash available for dividends to our stockholders.

The value of our investment in Star Bulk Carriers Corp. ("Star Bulk") common stock, and any investments we may make in other shipping companies from time to time, may fluctuate substantially, which may increase the volatility of our earnings and we may not realize the expected benefits from our investments.

The trading price of Star Bulk's common stock on the Nasdaq Stock Market and the corresponding value of our investment in 6,256,181 shares of Star Bulk common stock, which was recorded in our balance sheet at $120.2 million as of December 31, 2025, may continue to fluctuate, or decline substantially due to factors affecting the drybulk shipping industry generally or Star Bulk specifically, which are outside of our control. We recognized a $29.5 million gain on marketable securities and dividend income on these securities of $1.7 million in the year ended December 31, 2025 and a $25.2 million loss on marketable securities and dividend income on these securities amounting to $9.3 million in the year ended December 31, 2024. We recognize all fluctuations in the fair value of our investment in Star Bulk common stock, and would recognize fluctuations in any other investment we may make in securities of other companies from time to time, in our consolidated statements of income, which may increase the volatility of our earnings. In addition, there can be no assurances that Star Bulk will continue to pay dividends or at what price we will be able to sell any Star Bulk shares that we elect to sell in the future. We do not have any influence or control over the business or operations of Star Bulk, and we may not have any control over the operations of any other company in which we may invest from time to time. The controlling shareholders of companies in which we may hold minority investments from time to time may make decisions that are contrary to our interests. The existence of conflicting views or mismatched priorities between us and such shareholders may adversely affect the management of these businesses, result in economic, financial or operational issues, as well as general disputes. The financial condition of such shareholders could decline, which could in turn negatively impact the value of our investment and our reputation. As a result, our investments in other companies may adversely affect our financial condition, results of operations and cash flows.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and pay dividends to our stockholders.

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to pay our contractual obligations and pay dividends to our stockholders in the future depends on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by our financing arrangements, a claim or other action by a third party, including a creditor, or by the law of their respective jurisdictions of incorporation which regulates the payment of dividends by companies. Any limitations on our ability to receive cash from our subsidiaries may negatively affect our cash flows and ability to service our indebtedness, pay dividends to our stockholders or repurchase shares of our common stock.

If we are unable to fund our capital expenditures for acquisitions, whether such acquisitions relate to individual vessels, fleets of vessels or other shipping companies, we may not be able to grow our company.

We would have to make substantial capital expenditures to further grow our company, including our newbuilding vessels under construction, for which the aggregate remaining purchase price as of February 25, 2026 was approximately $1.9 billion. We might not have sufficient borrowing availability under our existing credit facilities, or other financing arrangements to fund these capital expenditures. In order to fund capital expenditures for future growth of our company, we generally plan to use equity and debt financing along with cash from operations. Our ability to obtain bank financing or access the capital markets through future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions, conditions in the containership and drybulk charter market and contingencies and uncertainties that are beyond our control. Our failure to obtain funds for future capital expenditure could limit our ability to grow our company.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which may reduce the amount of cash available for other purposes, including the payment of dividends to our stockholders.

Maintenance capital expenditures include capital expenditures associated with modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our existing fleet. These expenditures could increase as a result of changes in the cost of labor and materials; customer requirements; increases in our fleet size or the cost of replacement vessels; governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment; and competitive standards. Significant capital expenditures, including to maintain the operating capacity of our fleet, may reduce the cash available for other purposes, including servicing our debt, the payment of dividends to our stockholders and repurchases of shares of our common stock.

The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings and cash flows.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As our fleet ages, we may incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of a vessel may also require expenditures for alterations or the addition of new equipment to our vessels, and may restrict the type of activities in which our vessels may engage. As of February 25, 2026, our current fleet of 75 containerships had an average age (weighted by TEU capacity) of approximately 15.2 years and our fleet, on a fully delivered basis, of 11 Capesize bulk carriers, had an average age (weighted by DWT capacity) of approximately 15.3 years. We cannot assure you that, as our vessels age, market conditions will justify such expenditures or will enable us to profitably operate our vessels during the remainder of their expected useful lives.

Our Manager, Danaos Shipping, may be unable to attract and retain qualified, skilled crews on our behalf necessary to operate our business or may pay rising crew wages and other vessel operating costs, which may have the effect of increasing costs or reducing our fleet utilization which could have a material adverse effect on our business, results of operations and financial condition.

Acquiring and renewing time charters depends on a number of factors, including our ability to man our vessels with suitably experienced, high-quality masters, officers and crews. Our success will depend in large part on our Manager's ability to attract, hire, train and retain suitably skilled and qualified personnel. In recent years, the limited supply of and the increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which we bear under our time charters and voyage charters. Due to the ongoing conflict in Ukraine, there has been a limited supply of well-qualified crew from Ukraine and Russia, two jurisdictions that previously provided a significant portion of our crew. As a result, in recent years our Manager has hired more seafarers from other jurisdictions, who in some cases have less experience than the seafarers previously hired from Ukraine and Russia. Changing conditions in the home country of our seafarers, such as increases in the local general living standards or changes in taxation, may make serving at sea less appealing and thus further reduce the supply of crew and/or increase the cost of hiring competent crew. Unless we are in a position to increase our hire rates to compensate for increases in crew costs and other vessel operating costs such as insurance, repairs, maintenance, and lubricants, our business, results of operations, financial condition and profitability may be adversely affected. In addition, any inability our Manager experiences in the future to attract, hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business. If our Manager cannot attract and retain sufficient numbers of quality onboard seafaring personnel, our fleet utilization will decrease, which could also have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for dividends to our stockholders.

Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.

The charter rates and the value and operational life of a vessel are determined by a number of factors, including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed and fuel economy. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new ship designs currently promoted by shipyards as more fuel efficient perform as promoted or containerships or drybulk vessels are built that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter-hire payments that we receive for our vessels once their current time charters expire and the resale value of our vessels. This could adversely affect our results of operations.

We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.

The efficient operation of our business is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyberterrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Cyber-attacks are becoming increasingly common and more sophisticated, and may be perpetrated by computer hackers, cyber-terrorists or others engaged in corporate espionage. Further, as the methods of cyber-attacks continue to evolve, we may be required to expend additional resources to enhance and supplement our existing protective measures. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business, results of operations, cash flows and financial condition.

Because we generate all of our revenues in United States dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.

We generate all of our revenues in United States dollars and for the year ended December 31, 2025, we incurred approximately 24.4% of our vessels' operating expenses, primarily crew wages, as well as some of our general and administrative expenses, in currencies other than United States dollars, mainly Euros. This difference could lead to fluctuations in net income due to changes in the value of the United States dollar relative to the other currencies, in particular the Euro, which appreciated significantly versus the United States dollar in 2025. Expenses incurred in foreign currencies against which the United States dollar falls in value could increase, thereby decreasing our net income. We have not hedged our currency exposure and, as a result, our U.S. dollar-denominated results of operations and financial condition could suffer.

Due to our limited diversification, adverse developments in the containership transportation business, as well as the drybulk shipping sector, could reduce our ability to meet our payment obligations and our profitability.

Although we have recently entered the drybulk sector of the shipping industry and entered into a strategic partnership in the LNG sector, we currently rely on the cash flows generated from charters for our vessels that operate in the containership sector of the shipping industry for a substantial majority of our cash flows. Due to our limited diversification, adverse developments in the container shipping industry, as well as the drybulk shipping sector, have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets or lines of business.

Risks Related to our Financing Arrangements

Containership and drybulk vessel charter rates and vessel values may affect our ability to comply with various financial and collateral covenants in our credit facilities, and our financing arrangements impose operating and financial restrictions on us.

Our credit facilities and other financing arrangements, which are secured by, among other things, mortgages on certain of our vessels, require us to maintain specified collateral coverage ratios and satisfy financial covenants. See "Item 5. Operating and Financial Review and Prospects—Credit Facilities—Covenants, Events of Default, Collateral and Other Terms." Our ability to comply with covenants and restrictions contained in our financing arrangements may be affected by events beyond our control, including prevailing economic, financial and industry conditions. Low containership or drybulk vessels charter rates, or the failure of our charterers to fulfill their obligations under their charters for our vessels, due to financial pressure on these liner companies or drybulk charterers from weak demand for the seaborne transport of containerized cargo, drybulk cargoes or otherwise, may adversely affect our ability to comply with these covenants. The market values of containerships and drybulk vessels are sensitive to, among other things, changes in the charter markets with vessel values deteriorating in times when charter rates are falling and improving when charter rates are anticipated to rise.

If we are unable to meet our covenant compliance obligations under our credit facilities and other financing arrangements, and are unable to reach an agreement with our lenders to obtain compliance waivers, our lenders could then accelerate our indebtedness and foreclose on the vessels in our fleet securing those credit facilities. Any such default could result in cross-defaults under our other credit facilities and financing arrangements, including the Senior Notes, and the consequent acceleration of the indebtedness thereunder and the commencement of similar foreclosure proceedings by other lenders. The loss of any of our vessels would have a material adverse effect on our operating results and financial condition and could impair our ability to operate our business.

In addition, our credit facilities and other financing arrangements, and any future credit facility or other debt financing arrangements we enter into likely will, impose operating and financial restrictions on us and our subsidiaries, including relating to incurrence of debt and liens, making acquisitions and investments and paying dividends on or repurchasing our stock. Therefore, we may need to seek permission from our lenders in order to engage in some actions. Our lenders' interests may be different from ours and we may not be able to obtain our lenders' permission when needed. This may limit our ability to finance our future operations or capital requirements, make acquisitions or pursue business opportunities or pay dividends on our shares.

In addition, our credit facilities define any one of the following events as a "Change of Control" and the occurrence of any one such event will give rise to the lenders' right to require a mandatory prepayment in full of such facilities, the cancellation of undrawn commitments under our applicable loan agreements and, in connection with our $850 million secured credit facility, lenders may not disburse loan proceeds in connection with a scheduled delivery of a newbuilding containership:

- if Dr. John Coustas ceases to be both our Chief Executive Officer and a director of Danaos Corporation (other than due to his death or disability and, in such case, a replacement person is appointed by the board of directors of Danaos Corporation);
- the Coustas Family ceases to own more than 15% of our voting share capital;
- Dr. John Coustas and/or Danaos Investment Limited cease to own at least 80% of the equity interests and voting rights in our Manager;
- if any group of: (i) our Board of Directors as of the date of such debt agreement and (ii) any directors elected following nomination by the existing board of directors, cease to comprise a majority of the board of directors of Danaos Corporation;
- if any one or more persons (who are not members of the Coustas Family). acting in concert. controls Danaos Corporation; or
- any one of our subsidiaries, as guarantors under our credit facilities, ceases to be a wholly-owned direct subsidiary of Danaos Corporation.

For more information on the events that constitute a "Change of Control", as defined in our senior secured credit facilities, please see "Item 5. Operating and Financial Review and Prospects—Credit Facilities."

Our Manager, Danaos Shipping, has also provided the lenders with an undertaking to continue to provide us with management services, not subcontract or delegate technical management of the vessels and to subordinate all claims against us to the claims of our lenders, and its failure to comply with such undertaking would be an event of default under our applicable loan agreements. In addition, failure to maintain Danaos Shipping as the manager of our financed vessels would also be an event of default under our applicable loan agreements.

Substantial debt levels could limit our flexibility to obtain additional financing and pursue other business opportunities and our ability to service our outstanding indebtedness will depend on our future operating performance, including the charter rates we receive under charters for our vessels.

We had $1,177.8 million of outstanding indebtedness and $1,177.5 million of undrawn committed financing under senior secured credit facilities, as of December 31, 2025. We expect to incur additional indebtedness under these committed credit facilities, including to finance part of the purchase price for newbuilding vessels for which the aggregate remaining purchase price as of February 25, 2026 was approximately $1.9 billion, and we may seek to incur substantial additional indebtedness, as market conditions warrant, to make investments and grow our company to the extent that we are able to obtain such financing. This level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;
- we will need to use a substantial portion of our free cash from operations to make principal and interest payments on our debt, reducing the funds that would otherwise be available for future business opportunities;
- our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. In particular, the charter rates we obtain for our vessels, including our vessels on shorter term time charters or other charters expiring in the near future, will have a significant impact on our ability to service our indebtedness. If we do not generate sufficient cash flow to service our debt, we may be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, refinancing our debt or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Although we had $1,177.5 million of additional amounts available for borrowing under our existing credit facilities as of December 31, 2025, if we need additional liquidity and are unable to obtain such liquidity from existing or new lenders or in the capital markets, or if our existing financing arrangements do not permit additional debt that we require (and we are unable to obtain waivers from required lenders), we may be unable to meet our liquidity obligations which could lead to a default under our secured and unsecured credit facilities and Senior Notes. Our current financing arrangements also impose, and future financing arrangements may impose, operating and financial restrictions on us that may limit our ability to take certain actions, including the incurrence of additional indebtedness by existing subsidiaries, creating liens on our existing assets and selling capital stock of our existing subsidiaries.

The terms of the Senior Notes contain covenants limiting our financial and operating flexibility.

Covenants contained in the documentation relating to the Senior Notes restricts our ability and the ability of our subsidiaries to, among other things:

- pay dividends, make distributions, redeem or repurchase equity interests and make certain other restricted payments or investments, subject to certain exceptions;
- incur additional indebtedness or issue certain equity interests;
- merge, consolidate or sell all or substantially all of our assets;
- issue or sell capital stock of some of our subsidiaries;
- create liens on assets;
- sell or exchange assets or enter into new businesses;
- create any restrictions on the payment of dividends, the making of distributions, the making of loans and the transfer of assets; and
- enter into certain transactions with affiliates or related persons.

All of these limitations are subject to limitations, exceptions and qualifications. These restrictive covenants could limit our ability to pursue our growth plan, restrict our flexibility in planning for, or reacting to, changes in our business and industry and increase our vulnerability to general adverse economic and industry conditions. We may enter into additional financing arrangements in the future which could further restrict our flexibility. Any defaults of covenants contained in the Senior Notes may lead to an event of default under the Senior Notes and the indenture and may lead to cross-defaults under our other indebtedness.

Our ability to obtain additional debt financing for future acquisitions of vessels may be dependent on the performance of our then existing charters and the creditworthiness of our charterers, as well as the perceived impact of emissions by our vessels on the climate.

Although we had $1,177.5 million of additional amounts available for borrowing under our existing credit facilities as of December 31, 2025, the $247.5 million available for borrowing under our Citibank $382.5 million Revolving Credit Facility will reduce over time on a quarterly basis. We also intend to borrow against vessels we may acquire as part of our growth plan. The actual or perceived credit quality of our charterers, and any defaults by them, may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing or committing to financing on unattractive terms could have a material adverse effect on our business, results of operations and financial condition.

In 2019, a number of leading lenders to the shipping industry and other industry participants announced a global framework by which financial institutions can assess the climate alignment of their ship finance portfolios, called the Poseidon Principles, and additional lenders have subsequently announced their intention to adhere to such principles. If the ships in our fleet are deemed not to satisfy the emissions and other sustainability standards contemplated by the Poseidon Principles, or other Environmental Social Governance (ESG) standards required by lenders or investors, the availability and cost of bank or other financing for such vessels may be adversely affected.

We are exposed to volatility in interest rates, including SOFR.

Loans under our credit facilities are, generally, advanced at a floating rate based on SOFR, which increased significantly in recent years before declining slightly in 2025. Interest rates can be volatile, which affects the amount of interest payable on our debt, and which, in turn, could have an adverse effect on our earnings and cash flow, if interest rates remain elevated or increase significantly. SOFR rates may continue to increase or remain at the relatively high current levels, which could materially adversely affect our results of operations and financial condition. We expect to incur additional interest expense in future periods as we increase our level of borrowings to finance a portion of the purchase price of our contracted newbuildings and potentially future acquisitions and investments, which will increase our exposure to interest rate fluctuations. We do not have any interest rate swaps or other derivative instruments currently for purposes of managing our exposure to fluctuations in interest rates applicable to indebtedness under our credit facilities. Moreover, even if we enter into interest rate swaps or other derivative instruments for purposes of managing our interest rate exposure, our hedging strategies may not be effective and we may incur substantial losses. For additional information, see "Item 5. Operating and Financial Review and Prospects —Liquidity and Capital Resources—Credit Facilities."

Inflation could adversely affect our business and financial results.

Inflation could adversely affect our business and financial results by increasing the costs of labor and materials needed to operate our business. We continue to see near-term impacts on our business due to elevated inflation in the United States of America, Eurozone and other countries, which continue to affect our operating expenses to a moderate extent. Interest rates have increased rapidly and substantially as central banks in developed countries raised interest rates in an effort to subdue inflation. The eventual implications of tighter monetary policy, and potentially higher long-term interest rates may drive a higher cost of capital for our business, including borrowings under our credit facilities which are advanced at a floating rate based on SOFR and for which we do not have any interest rate hedging arrangements. See "Item 5. Operating and Financial Review and Prospects—Impact of Inflation and Interest Rates Risk on our Business."

We may enter into derivative contracts to hedge our exposure to fluctuations in interest rates, which could result in higher than market interest rates and charges against our income.

We do not currently have any interest rate swap arrangements. In the past, however, we have entered into interest rate swaps in substantial aggregate notional amounts, generally for purposes of managing our exposure to fluctuations in interest rates applicable to indebtedness under our credit facilities, which were advanced at floating rates, as well as interest rate swap agreements converting fixed interest rate exposure under our credit facilities advanced at a fixed rate of interest to floating rates. Any hedging strategies we choose to employ may not be effective and we may again incur substantial losses, as we did in 2015 and prior years. Unless we satisfy the requirements to qualify for hedge accounting for interest rate swaps and any other derivative instruments, we would recognize all fluctuations in the fair value of any such contracts in our consolidated statements of income. Recognition of such fluctuations in our statement of operations may increase the volatility of our earnings. Any hedging activities we engage in may not effectively manage our interest rate exposure or have the desired impact on our financial conditions or results of operations.

Environmental, Regulatory and Other Industry Related Risks

We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operation of our vessels are materially affected by environmental regulation in the form of international, national, state and local laws, regulations, conventions and standards in force in international waters and the jurisdictions in which our vessels operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, wastewater discharges and ballast water management, or "BWM". Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such requirements or their impact on the resale price or useful life of our vessels. We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations. Many environmental requirements are designed to reduce the risk of pollution, such as from oil spills, and our compliance with these requirements could be costly. To comply with these and other regulations, including: (i) the sulfur emission requirements of Annex VI of the International Convention for the Prevention of Marine Pollution from Ships, or "MARPOL", which instituted a global 0.5% (lowered from 3.5% as of January 1, 2020) sulfur cap on marine fuel consumed by a vessel, unless the vessel is equipped with a scrubber, and (ii) the International Convention for the Control and Management of Ships' Ballast Water and Sediments, or "BWM Convention", of the International Maritime Organization, or "IMO", which requires vessels to install expensive ballast water treatment systems, we may be required to incur additional costs to meet new maintenance and inspection requirements, develop contingency plans for potential spills, and obtain insurance coverage. Additionally, the increased demand for low sulfur fuels may increase the costs of fuel for our vessels that do not have scrubbers, although our charterers are responsible for the cost of fuel for vessels while under time or bareboat charter on which all of our container vessels are currently deployed, and impact the charter rate charterers are willing to pay for vessels without scrubbers. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of doing business and which may materially and adversely affect our operations.

Environmental requirements can also affect the resale value or useful lives of our vessels, could require a reduction in cargo capacity, ship modifications or operational changes or restrictions, could lead to decreased availability of insurance coverage for environmental matters or could result in the denial of access to certain jurisdictional waters or ports or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and natural resource damages liability, in the event that there is a release of petroleum or hazardous materials from our vessels or otherwise in connection with our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. We could also become subject to personal injury or property damage claims relating to the release of hazardous substances associated with our existing or historic operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including, in certain instances, seizure or detention of our vessels.

The operation of our vessels is also affected by the requirements set forth in the IMO's International Management Code for the Safe Operation of Ships and Pollution Prevention, or the "ISM Code". The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive "Safety Management System," or "SMS", that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. Failure to comply with the ISM Code may subject us to increased liability, may decrease available insurance coverage for the affected ships, and may result in denial of access to, or detention in, certain ports.

Climate change and greenhouse gas restrictions may adversely impact our operations.

Due to concern over the risks of climate change, a number of countries and the IMO, have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emission from ships. These regulatory measures may include adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or the "Kyoto Protocol", or any amendments or successor agreements. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change in December 2015, which contemplates commitments from each nation party thereto to take action to reduce greenhouse gas emissions and limit increases in global temperatures, did not include any restrictions or other measures specific to shipping emissions. However, restrictions on shipping emissions are likely to continue to be considered and a new treaty may be adopted in the future that includes additional restrictions on shipping emissions to those already adopted under MARPOL. For example, in 2021 the United States announced its commitment to working with the IMO to adopt a goal of achieving zero emissions from international shipping by 2050 ; although the current U.S. administration opposed the draft proposals approved by the IMO in 2025, which ultimately requested in IMO delegates voted to adjourn the formal adoption of the framework delaying it by one year due to lack of consensus postponing its final adoption until October 2026. In June 2021, the IMO, working with the Marine Environmental Protection Committee, passed amendments to Annex VI aimed at reducing carbon emissions produced by vessels and include two new metrics for measuring a vessel's overall energy efficiency and actual carbon dioxide emissions: Energy Efficiency Existing Shipping Index ("EEXI") and Carbon Intensity Indicator ("CII"), the latter of which came into force as of January 1, 2023. If our vessels are only able to comply with the maximum EEXI and CII thresholds by reducing their speed, our vessels may be less attractive to charterers, and we may only be able to charter our vessels for lower charter rates or to less creditworthy charterers, if we are able to do so at all. Maritime shipping is included within the European Union's Emission Trading Scheme (ETS) as of January 1, 2024 with a phase-in period requiring shipping companies to surrender 40% of their 2024 emissions in 2025; 70% of their 2025 emissions in 2026; and 100% of their 2026 emissions in 2027. Compliance with the maritime EU ETS may result in additional compliance and administration costs. Compliance with future changes in laws and regulations relating to climate change could increase the costs of operating and maintaining our ships and could require us to install new emission controls, as well as acquire allowances, pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program.

Increased inspection procedures, tighter import and export controls and new security regulations could cause disruption of our containership business.

International container shipping is subject to security and customs inspection and related procedures in countries of origin, destination, and certain trans-shipment points. These inspection procedures can result in cargo seizure, delays in the loading, offloading, trans-shipment, or delivery of containers, and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, charterers and charter owners.

Since the events of September 11, 2001, U.S. authorities increased container inspection rates and further increases have been contemplated. Government investment in non-intrusive container scanning technology has grown and there is interest in electronic monitoring technology, including so-called "e-seals" and "smart" containers, that would enable remote, centralized monitoring of containers during shipment to identify tampering with or opening of the containers, along with potentially measuring other characteristics such as temperature, air pressure, motion, chemicals, biological agents and radiation. Also, additional vessel security requirements have been imposed including the installation of security alert and automatic information systems on board vessels.

It is further unclear what changes, if any, to the existing inspection and security procedures will ultimately be proposed or implemented, or how any such changes will affect the industry. It is possible that such changes could impose additional financial and legal obligations, including additional responsibility for inspecting and recording the contents of containers and complying with additional security procedures on board vessels, such as those imposed under the ISPS Code. Changes to the inspection and security procedures and container security could result in additional costs and obligations on carriers and may, in certain cases, render the shipment of certain types of goods by container uneconomical or impractical. Additional costs that may arise from current inspection or security procedures or future proposals that may not be fully recoverable from customers through higher rates or security surcharges.

Our vessels may call on ports located in countries that are subject to restrictions imposed by the United States government.

From time to time on charterers' instructions, our vessels have called and may again call on ports located in countries subject to sanctions and embargoes imposed by the United States government and countries identified by the United States government as state sponsors of terrorism. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time.

In 2022, in response to the ongoing conflict in Ukraine, the United States and several European countries imposed various economic sanctions against Russia, prohibitions on imports of Russian energy products, including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal, prohibitions on the maritime transport of Russian oil and petroleum products that are purchased at or above a certain price, and prohibitions on investments in the Russian energy sector by U.S. persons, among other restrictions.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company. Additionally, some investors may decide to divest their interest, or not to invest, in the Company simply because we do business with companies that do lawful business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, any deemed non-compliance with sanctions by us or our Manager could constitute an event of default under any loan agreements secured by such vessel, and our lenders may seek to accelerate for immediate repayment any indebtedness outstanding thereunder. We may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

Failure to comply with the U.S. Foreign Corrupt Practices Act and other anti-bribery legislation in other jurisdictions could result in fines, criminal penalties, contract terminations and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted a code of business conduct and ethics which is consistent and in full compliance with the U.S. Foreign Corrupt Practices Act of 1977, or the "FCPA". We are subject, however, to the risk that persons and entities whom we engage or their agents may take actions that are determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, or curtailment of operations in certain jurisdictions, and might adversely affect our business, results of operations or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

A government of a ship's registry could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a ship and becomes the owner. Also, a government could requisition our containerships for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels may negatively impact our revenues and results of operations.

Terrorist attacks and international hostilities could affect our results of operations and financial condition.

Terrorist attacks and the continuing response of the United States and other countries to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world markets and may affect our business, results of operations and financial condition. Ongoing armed conflicts in various parts of the world, including events in the Middle East, may lead to additional acts of terrorism, regional conflict and other armed conflicts around the world, which may contribute to economic instability in the global economy and financial markets. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us, or at all.

Terrorist attacks targeted at sea vessels and the ongoing attacks on vessels by Houthis in the Red Sea and Gulf of Aden may in the future also negatively affect our operations and financial condition and directly impact our vessels or our customers. Future terrorist attacks could result in increased volatility of the financial markets in the United States and globally and could result in an economic recession affecting the United States or the entire world. Any of these occurrences could have a material adverse impact on our operating results, revenue and costs.

Changing economic, political and governmental conditions in the countries where we are engaged in business or where our vessels are registered could affect us. In addition, future hostilities or other political instability in regions where our vessels trade could also affect our trade patterns and adversely affect our operations and performance. The conflict between Russia and Ukraine, and related sanctions imposed by the United States, EU and others, adversely affect the crewing operations of Danaos Shipping, which has crewing offices in St. Petersburg, Odessa and Mariupol (damaged by the war), and trade patterns involving ports in the Black Sea or Russia, as well as impacting world energy supply and creating uncertainties in the global economy, which in turn impact containership and drybulk demand. The extent of this impact could worsen depending on future developments.

The tensions in the Middle East, including the war between Israel and Hamas in the Gaza Strip and Israel and Iran, has not negatively affected our business as of the date of this annual report, however, an escalation of these conflicts or further regional and international conflicts or armed action could have reverberations on the regional and global economies that could have the potential to adversely affect demand for cargoes and our business. The Houthi attacks in the Red Sea and the Gulf of Aden have impacted seaborne trade as many companies have decided to reroute vessels to avoid the Suez Canal and Red Sea; however, the impact has generally been to increase sailing distances and thereby support freight and charter rates. The easing of these disruptions could therefore adversely affect charter rates.

Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea and in the Gulf of Aden off the coast of Somalia. Despite leveling off somewhat in the last few years, the frequency of piracy incidents has increased significantly since 2008, particularly in the Gulf of Aden off the coast of Somalia. In addition, crew costs, including costs due to employing onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention or hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, financial condition, and results of operations.

The smuggling of drugs, other contraband or stowaways onto our vessels may lead to governmental claims against us.

Our vessels call in ports in South America and other areas where smugglers attempt to hide drugs and other contraband on vessels or stowaways' attempt to board, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel, or stowaways whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims or penalties which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Risks inherent in the operation of ocean-going vessels could affect our business and reputation, which could adversely affect our expenses, net income and stock price.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

- marine disaster;
- environmental accidents;
- grounding, fire, explosions and collisions;
- cargo and property losses or damage;
- business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, or adverse weather conditions;

- work stoppages or other labor problems with crew members serving on our vessels, substantially all of whom are unionized and covered by collective bargaining agreements; and
- piracy.

Such occurrences could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. Any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator. In addition, certain of such occurrences with respect to the vessels not owned by us could negatively impact us; for example, the collision of a containership not owned by us into a bridge in Baltimore in March 2024 has generally increased insurance costs for companies in our industry.

The operation of drybulk vessels entails certain unique operational risks.

The operation of certain ship types, such as drybulk vessels, has certain unique risks. With a drybulk vessel, the cargo itself and its interaction with the ship can be a risk factor. By their nature, drybulk cargoes are often heavy, dense, easily shifted, and react badly to water exposure. In addition, drybulk vessels are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to treatment during unloading procedures may be more susceptible to breach at sea. Furthermore, any defects or flaws in the design of a drybulk vessel may contribute to vessel damage. Hull breaches in drybulk vessels may lead to the flooding of the vessels holds. If a drybulk vessel suffers flooding in its holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads, leading to the loss of the vessel. If we are unable to adequately maintain our vessels, we may be unable to prevent these events.

Any of these circumstances or events could negatively impact our business, financial condition, results of operations and our ability to pay dividends, if any, in the future. In addition, the loss of any of our drybulk vessels could harm our reputation as a safe and reliable vessel owner and operator.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations due to the inherent operational risks of the shipping industry.

The operation of any vessel includes risks such as mechanical failure, collision, fire, contact with floating objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of a marine disaster, including oil spills and other environmental mishaps. There are also liabilities arising from owning and operating vessels in international trade. We procure insurance for our fleet against risks commonly insured against by vessel owners and operators. Our current insurance includes (i) hull and machinery insurance covering damage to our vessels' hull and machinery from, among other things, contact with fixed and floating objects, (ii) war risks insurance covering losses associated with the outbreak or escalation of hostilities, and (iii) protection and indemnity ("P&I") insurance (which includes environmental damage and pollution insurance) covering third-party and crew liabilities such as expenses resulting from the injury or death of crew members, passengers and other third parties, the loss or damage to cargo, third-party claims arising from collisions with other vessels, damage to other third-party property (except where such cover is provided in the hull and machinery policy), pollution arising from oil or other substances and salvage, towing and other related costs.

We can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement vessel in the event of a loss. Under the terms of our credit facilities, we will be subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the P&I associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs.

In addition, we do not currently carry loss of hire insurance. Loss of hire insurance covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

Maritime claimants could arrest our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our cash flows and require us to pay large sums of money to have the arrest lifted.

In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our ships.

Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the International Convention for Safety of Life at Sea, or "SOLAS", and all vessels must be awarded ISM certification.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Each of the vessels in our fleet is on a special survey cycle for hull inspection and a continuous survey cycle for machinery inspection.

If any vessel does not maintain its class or fails any annual, intermediate or special survey, and/or loses its certification, the vessel will be unable to trade between ports and will be unemployable, and we could be in violation of certain covenants in our loan agreements. This would negatively impact our operating results and financial condition.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society which is a member of the International Association of Classification Societies. All of our vessels are certified as being "in class" by Lloyd's Register of Shipping, Bureau Veritas, NKK, Det Norske Veritas ("DNV") & Germanischer Lloyd, the Korean Register of Shipping and the American Bureau of Shipping.

Risks Relating to Our Key Employees and Our Management Arrangements

Our business depends upon certain employees who may not necessarily continue to work for us.

Our future success depends to a significant extent upon our chief executive officer, Dr. John Coustas, and certain members of our senior management and that of our Manager, Danaos Shipping, and Danaos Chartering, each of which is ultimately owned by our majority stockholder, Danaos Investment Limited as Trustee of the 883 Trust ("DIL"), which is affiliated with Dr. Coustas. Dr. Coustas has substantial experience in the container shipping and drybulk shipping industries and has worked with us and our Manager for many years. He and others employed by us, our Manager and Danaos Chartering are crucial to the execution of our business strategies and to the growth and development of our business. In addition, under the terms of our credit facilities and other financing arrangements, Dr. Coustas ceasing to serve as our Chief Executive Officer and a director of our Company, would give rise to the lenders being able to require us to repay in full debt outstanding under such agreements. If these certain individuals were no longer to be affiliated with us, our Manager or Danaos Chartering, or if we were to otherwise cease to receive advisory services from them, we may be unable to recruit other employees with equivalent talent and experience, and our business and financial condition may suffer as a result.

The provisions in our restrictive covenant agreement with our chief executive officer restricting his ability to compete with us, like restrictive covenants generally, may not be enforceable.

Dr. Coustas, our chief executive officer, has entered into a restrictive covenant agreement with us under which he is precluded during the term of our management agreement with our Manager, Danaos Shipping, and the term of our brokerage services agreement with Danaos Chartering, and for one year thereafter from owning and operating drybulk ships or containerships larger than 2,500 TEUs and from acquiring or investing in a business that owns or operates such vessels. Courts generally do not favor the enforcement of such restrictions, particularly when they involve individuals and could be construed as infringing on their ability to be employed or to earn a livelihood. Our ability to enforce these restrictions, should it ever become necessary, will depend upon the circumstances that exist at the time enforcement is sought. We cannot be assured that a court would enforce the restrictions as written by way of an injunction or that we could necessarily establish a case for damages as a result of a violation of the restrictive covenants.

In addition, DIL as trustee of the 883 Trust and Dr. Coustas are permitted to terminate the restrictive covenant agreement upon the occurrence of certain transactions constituting a "Change of Control" of the Company which are not within the control of Dr. Coustas or DIL, including where Dr. Coustas ceases to be both the Chief Executive Officer of the Company and a director of the Company without his consent in connection with a hostile takeover of the Company by a third party. Upon such an occurrence, the non-competition restrictions on our Manager under our management agreement, and on Danaos Chartering under our brokerage services agreement, would also cease to apply.

We depend on our Manager and Danaos Chartering to operate our business.

Pursuant to the management agreements and the individual ship management agreements, the terms of which expire on December 31, 2026, our Manager and its affiliates, including Danaos Chartering, provides us with technical, administrative and certain commercial services (including vessel maintenance, crewing, purchasing, shipyard supervision, insurance, assistance with regulatory compliance and financial services). See "Item 4. Information on the Company—Business Overview—Management of Our Fleet". Our operational success will depend significantly upon our Manager's and Danaos Chartering's satisfactory performance of these services. Our business would be harmed if our Manager or Danaos Chartering failed to perform these services satisfactorily.

In addition, if the management agreements were to be terminated or if its terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than the ones currently offered by our Manager and Danaos Chartering. Our management agreement with any new manager may not be as favorable. Further, we would need to seek approval from our lenders to change our Manager. We are not permitted to change our manager, or to allow Danaos Shipping to subcontract or delegate management, without the prior written consent of our lenders. The terms of the management agreements expire on December 31, 2026, and automatically extends for additional 12-month terms, unless six months' notice of non-renewal is given by either party prior to the end of the then current term. For each subsequent 12-month term, the fees and commissions will be set at a mutually agreed upon rate between us and Danaos Shipping and Danaos Chartering, respectively, no later than 30 days prior to the commencement of the applicable subsequent term.

In addition, if Danaos Shipping suffers material damage to its reputation or relationships, including as a result of a spill or other environmental incident or an accident, or any violation or alleged violation of U.S., EU, UN or other sanctions, involving ships managed by Danaos Shipping, whether or not owned by us, it may harm the ability of our company or our subsidiaries to successfully compete in our industry, including due to charterers electing not to do business with Danaos Shipping or us.

Our ability to compete for and enter into new charters and to expand our relationships with our existing charterers depends largely on our relationship with our Manager, Danaos Chartering and their reputation and relationships in the shipping industry. If our Manager or Danaos Chartering suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms or at all;

- maintain satisfactory relationships with our charterers and suppliers; or
- successfully execute our business strategies.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business and affect our profitability.

Our Manager, Danaos Shipping, and Danaos Chartering are privately held companies and there is little or no publicly available information about them.

The ability of our Manager, Danaos Shipping, and its affiliate, Danaos Chartering, to continue providing services for our benefit will depend in part on their own financial strength. Circumstances beyond our control could impair our Manager's and Danaos Chartering's financial strength, and because each is a privately held company, information about their financial strength is not available. As a result, our stockholders might have little advance warning of problems affecting our Manager or Danaos Chartering, even though these problems could have a material adverse effect on us. As part of our reporting obligations as a public company, we will disclose information regarding our Manager or Danaos Chartering that has a material impact on us to the extent that we become aware of such information.

Being active in multiple lines of business, including managing multiple fleets, requires management to allocate significant attention and resources, and failure to successfully or efficiently manage each line of business may harm our business and operating results.

Since our entry into the drybulk sector in 2023, our fleet consists of both containerships and drybulk vessels. Containerships and drybulk vessels operate in different markets with different chartering characteristics and different customer bases. Our management team must devote significant attention and resources to different lines of business as well as to both our containership and drybulk fleets, and the time spent on each business will vary significantly from time to time depending on various circumstances and needs of each business. Each business requires significant attention from our management and could divert resources away from the day-to-day management of the other business, which could harm our business, results of operations, and financial condition.

Risks Relating to Investment in a Marshall Islands Corporation

We are a Marshall Islands corporation, and the Marshall Islands does not have a well-developed body of corporate law or a bankruptcy act.

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA are similar to provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of The Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of The Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Stockholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public stockholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling stockholders than would stockholders of a corporation incorporated in a U.S. jurisdiction.

The Marshall Islands has no established bankruptcy act, and as a result, any bankruptcy action involving our company would have to be initiated outside the Marshall Islands, and our security holders may find it difficult or impossible to pursue their claims in such other jurisdiction.

It may be difficult to enforce service of process and enforcement of judgments against us and our officers and directors.

We are a Marshall Islands corporation, and our registered office is located outside of the United States in the Marshall Islands. A majority of our directors and officers reside outside of the United States, and a substantial portion of our assets and the assets of our officers and directors are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside of the United States, judgments you may obtain in the U.S. courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. federal or state securities laws.

There is also substantial doubt that the courts of the Marshall Islands would enter judgments in original actions brought in those courts predicated on U.S. federal or state securities laws. Even if you were successful in bringing an action of this kind, the laws of the Marshall Islands may prevent or restrict you from enforcing a judgment against our assets or our directors and officers.

Risks Relating to Our Common Stock

The market price of our common stock has fluctuated widely and the market price of our common stock may fluctuate in the future.

The market price of our common stock has fluctuated widely since our initial public offering in October 2006 and may continue to do so as a result of many factors, including future share issuances, sales of shares by existing stockholders, our actual results of operations and perceived prospects, the prospects of our competitors and of the shipping industry in general and in particular the containership and drybulk sectors, differences between our actual financial and operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general valuations for companies in the shipping industry, particularly the containership and drybulk sectors, changes in general economic or market conditions and broader market fluctuations.

We may not continue to pay dividends on our common stock, particularly if market conditions change.

We reinstated quarterly cash dividend payments on our common stock in 2021; however, there can be no assurance that we will pay dividends or as to the amount of any dividend. Declaration and payment of any future dividend is subject to the discretion of our board of directors. The timing and amount of dividend payments will be dependent upon our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our credit facilities and Senior Notes, which include limitations on the amount of dividends and other restricted payments that we may make, the provisions of Marshall Islands law affecting the payment of distributions to stockholders and other factors. Under our credit facilities, we are permitted to pay dividends if, among other things, a default has not occurred and is continuing or would occur as a result of the payment of such dividend, and we remain in compliance with the collateral coverage requirements and financial covenants applicable to the obligors thereunder. In addition, we are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make any dividend payments. We cannot assure you that we will continue to pay dividends in the future or the amounts of any such dividends.

Since 2022, we have repurchased a total of 3,247,444 shares of our common stock in the open market for $235.1 million under our $300 million share repurchase program. However, there is no assurance that we will continue to repurchase shares of our common stock, in similar amounts or at all, and any such reduction or discontinuation of share repurchases could adversely affect our share price.

Future issuances of equity and equity related securities may result in significant dilution and could adversely affect the market price of our common stock.

We may seek to sell shares in the future to satisfy our capital and operating needs and to finance further growth we may have to issue additional shares of common or preferred stock in addition to any additional debt we may incur. If we sell shares in the future, the prices at which we sell these future shares will vary, and these variations may be significant. We cannot predict the effect that future sales of our common stock or other equity related securities would have on the market price of our common stock.

Sales of our common stock by stockholders, or the perception that these sales may occur, especially by our directors or significant stockholders, may cause our share price to decline.

If our stockholders, in particular our major stockholder, DIL, which is affiliated with our Chief Executive Officer, sell substantial amounts of our common stock in the public market, or are perceived by the public market as intending to sell, the trading price of our common stock could decline. In addition, sales of these shares of common stock could impair our ability to raise capital in the future. We have filed shelf registration statements with the SEC registering under the Securities Act close to half of the outstanding shares of our common stock for resale on behalf of existing stockholders, including our executive officers and directors. These shares may be resold in registered transactions and may also be resold subject to the requirements of Rule 144 under the Securities Act. We cannot predict the timing or amount of future sales of these shares of common stock, or the perception that such sales could occur, which may adversely affect prevailing market prices for our common stock.

Investors may view our having multiple lines of business, including ownership of multiple fleets, negatively, which may decrease the trading price of our securities.

We own and operate both containerships and drybulk fleets. Historically, companies that have multiple lines of business or own mixed asset classes have tended to trade at levels that suggest lower valuations than "pure play" shipping companies. Accordingly, investors may view our stock as relatively less attractive than stocks of pure play shipping companies, which could materially and adversely affect the trading price of our securities.

Our major stockholder has control over matters on which our stockholders are entitled to vote and may have interests that are different from the interests of our other stockholders.

Our major stockholder may have interests that are different from, or are in addition to, the interests of our other stockholders. In particular, DIL, which is affiliated with our Chief Executive Officer, owns approximately 52.4% of our outstanding shares of common stock as of February 25, 2026 and is the ultimate owner of our Manager and Danaos Chartering. This stockholder is able to control the outcome of matters on which our stockholders are entitled to vote, including the election of our entire board of directors and other significant corporate actions. There may be real or apparent conflicts of interest with respect to matters affecting such stockholder and its affiliates whose interests in some circumstances may be adverse to our interests.

For so long as our major stockholder continues to own a significant percentage of our common stock, it will be able to control or significantly influence the composition of our Board of Directors and the approval of actions requiring stockholder approval through its voting power. Accordingly, during such period of time, such stockholder will have control or significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, for so long as such stockholder continues to own a significant percentage of our common stock, it may be able to cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude an unsolicited acquisition of our company. The concentration of ownership could potentially deprive you of an opportunity to receive a premium for your common stock as part of a sale of our company and might affect the market price of our common stock.

Such stockholder and its affiliates engage in a broad spectrum of activities. In the ordinary course of its business activities, such stockholder may engage in activities where its interests conflict with our interests or those of our stockholders. For example, it may have an interest in our pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to us and our other stockholders. Such potential conflicts may delay or limit the opportunities available to us, and it is possible that conflicts may be resolved in a manner adverse to us or result in agreements that are less favorable to us than terms that would be obtained in arm's-length negotiations with unaffiliated third-parties.

As a foreign private issuer and a "controlled company" we are entitled to rely upon exemptions from certain NYSE corporate governance standards, and to the extent we elect to rely on these exemptions, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

As a foreign private issuer, we are entitled to rely upon exemptions from many of the NYSE's corporate governance practices. In addition, we are a "controlled company" under NYSE rules, which is a company of which more than 50% of the voting power is held by an individual, group or another company, and which may elect not to comply with certain NYSE corporate governance requirements. To the extent we rely on any of these exemptions, including to have a former employee director on our nominating and corporate governance committee and issue shares without shareholder approval, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

Anti-takeover provisions in our organizational documents, as well as terms of our credit facilities and Senior Notes, could make it difficult for our stockholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of the shares of our common stock.

Several provisions of our articles of incorporation and bylaws could make it difficult for our stockholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable.

These provisions:

- authorize our board of directors to issue "blank check" preferred stock without stockholder approval;

- provide for a classified board of directors with staggered, three-year terms;
- prohibit cumulative voting in the election of directors;
- authorize the removal of directors only for cause and only upon the affirmative vote of the holders of at least $66^{2}/_{3}$% of the outstanding stock entitled to vote for those directors;
- prohibit stockholder action by written consent unless the written consent is signed by all stockholders entitled to vote on the action;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings; and
- restrict business combinations with interested stockholders.

In addition, a "Change of Control", as defined in our senior secured credit facilities, which includes Dr. John Coustas ceasing to serve as CEO and a director of the Company, the Coustas family ceasing to own at least 15% of the outstanding voting share capital of the Company, Dr. John Coustas or DIL ceasing to control our Manager, one or more persons acting in concert, other than members of the Coustas family, controlling our company, and changes to our board of directors in certain circumstances, will give rise to our lenders' right to require a mandatory prepayment in full of such facilities and a cancellation of undrawn commitments, including the revolving credit facility. In addition, the terms of our Senior Notes require us to offer to repurchase all of our outstanding Senior Notes if there is a "change of control" as defined in the indenture for our Senior Notes. See "Item 5. Operating and Financial Review and Prospects—Credit Facilities–Senior Notes."

These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Tax Risks

We may have to pay tax on U.S.-source income, which would reduce our earnings.

Under the United States Internal Revenue Code of 1986, as amended, or the Code, 50% of the gross shipping income of a ship owning or chartering corporation, such as ourselves, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S.-source shipping income and as such is subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury Regulations promulgated thereunder.

We believe that we and our subsidiaries have previously qualified for the Section 883 statutory tax exemption and have taken that position for U.S. federal income tax reporting purposes. It is uncertain as to whether we will continue to qualify for this statutory tax exemption, and there are factual circumstances beyond our control that could cause us or our subsidiaries to fail to qualify for the benefit of this tax exemption and thus to be subject to U.S. federal income tax on U.S.-source shipping income. There can be no assurance that we or any of our subsidiaries will qualify for this tax exemption for any year. For example, even assuming, as we expect will be the case, that our shares are regularly and primarily traded on an established securities market in the United States, if stockholders each of whom owns, actually or under applicable attribution rules, 5% or more of our shares own, in the aggregate, 50% or more of our shares, then we and our subsidiaries will generally not be eligible for the Section 883 exemption unless we can establish, in accordance with specified ownership certification procedures, either (i) that a sufficient number of the shares in the closely-held block are owned, directly or under the applicable attribution rules, by "qualified stockholders" (generally, individuals resident in certain non-U.S. jurisdictions) so that the shares in the closely-held block that are not so owned could not constitute 50% or more of our shares for more than half of the days in the relevant tax year or (ii) that qualified stockholders owned more than 50% of our shares for at least half of the days in the relevant taxable year. There can be no assurance that we will be able to establish such ownership by qualified stockholders for any tax year.

If we or our subsidiaries are not entitled to the exemption under Section 883 for any taxable year, we or our subsidiaries would be subject for those years to a 4% U.S. federal income tax on our gross U.S. source shipping income. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution to our stockholders. A number of our charters contain provisions that obligate the charterers to reimburse us for the 4% gross basis tax on our U.S. source shipping income.

If we were treated as a "passive foreign investment company," certain adverse U.S. federal income tax consequences could result to U.S. stockholders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for U.S. federal income tax purposes if at least 75% of its gross income for any taxable year consists of certain types of "passive income," or at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." In general, U.S. stockholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC. If we are treated as a PFIC for any taxable year, we will provide information to U.S. stockholders to enable them to make certain elections to alleviate certain of the adverse U.S. federal income tax consequences that would arise as a result of holding an interest in a PFIC. We may choose to provide such information on our website.

While there are legal uncertainties involved in this determination, including as a result of a decision of the United States Court of Appeals for the Fifth Circuit in *Tidewater Inc. and Subsidiaries v. United States*, 565 F.3d 299 (5th Cir. 2009) which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of the foreign sales corporation rules under the U.S. Internal Revenue Code, we believe we should not be treated as a PFIC for the taxable year ended December 31, 2025. However, if the principles of the *Tidewater* decision were applicable to our time charters, we would likely be treated as a PFIC. Moreover, there is no assurance that the nature of our assets, income and operations will not change or that we can avoid being treated as a PFIC for subsequent years.

A change in tax laws in any country in which we operate or loss of a major tax dispute or a successful tax challenge to our operating structure, intercompany pricing policies or the taxable presence of our subsidiaries in certain countries could adversely affect us.

Tax laws, treaties and regulations are highly complex and subject to interpretation. Consequently, we and our subsidiaries are subject to changing laws, treaties and regulations in and between the countries in which we operate. Our tax expense is based on our interpretation of the tax laws in effect at the time the expense was incurred. A change in tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our earnings. Such changes may include measures enacted in response to the ongoing initiatives in relation to fiscal legislation at an international level such as the Action Plan on Base Erosion and Profit Shifting of the Organization for Economic Co-Operation and Development, which contemplates a global minimum tax rate of 15% calculated on a jurisdictional basis, subject to exemptions including for qualifying international shipping income.

In addition, the charters that we enter into with Chinese customers, including the charters we currently have with COSCO for seven of our vessels, may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse effect on our business, results of operations and financial condition.

If any tax authority successfully challenges positions we may take in tax filings, our operational structure, intercompany pricing policies, the taxable presence of our subsidiaries in certain countries or any other situation, or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could increase substantially and our earnings and cash flows from operations could be materially adversely affected.

Item 4. Information on the Company

History and Development of the Company

Danaos Corporation is an international owner of container vessels and drybulk vessels, chartering our container vessels to many of the world's largest liner companies and employing our drybulk vessels on short-term time charters and voyage charters. We are a corporation domesticated in the Republic of The Marshall Islands on October 7, 2005, under the Marshall Islands Business Corporations Act, after having been incorporated as a Liberian company in 1998 in connection with the consolidation of our assets under Danaos Holdings Limited. In connection with our domestication in the Marshall Islands we changed our name from Danaos Holdings Limited to Danaos Corporation. Danaos Corporation completed its initial public offering and was publicly listed on the New York Stock Exchange in October 2006.

Our Company's long history in the shipping industry dates back to the 1960s. Our largest stockholder is DIL, an entity affiliated with our Chief Executive Officer, Dr. John Coustas. Dimitris Coustas, the father of Dr. Coustas, first invested in shipping in 1963 and founded our Manager, in 1972. Since that time, the Company has continuously provided seaborne transportation services under the management of the Coustas family. After assuming management of our company in 1987, Dr. Coustas has focused our strategy on building a large, modern containership fleet to serve the container shipping industry and grown our fleet from three multi-purpose vessels with a capacity of 2,395 TEUs to our current fleet of 75 containerships aggregating 477,491 TEUs, 27 under construction containerships aggregating 174,550 TEUs, 11 Capesize bulk carriers, on a fully delivered basis, aggregating 1,943,286 DWT in capacity, and four under construction Newcastlemax bulk carriers aggregating approximately 844,000 DWT in capacity.

Danaos Corporation operates through a number of subsidiaries incorporated in Liberia and the Republic of the Marshall Islands, all of which are wholly owned by Danaos Corporation and either directly or indirectly own the vessels in our fleet. A list of our active subsidiaries as of February 25, 2026 and their jurisdictions of incorporation, is set forth in Exhibit 8 to this Annual Report on Form 20-F.

Our principal executive offices are c/o Danaos Shipping Co. Ltd., Athens Branch, 14 Akti Kondyli, 185 45 Piraeus, Greece. Our telephone number at that address is +30 210 419 6480.

Business Overview

We are an international owner of containerships and drybulk vessels, chartering our containerships to many of the world's largest liner companies and employing our drybulk vessels on short-term time charters and voyage charters. As of February 25, 2026, we owned 75 containerships aggregating 477,491 TEUs, 27 under construction containerships aggregating 174,550 TEUs, 11 Capesize bulk carriers, including one expected to be delivered to us in March 2026, aggregating 1,943,286 DWT and four under construction Newcastlemax bulk carriers with an approximate aggregate capacity of 844,000 DWT.

Our strategy is to charter our containerships under multi-year, fixed-rate period charters to a diverse group of liner companies, including many of the largest companies globally, as measured by TEU capacity. As of February 25, 2026, these customers included CMA CGM, MSC, Hapag Lloyd, COSCO, PIL, Maersk, ONE, Sealead, OOCL, Samudera, Interasia Lines, Yang Ming and ZIM. We operate our drybulk carriers in the spot market, on short-term time charters and voyage charters.

As of the date of this annual report, the Company generated operating revenues from its 75 container vessels on time charters or bareboat charter agreements, with remaining terms ranging from less than one year to 2032. Additionally, as of the date of this annual report, the Company contracted 5-year, 7-year and 10-year time charter agreements for the 21 out of 27 container vessels under construction scheduled for delivery in 2026 through 2029, with an average charter duration of approximately 5.8 years, weighted by aggregate contracted charter hire. Total contracted cash operating revenues, based on concluded charter contracts through the date of this annual report, currently stand at $4.3 billion, including newbuildings. The remaining average contracted charter duration for our containership fleet is 4.3 years, weighted by aggregate contracted charter hire. Our charters have initial terms ranging up to 18 years, which provide us with stable cash flows and high utilization rates. Our containerships fleet ranges in size from 1,800–13,100 TEU, providing us flexibility to serve the diverse needs of our customers.

Our Fleet

General

Danaos is one of the largest containership operating lessors in the world. Since going public in 2006, we have increased the in-the-water TEU carrying capacity of our fleet by more than fourfold. Since the beginning of 2022, we have ordered 35 newbuilding containerships with an aggregate capacity of 232,948 TEU, eight of which have been delivered to us, for an aggregate purchase price of $2.7 billion. Today, our fleet includes some of the largest containerships in the world, which are designed with certain technological advances and customized modifications that make them efficient with respect to both voyage speed and loading capability when compared to many existing vessels operating in the containership sector. All vessels in our orderbook are designed with the latest eco characteristics and will be built in accordance with the latest requirements of the International Maritime Organization (IMO) in relation to Tier III emission standards and Energy Efficiency Design Index (EEDI) Phase III.

We re-entered the drybulk sector, in which we had previously operated prior to 2008, by expanding our fleet with Capesize drybulk carriers acquired between 2023 and 2025. In 2023, we added seven Capesize drybulk carriers with an aggregate capacity of 1,231,157 DWT. In 2024, we added three Capesize drybulk carriers with an aggregate capacity of 529,704 DWT. In 2025, we entered into a memorandum of agreement to acquire one additional Capesize drybulk carrier with a capacity of 182,425 DWT, which is expected to be delivered to us in March 2026. As of February 25, 2026, on a fully delivered basis, our Capesize drybulk fleet will consist of 11 vessels with an aggregate capacity of 1,943,286 DWT. In addition, in early 2026, we ordered four Newcastlemax bulk carriers with an approximate aggregate capacity of 844,000 DWT, for an aggregate purchase price for these vessels is $297.3 million. The drybulk carriers in our fleet have a weighted-average age of 15.3 years as of February 25, 2026, which excludes our four newbuilding drybulk vessels scheduled for delivery in 2028.

We deploy our containership fleet principally under multi -year charters with major liner companies that operate regularly scheduled routes between large commercial ports, although in weaker containership charter markets we charter more of our vessels on shorter term charters so as to be available to take advantage of any increase in charter rates. As of February 25, 2026, our containership fleet was comprised of 73 containerships deployed on time charters, two of which are scheduled to expire in 2026, and two containerships deployed on bareboat charters. The average age (weighted by TEU) of the 75 vessels in our containership fleet was approximately 15.2 years as of February 25, 2026, which excludes our 27 newbuilding containerships scheduled for delivery in 2026 through 2029.

We currently intend to charter our drybulk vessels primarily on short-term time charters and voyage charters, and we are therefore exposed to fluctuations in the corresponding spot market rates.

Characteristics

The table below provides additional information, as of February 25, 2026, about our fleet of 75 cellular containerships and their charter deployment profile:

Vessel Details			Charter Arrangements				
						Extension Options[4]	
Vessel Name	Year Built	Size (TEU)	Expiration of Charter [1]	Contracted Employment through [2]	Charter Rate [3]	Period	Charter Rate
Ambition	2012	13,100	April 2027	April 2027	$ 51,500	+ 6 months	$ 51,500
						+ 10.5 to 13.5 months	$ 51,500
						+ 9 to 12 months	$ 51,500
Speed	2012	13,100	March 2027	March 2027	$ 51,500	+ 6 months	$ 51,500
						+ 10.5 to 13.5 months	$ 51,500
						+ 9 to 12 months	$ 51,500
Kota Plumbago	2012	13,100	July 2027	July 2027	$ 54,000	+ 3 to 26 months	$ 54,000
Kota Primrose	2012	13,100	April 2027	April 2027	$ 54,000	+ 3 to 26 months	$ 54,000
Kota Peony	2012	13,100	March 2027	March 2027	$ 54,000	+ 3 to 26 months	$ 54,000
Express Rome	2011	10,100	November 2027	November 2027	$ 37,000		
			November 2030	November 2030	$ 35,000	+ 2 months	$ 35,000
Express Berlin	2011	10,100	December 2029	December 2026	$ 33,000		
				December 2029	$ 45,500	+ 4 months	$ 45,500
Express Athens	2011	10,100	October 2030	November 2027	$ 37,000		
				October 2030	$ 35,000	+ 2 months	$ 35,000
Le Havre	2006	9,580	June 2028	June 2028	$ 58,500	+ 4 months	$ 58,500
Pusan C	2006	9,580	May 2028	May 2028	$ 58,500	+ 4 months	$ 58,500
Bremen	2009	9,012	January 2028	January 2028	$ 56,000	+ 4 months	$ 56,000
C Hamburg	2009	9,012	January 2028	January 2028	$ 56,000	+ 4 months	$ 56,000
Niledutch Lion	2008	8,626	May 2026	May 2026	$ 47,500		
			May 2028	May 2028	$ 40,500	+ 1 month	$ 40,500
Belita	2006	8,533	June 2028	June 2028	$ 37,000	+ 3 months	$ 37,000

Vessel Details			Charter Arrangements				
						Extension Options[4]	
Vessel Name	Year Built	Size (TEU)	Expiration of Charter [1]	Contracted Employment through [2]	Charter Rate [3]	Period	Charter Rate
Kota Manzanillo	2005	8,533	December 2028	February 2026	$ 47,500		
				December 2028	$ 39,300	+ 4 months	$ 39,300
						+ 9 to 11 months	$ 39,300
CMA CGM Melisande	2012	8,530	January 2028	January 2028	$ 34,500	+ 3 to 13.5 months	$ 34,500
CMA CGM Attila	2011	8,530	May 2027	May 2027	$ 34,500	+ 3 to 13.5 months	$ 34,500
CMA CGM Tancredi	2011	8,530	July 2027	July 2027	$ 34,500	+ 3 to 13.5 months	$ 34,500
CMA CGM Bianca	2011	8,530	September 2027	September 2027	$ 34,500	+ 3 to 13.5 months	$ 34,500
CMA CGM Samson	2011	8,530	November 2027	November 2027	$ 34,500	+ 3 to 13.5 months	$ 34,500
America	2004	8,468	April 2028	April 2028	$ 56,000	+ 4 months	$ 56,000
Europe	2004	8,468	May 2028	May 2028	$ 56,000	+ 4 months	$ 56,000
Kota Santos	2005	8,463	June 2029	August 2026	$ 50,000		
				June 2029	$ 39,300	+ 4 months	$ 39,300
						+ 9 to 11 months	$ 39,300
Catherine C [6]	2024	8,010	June 2029	June 2029	$ 42,000	+ 2 months	$ 42,000
Greenland [6]	2024	8,010	August 2029	August 2029	$ 42,000	+ 2 months	$ 42,000
Greenville [7]	2024	8,010	October 2029	October 2029	$ 42,000	+ 2 months	$ 42,000
Greenfield [8]	2024	8,010	November 2029	November 2029	$ 42,000	+ 2 months	$ 42,000
Interasia Accelerate [6]	2024	7,165	April 2032	April 2027	$ 36,000		
				April 2032	$ 37,000	+ 6 months	$ 37,000
						+ 34 to 38 months	$ 37,000
Interasia Amplify [7]	2024	7,165	September 2032	September 2027	$ 36,000		
				September 2032	$ 37,000	+ 6 months	$ 37,000
						+ 34 to 38 months	$ 37,000
CMA CGM Moliere	2009	6,500	August 2030	March 2027	$ 55,000		
				August 2030	$ 31,500	+ 3 to 13.5 months	$ 31,500
CMA CGM Musset	2010	6,500	September 2030	July 2027	$ 40,000		
				September 2030	$ 31,500	+ 3 to 13.5 months	$ 31,500
CMA CGM Nerval	2010	6,500	October 2030	November 2027	$ 30,000		
				October 2030	$ 30,000	+ 3 to 13.5 months	$ 30,000
CMA CGM Rabelais	2010	6,500	January 2028	February 2026	$ 40,000		
				January 2028	$ 30,000	+ 2 months	$ 30,000
Racine	2010	6,500	June 2029	June 2026	$ 32,500		
				June 2029	$ 35,500	+ 4 months	$ 35,500
YM Mandate	2010	6,500	January 2028	January 2028	$ 26,890 (5)	+ 8 months	$ 26,890
YM Maturity	2010	6,500	April 2028	April 2028	$ 26,890 (5)	+ 8 months	$ 26,890
Dimitra C	2002	6,402	April 2027	April 2027	$ 35,000	+ 2 months	$ 35,000
						+ 10 to 12 months	$ 35,000
Savannah	2002	6,402	June 2027	June 2027	$ 40,000	+ 3 months	$ 40,000
						+ 9 to 12 months	$ 30,000
Phoebe [9]	2025	6,014	December 2026	December 2026	$ 35,000		
			October 2031	October 2031	$ 32,500	+ 4 months	$ 32,500
						+ 9 to 11 months	$ 32,500
						+ 10 to 12 months	$ 32,500
Greenhouse [10]	2025	6,014	October 2027	October 2027	$ 35,000		
			August 2032	August 2032	$ 32,500	+ 4 months	$ 32,500
						+ 9 to 11 months	$ 32,500
						+ 10 to 12 months	$ 32,500
Kota Lima	2002	5,544	September 2026	September 2026	$ 24,000		
			November 2028	November 2028	$ 42,500	+ 2 months	$ 42,500
Suez Canal	2002	5,610	April 2026	April 2026	$ 27,500		
			April 2028	April 2028	$ 30,000	+2 months	$ 30,000
Wide Alpha	2014	5,466	January 2030	July 2027	$ 34,000		
				January 2030	$ 27,450	+ 4 months	$ 27,450
						+ 21.5 to 24 months	$ 25,000
Stephanie C	2014	5,466	September 2028	September 2028	$ 33,750	+2 months	$ 33,750
						+23 to 25 months	$ 33,750
Euphrates	2014	5,466	September 2028	September 2028	$ 33,750	+2 months	$ 33,750
						+23 to 25 months	$ 33,750
Wide Hotel	2015	5,466	March 2030	September 2027	$ 34,000		
				March 2030	$ 27,450	+ 4 months	$ 27,450
						+ 21.5 to 24 months	$ 25,000
Wide India	2015	5,466	October 2028	October 2028	$ 33,750	+ 2 months	$ 33,750
						+ 23 to 25 months	$ 33,750
Wide Juliet	2015	5,466	August 2026	August 2026	$ 25,000	+ 2 months	$ 25,000
						+ 10 to 12 months	$ 30,000
Rio Grande	2008	4,253	November 2026	November 2026	$ 30,000		
			October 2029	October 2029	$ 28,000	+ 2 months	$ 28,000
Paolo (ex Merve A)	2008	4,253	November 2027	November 2027	$ 26,000	+ 2 months	$ 26,000
Kingston	2008	4,253	June 2027	June 2027	$ 35,500	+ 2.5 months	$ 35,500
Monaco	2009	4,253	May 2029	November 2026	$ 30,000		
				May 2029	$ 33,000	+ 4 months	$ 33,000
Dalian	2009	4,253	April 2028	April 2026	$ 48,000		
				April 2028	$ 27,250	+ 3.5 months	$ 27,250
Jamaica (ex Luanda)	2009	4,253	August 2028	August 2028	$ 35,000	+ 2 months	$ 35,000
Seattle C	2007	4,253	December 2026	December 2026	$ 30,000		
			June 2029	June 2029	$ 33,000	+ 4 months	$ 33,000
Vancouver	2007	4,253	November 2026	November 2026	$ 30,000		
			October 2029	October 2029	$ 28,000	+ 2 months	$ 28,000

Vessel Details			Charter Arrangements				
						Extension Options[4]	
Vessel Name	Year Built	Size (TEU)	Expiration of Charter [1]	Contracted Employment through [2]	Charter Rate [3]	Period	Charter Rate
Derby D	2004	4,253	December 2029	January 2027	$ 36,275		
				December 2029	$ 28,000	+ 3 months	$ 28,000
Tongala	2004	4,253	November 2026	November 2026	$ 30,000		
			October 2029	October 2029	$ 28,000	+ 2 months	$ 28,000
Dimitris C	2001	3,430	September 2027	September 2027	$ 30,000	+ 3 months	$ 30,000
						+ 11 to 13 months	$ 30,000
Express Argentina	2010	3,400	September 2029	December 2026	$ 27,000		
				September 2029	$ 26,000	+3 months	$ 26,000
Express Brazil	2010	3,400	April 2027	April 2027	$ 30,000	+ 3 months	$ 30,000
						+ 11 to 13 months	$ 30,000
Express France	2010	3,400	July 2027	July 2027	$ 30,000	+ 3 months	$ 30,000
						+ 11 to 13 months	$ 30,000
Express Spain	2011	3,400	September 2029	March 2027	$ 28,500		
				September 2029	$ 28,200	+ 4 months	$ 28,200
Express Black Sea	2011	3,400	September 2029	March 2027	$ 28,500		
				September 2029	$ 28,200	+ 4 months	$ 28,200
Singapore	2004	3,314	November 2029	May 2027	$ 27,750		
				November 2029	$ 28,200	+ 4 months	$ 28,200
Colombo	2004	3,314	September 2029	March 2027	$ 28,500		
				September 2029	$ 28,200	+ 4 months	$ 28,200
Zebra	2001	2,602	December 2026	January 2026	$ 26,250		
				December 2026	$ 19,000	+ 2 months	$ 19,000
Artotina	2001	2,524	November 2027	January 2026	$ 23,000		
				November 2027	$ 26,000	+ 2 months	$ 26,000
						+ 11 to 13 months	$ 24,000
Phoenix D	1997	2,200	June 2027	March 2026	$ 23,000		
				June 2027	$ 20,000	+ 1 month	$ 20,000
Sprinter	1997	2,200	November 2027	May 2026	$ 21,000		
				November 2027	$ 19,990	+ 0.5 month	$ 19,990
Future	1997	2,200	September 2027	May 2026	$ 21,000		
				September 2027	$ 19,990	+ 0.5 month	$ 19,990
Advance	1997	2,200	September 2027	June 2026	$ 21,000		
				September 2027	$ 19,990	+ 0.5 month	$ 19,990
Bridge	1998	2,200	January 2028	January 2028	$ 16,000	+ 2 months	$ 16,000
Highway	1998	2,200	January 2028	January 2028	$ 17,000	+ 2 months	$ 17,000
Progress C	1998	2,200	January 2028	April 2026	$ 21,000		
				January 2028	$ 19,990	+ 0.5 month	$ 19,990

(1) Earliest date charters could expire. Most charters include options for the charterers to extend their terms as described in the "Extension Options" column.

(2) This column indicates the date through which the charter rate set forth in the column to the immediate right of such date is payable. For charters with the same charter rate throughout the fixed term of the charter, this date is the same as the charter expiration date set forth in the "Expiration of Charter" column.

(3) Gross charter rate, which does not include charter commissions.

(4) At the option of the charterer.

(5) Bareboat charter rate.

(6) The newbuilding vessels were delivered in the second quarter of 2024.

(7) The newbuilding vessels were delivered in the third quarter of 2024.

(8) The newbuilding vessel was delivered in the fourth quarter of 2024.

(9) The newbuilding vessel was delivered in the first quarter of 2025.

(10) The newbuilding vessel was delivered in the fourth quarter of 2025.

The specifications of our 27 contracted container vessels under construction as of February 25, 2026, are as follows:

							Extension Options[3]	
Hull Number	Expected Year Built	Size (TEU)	Shipyard	Expected Delivery Period	Minimum Charter Duration[1]	Charter rate[2]	Period	Charter Rate[2]
CV5900-09	2027	6,014	Qingdao Yangfan	Q2 2027	4.8 years	$ 34,900	+ 4 months	$ 34,900
							+ 9 to 11 months	$ 34,900
							+ 10 to 12 months	$ 34,900
YZJ2023-1556	2026	8,258	Yangzijiang Jiangsu NewYangzi	Q3 2026	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2023-1557	2026	8,258	Yangzijiang Jiangsu NewYangzi	Q4 2026	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2024-1612	2026	8,258	Yangzijiang Jiangsu NewYangzi	Q4 2026	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2024-1613	2027	8,258	Yangzijiang Jiangsu NewYangzi	Q2 2027	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2024-1625	2027	8,258	Yangzijiang Jiangsu NewYangzi	Q2 2027	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2024-1626	2027	8,258	Yangzijiang Jiangsu NewYangzi	Q3 2027	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
YZJ2024-1668	2027	8,258	Yangzijiang Jiangsu NewYangzi	Q3 2027	5 years	$ 42,000	+ 3 months	$ 42,000
							+ 19.5 to 22.5 months	$ 42,000
C9200-7	2027	9,200	Dalian Shanhaiguan	Q1 2027	4.8 years	$ 50,000	+ 4 months	$ 50,000
							+ 20 to 24 months	$ 50,000
C9200-8	2027	9,200	Dalian Shanhaiguan	Q2 2027	4.8 years	$ 50,000	+ 4 months	$ 50,000
							+ 20 to 24 months	$ 50,000
C9200-9	2027	9,200	Dalian Shanhaiguan	Q4 2027	4.8 years	$ 50,000	+ 4 months	$ 50,000
							+ 20 to 24 months	$ 50,000
C9200-10	2028	9,200	Dalian Shanhaiguan	Q2 2028	4.8 years	$ 50,000	+ 4 months	$ 50,000
							+ 20 to 24 months	$ 50,000
C9200-11	2028	9,200	Dalian Shanhaiguan	Q3 2028	4.8 years	$ 50,000	+ 4 months	$ 50,000
							+ 20 to 24 months	$ 50,000
H2596	2027	9,200	CSSC Huangpu Wenchong	Q3 2027	6 years	$ 48,500	+12 months	$ 48,500
							+ 28 to 32 months	$ 48,500
H2597	2027	9,200	CSSC Huangpu Wenchong	Q4 2027	6 years	$ 48,500	+12 months	$ 48,500
							+ 28 to 32 months	$ 48,500
C7100-9[4]	2027	7,165	Dalian Shanhaiguan	Q3 2027	5 years	$ 38,500	+ 6 months	$ 38,500
							+ 34 to 38 months	$ 38,500
C7100-10[4]	2027	7,165	Dalian Shanhaiguan	Q3 2027	5 years	$ 38,500	+ 6 months	$ 38,500
							+ 34 to 38 months	$ 38,500
S1162[5]	2027	1,800	Nantong CIMC Sinopacific	Q4 2027	9.9 years	$ 16,500	+ 3 months	$ 16,500
							+ 21.5 to 23.5 months	$ 16,500
							+ 10 to 12 months	$ 16,500
S1163[5]	2028	1,800	Nantong CIMC Sinopacific	Q1 2028	9.9 years	$ 16,500	+ 3 months	$ 16,500
							+ 21.5 to 23.5 months	$ 16,500
							+ 10 to 12 months	$ 16,500
S1164[5]	2028	1,800	Nantong CIMC Sinopacific	Q2 2028	9.9 years	$ 16,500	+ 3 months	$ 16,500
							+ 21.5 to 23.5 months	$ 16,500
							+ 10 to 12 months	$ 16,500
S1165[5]	2028	1,800	Nantong CIMC Sinopacific	Q3 2028	9.9 years	$ 16,500	+ 3 months	$ 16,500
							+ 21.5 to 23.5 months	$ 16,500
							+ 10 to 12 months	$ 16,500
S1166[5]	2028	1,800	Nantong CIMC Sinopacific	Q4 2028	—	—	—	—
S1167[5]	2029	1,800	Nantong CIMC Sinopacific	Q1 2029	—	—	—	—
H2638[5]	2028	5,300	CSSC Huangpu Wenchong	Q4 2028	—	—	—	—
H2639[5]	2029	5,300	CSSC Huangpu Wenchong	Q1 2029	—	—	—	—
H2640[6]	2029	5,300	CSSC Huangpu Wenchong	Q1 2029	—	—	—	—
H2641[6]	2029	5,300	CSSC Huangpu Wenchong	Q2 2029	—	—	—	—

(1) Earliest period charters could expire. Most charters include options for the charterers to extend their terms as described in the "Extension Options" column.

(2) Gross charter rate, which does not include charter commissions.

(3) At the option of the charterer.

(4) The newbuilding containership vessels were added to our orderbook in the third quarter of 2025.

(5) The newbuilding containership vessels were added to our orderbook in the fourth quarter of 2025.

(6) The newbuilding containership vessels were added to our orderbook in the first quarter of 2026.

The following table describes the details of our 11 Capesize drybulk vessels as of February 25, 2026:

Vessel Name	Year Built	Capacity (DWT)[1]
Genius	2012	175,580
Danaos [2]	2011	176,536
Ingenuity	2011	176,022
Achievement	2011	175,966
Valentine [3]	2011	175,125
Gouverneur [3]	2010	178,043
Integrity	2010	175,966
Peace	2010	175,858
E Trader	2009	175,886
W Trader	2009	175,879
Capesize drybulk vessel[4]	2009	182,425

(1) DWT, dead weight tons, the international standard measure for drybulk vessels capacity.
(2) The vessels were delivered to us in the third quarter of 2024.
(3) The vessel was delivered to us in the second quarter of 2024.
(4) The vessel was agreed to be purchased on October 17, 2025, and is expected to be delivered to us in March 2026.

The following table describes the details of our four Newcastlemax drybulk vessels under construction as of February 25, 2026:

Hull Number	Capacity (DWT) [1]	Expected Delivery Year
DJCFD010 [2]	211,000	2028
DJCFD011 [2]	211,000	2028
DJCFD016 [2]	211,000	2028
DJCFD017 [2]	211,000	2028

(1) DWT, dead weight tons, the international standard measure for drybulk vessels capacity.
(2) Under construction vessels were added to our orderbook in the first quarter of 2026.

Star Bulk Carriers Corp. Shares

In June 2023, we acquired marketable securities of Eagle Bulk Shipping Inc., which was an owner of bulk carriers listed on the New York Stock Exchange (Ticker: EGLE), consisting of 1,552,865 shares of common stock for $68.2 million (out of which $24.4 million was acquired from Virage International Ltd., our related company). On December 11, 2023, Star Bulk Carriers Corp. (Ticker: SBLK), a NASDAQ-listed owner and operator of drybulk vessels and EGLE announced that both companies had entered into a definitive agreement to combine in an all-stock merger, which was completed on April 9, 2024. Under the terms of the agreement, EGLE shareholders received 2.6211 shares of SBLK common stock in exchange for each share of EGLE common stock owned. As a result, together with our subsequent open market purchases of 2,185,967 shares in 2025, we own 6,256,181 shares of common stock of Star Bulk Carriers Corp. fair valued at $120.2 million as of December 31, 2025. We recognized a $29.5 million gain on marketable securities and dividend income on these securities amounting to $1.7 million in the year ended December 31, 2025.

Strategic Partnership with Glenfarne Group - Alaska LNG Project

In January 2026, we entered into a strategic partnership with Glenfarne Group LLC ("Glenfarne Group") to advance the Alaska LNG Project, which consists of (1) a $50 million development capital equity investment by us in Glenfarne Alaska Partners LLC and (2) our designation as the preferred tonnage provider to construct and operate at least six LNG carriers to deliver LNG to global customers for Glenfarne Alaska LNG, LLC, majority owner and developer of the Alaska LNG Project.

Glenfarne is developing the Alaska LNG Project in two financially independent phases to accelerate project execution. Phase One consists of a 765-mile, 42-inch pipeline to transport natural gas from Alaska's North Slope to meet Alaska's domestic energy needs. Phase Two will add the LNG liquefaction terminal and related infrastructure to export 20 million tonnes per annum (MTPA) of LNG.

Glenfarne became lead developer of Alaska LNG in March 2025. Since then, Glenfarne has secured preliminary commercial commitments from leading LNG buyers in Japan, Korea, Taiwan, and Thailand for 11 MTPA of LNG, and strategic partnerships that also include Baker Hughes and POSCO International. Glenfarne owns 75% of Alaska LNG and the Alaska Gasline Development Corporation owns 25%.

Charterers

As the container shipping industry has grown, the major liner companies have contracted for additional containership capacity, to supplement the containerships owned by them directly. As of February 25, 2026, our diverse group of customers in the containership sector included CMA CGM, MSC, Hapag Lloyd, COSCO, PIL, Maersk, ONE, Sealead, OOCL, Samudera, Interasia Lines, Yang Ming and ZIM.

The containerships in our fleet are primarily deployed under multi-year, fixed-rate charters having initial terms up to 18 years. These charters expire at staggered dates ranging from less than one year to 2032 (including time charters for our newbuilding container vessels). The staggered expiration of the multi-year, fixed-rate charters for our vessels is both a strategy pursued by our management and a result of the growth in our fleet. Under our time charters, the charterer pays voyage expenses such as port, canal and fuel costs, other than brokerage and address commissions paid by us, and we pay for vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs. We are also responsible for each vessel's intermediate and special survey costs.

Under the time charters, when a vessel is "off-hire" or not available for service, the charterer is generally not required to pay the hire rate, and we are responsible for all costs. A vessel generally will be deemed to be off-hire if there is an occurrence preventing the full working of the vessel due to, among other things, operational deficiencies, drydockings for repairs, maintenance or inspection, equipment breakdown, delays due to accidents, crewing strikes, labor boycotts, noncompliance with government water pollution regulations or alleged oil spills, arrests or seizures by creditors or our failure to maintain the vessel in compliance with required specifications and standards. In addition, under our time charters, if any vessel is off-hire for more than a certain amount of time, the charterer has a right to terminate the charter agreement for that vessel. Charterers may also have the right to terminate the time charters in various other circumstances, including but not limited to, outbreaks of war or a change in ownership of the vessel's owner or Manager without the charterer's approval.

We currently intend to charter our drybulk vessels primarily on short-term time charters and voyage charters, and accordingly we are exposed to changes in spot market rates, namely to short-term time charter rates and voyage charter rates, for drybulk vessels. Spot market charters generate revenues that are less predictable, but may enable us to achieve increased profit margins during periods of high rates in the charter market and can result in decreased utilization, revenues and profitability in weak charter markets, as compared to periods of stronger markets or employment on period charters entered into during more favorable market conditions. Our Capesize bulk carriers generated revenue from short-term time charters and voyage charter agreements from 19 customers and 14 customers in the years ended December 31, 2025 and 2024, respectively. Under voyage charter agreements, the customers generally specify a minimum amount of cargo to be transported for a defined rate between the ports. Under voyage charter agreements, all voyage expenses and vessel operating expenses are borne and paid by us. Voyage expenses consist primarily of port and canal charges, bunker (fuel) expenses, agency fees, address commissions and brokerage commissions related to the voyage.

Management of Our Fleet

Our chief executive officer, chief operating officer, chief financial officer and chief commercial officer provide strategic management for our company while these officers also supervise, in conjunction with our board of directors, the management of these operations by Danaos Shipping and its affiliate Danaos Chartering, which are each ultimately owned by DIL, which is affiliated with our Chief Executive Officer. We have a management agreement pursuant to which Danaos Shipping and its affiliates provide us and our subsidiaries with technical and administrative services and, until February 2025, certain commercial services. From 2025, pursuant to a brokerage services agreement Danaos Chartering provides us with certain commercial services, including chartering and sale and purchase brokerage services, previously provided by Danaos Shipping. Our Manager and Danaos Chartering report to us and our board of directors through our chief executive officer, chief operating officer, chief financial officer and chief commercial officer, each of which is appointed by our board of directors.

Danaos Shipping, we believe, is regarded as an innovator in operational and technological aspects in the international shipping community. Danaos Shipping's strong technological capabilities derive from employing highly educated professionals, its participation and assumption of a leading role in European Community research projects related to shipping, and its close affiliation to Danaos Management Consultants, a ship-management software and services company.

Danaos Shipping achieved early ISM certification of its container fleet in 1995, well ahead of the deadline, and was the first Greek company to receive such certification from DNV, a leading classification society. In 2004, Danaos Shipping received the Lloyd's List Technical Innovation Award for advances in internet-based telecommunication methods for vessels. In 2015, Danaos Shipping received the Lloyd's List Intelligence Big Data Award for their "Waves" fleet performance system, which provides advanced performance monitoring, close bunkers control, emissions monitoring, energy management, safety performance monitoring, risk management and advance superintendence for the vessels.

Danaos Shipping maintains the quality of its service by controlling directly the selection and employment of seafarers through its crewing offices in Piraeus, Greece, Russia, as well as in Odessa, in Ukraine and in Zanzibar, Tanzania and we assume directly all related crewing, technical and other costs in our operating expenses. Investments in new facilities in Greece by Danaos Shipping enable enhanced training of seafarers and highly reliable infrastructure and services to the vessels. Due to the war in Ukraine, Danaos Shipping also cooperates with external crew agencies in order to hire and employ seafarers from Egypt, Ghana, Ethiopia, China, Myanmar and Philippines.

Historically, Danaos Shipping only infrequently managed vessels other than those in our fleet and in prior years it did not actively manage any other company's vessels, other than vessels previously owned by our former joint venture Gemini. Danaos Shipping and Danaos Chartering also do not arrange the employment of other vessels and have agreed that, during the term of our management agreement and brokerage services agreement, respectively, they will not provide any management services to any other entity without our prior written approval, other than with respect to other entities controlled by Dr. Coustas, our chief executive officer, which do not operate within the containership (larger than 2,500 TEUs) or drybulk sectors of the shipping industry or in the circumstances described below. We believe we have and will derive significant benefits from our relationship with Danaos Shipping and Danaos Chartering.

Dr. Coustas has also personally agreed to the same restrictions on the provision, directly or indirectly, of management services during the term of our management agreement and brokerage services agreement. In addition, our chief executive officer (other than in his capacities with us) and our Manager have separately agreed not, during the term of our management agreement and for one year thereafter, to engage, directly or indirectly, in (i) the ownership or operation of containerships of larger than 2,500 TEUs or (ii) the ownership or operation of any drybulk carriers or (iii) the acquisition of or investment in any business involved in the ownership or operation of containerships of larger than 2,500 TEUs or any drybulk carriers. Danaos Chartering has agreed to the same restrictions during the term of the brokerage services agreement and for one year thereafter. Notwithstanding these restrictions, if our independent directors decline the opportunity to acquire any such containerships or to acquire or invest in any such business, our chief executive officer will have the right to make, directly or indirectly, any such acquisition or investment during the four-month period following such decision by our independent directors, so long as such acquisition or investment is made on terms no more favorable than those offered to us. In this case, our chief executive officer and our Manager and Danaos Chartering will be permitted to provide management services to such vessels.

Danaos Shipping provides us with administrative and technical management services under a management agreement. Danaos Chartering provides us with certain commercial services under a brokerage services agreement. Under the management agreement we will pay Danaos Shipping the following fees for 2026: (i) an annual management fee of $2.5 million and 100,000 shares of our common stock, payable annually in the fourth quarter, (ii) a daily vessel management fee of $550 for vessels on bareboat charter, for each calendar day we own each vessel, (iii) a daily vessel management fee of $1,100 for vessels on time charter or voyage charter, for each calendar day we own each vessel, and (iv) a flat fee of $850 thousand per newbuilding vessel, which is capitalized to the newbuilding cost, for the on premises supervision of any newbuilding contracts by selected engineers and others of its staff. Under the brokerage services agreement, we will pay to Danaos Chartering the following fees in 2026: (i) a fee of 1.25% on all freight, charter hire, ballast bonus and demurrage for each vessel and (ii) a fee of 1.0% based on the contract price of any vessel bought or sold by it on our behalf, including newbuilding contracts. The terms of the management agreement and brokerage services agreement expire on December 31, 2026, and automatically extend for additional 12-month terms, unless six months' notice of non-renewal is given by either party prior to the end of the then current term. For each subsequent 12-month term, the fees and commissions will be set at a mutually agreed upon rate between us and Danaos Shipping or Danaos Chartering, respectively, no later than 30 days prior to the commencement of the applicable subsequent term.

Competition

We operate in markets that are highly competitive and based primarily on supply and demand. Generally, we compete for charters based upon price, customer relationships, operating expertise, professional reputation and size, age and condition of the vessel.

Competition for providing containership services comes from a number of experienced shipping companies, including both independent tonnage providers and liner companies operating their own vessels. The containership charter market has undergone significant consolidation in recent years. As of 2025, the ten largest global liner companies account for approximately 86% of total liner fleet capacity, compared to twenty major liner companies operating in 2015, and mainlane trades are currently served by three principal alliances. This consolidation provides liner companies with greater negotiating leverage in charter negotiations and may reduce the overall demand for chartered-in tonnage.

In addition, liner companies have progressively increased the proportion of their total fleet capacity that is directly owned rather than chartered-in from independent tonnage providers. This trend, if it continues, could reduce the pool of available charter opportunities for companies such as ours and increase competitive pressure on charter rates. The containership sector is further characterized by a significant volume of newbuilding deliveries. The industry orderbook-to-fleet ratio stood at approximately 35.4% as of January 2026, with the highest concentration of newbuildings in the segment for vessels over 12,000 TEU. This level of new supply, if not offset by sufficient demand growth, could increase competitive pressure on charter rates and vessel utilization.

The nature of the containership sector is such that significant time is necessary to develop the operating expertise and build a professional reputation in order to obtain and retain customers. We focus principally on larger TEU capacity containerships in the 2,200 to 13,200 TEU range, which we believe serve as the workhorses of long-distance container trades and provide increased flexibility and more stable cash flows compared to smaller TEU capacity vessels. We believe our large fleet, combined with our long-established business relationships and long-term contracts, provide us with an important competitive advantage in the containership business.

We expect our drybulk vessel business will fluctuate in line with the main patterns of trade of the major drybulk cargoes and vary according to changes in the supply and demand for these items. The drybulk sector is characterized by relatively low barriers to entry and highly fragmented vessel ownership. We compete with other owners of Capesize class drybulk vessels for charters based upon price, customer relationships, operating expertise, professional reputation and the size, age, location and condition of the vessel. The Capesize market is particularly sensitive to changes in Chinese iron ore and coal import volumes, as well as the development of new bulk commodity export sources such as Guinea bauxite, all of which affect the balance of supply and demand for Capesize vessel capacity.

Crewing and Employees

We directly employ our Chief Executive Officer, our Chief Operating Officer, our Chief Financial Officer and our Chief Commercial Officer. As of December 31, 2025, 4,116 people served on board the vessels in our fleet and 282 people provided services to us on shore. Other than the officers noted above, there are no other employees of Danaos Corporation or its subsidiaries. In addition, Danaos Shipping, our Manager, is responsible for recruiting, either directly or through a crewing agent, the senior officers and all other crew members for our vessels and is reimbursed by us for all crew wages and other crew related expenses. We are not responsible for the compensation of shore-based employees of our Manager or Danaos Chartering. We believe the streamlining of crewing arrangements through our Manager ensures that all of our vessels will be crewed with experienced crews that have the qualifications and licenses required by international regulations and shipping conventions.

Permits and Authorizations

We are required by various governmental and other agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required by governmental and other agencies depend upon several factors, including the commodity being transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of the vessel. All permits, licenses and certificates currently required to permit our vessels to operate have been obtained. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of doing business.

Inspection by Classification Societies

Every seagoing vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member.

In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes on request other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each case and/or to the regulations of the country concerned.

For maintenance of the class, regular and extraordinary surveys of hull and machinery, including the electrical plant, and any special equipment classed are required to be performed as follows:

Annual Surveys. For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable, on special equipment classed at intervals of twelve months from the date of commencement of the class period indicated in the certificate.

Intermediate Surveys. Extended annual surveys are referred to as intermediate surveys and typically are conducted two and one-half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

Class Renewal Surveys. Class renewal surveys, also known as special surveys, are carried out on the ship's hull and machinery, including the electrical plant, and on any special equipment classed at the intervals indicated by the character of classification for the hull. During the special survey, the vessel is thoroughly examined, including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one-year grace period for completion of the special survey. Substantial amounts of funds may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period is granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

All areas subject to surveys as defined by the classification society are required to be surveyed at least once per class period, unless shorter intervals between surveys are otherwise prescribed. The period between two subsequent surveys of each area must not exceed five years. Vessels under bareboat charter are drydocked by their charterers.

Most vessels are also drydocked every 30 to 36 months for inspection of their underwater parts and for repairs related to such inspections. If any defects are found, the classification surveyor will issue a "recommendation" which must be rectified by the ship-owner within prescribed time limits.

Most insurance underwriters make it a condition for insurance coverage that a vessel be certified as "in class" by a classification society which is a member of the International Association of Classification Societies. All of our vessels are certified as being "in class" by Lloyd's Register of Shipping, Bureau Veritas, NKK, DNV, American Bureau of Shipping (ABS) and the Korean Register of Shipping.

Risk of Loss and Liability Insurance

General

The operation of any vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. The U.S. Oil Pollution Act of 1990, or OPA, which imposes virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market.

While we maintain hull and machinery insurance, war risks insurance, P&I coverage for our containership and drybulk fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our insurance coverage will be adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Dr. John Coustas, our chief executive officer, is the Deputy Chairman of the Board of Directors of The Swedish Club, our primary provider of insurance, including a substantial portion of our hull & machinery, war risk and P&I insurance.

Hull & Machinery, Loss of Hire and War Risks Insurance

We maintain marine hull and machinery and war risks insurance, which covers the risk of particular average, general average, 4/4ths collision liability, contact with fixed and floating objects (FFO) and actual or constructive total loss for all of our vessels. Our vessels will each be covered up to at least their fair market value after meeting certain deductibles per incident per vessel.

We do not obtain loss of hire insurance covering the loss of revenue during extended off-hire periods for the vessels in our fleet, other than with respect to any period during which our vessels are detained due to incidents of piracy, because we believe that this type of coverage is not economical and is of limited value to us, in part because historically our fleet has had a limited number of off-hire days.

Protection and Indemnity Insurance

P&I insurance provides insurance cover to its members in respect of liabilities, costs or expenses incurred by them in their capacity as owner or operator of the respective entered ship and arising out of an event during the period of insurance as a direct consequence of the operation of the ship. This includes third-party liability, crew liability and other related expenses resulting from the injury or death of crew, passengers and other third parties, the loss or damage to cargo, and except where the cover is provided in the hull and machinery policy, also third-party claims arising from collision with other vessels and damage to other third-party property. Indemnity cover is also provided for liability for the discharge or escape of oil or other substance, or threat of escape of such substances. Other liabilities which include salvage, towing, wreck removal and an omnibus provision are also included. Our P&I insurance is provided by Mutual P&I Associations who are part of the International Group of P&I Clubs.

Our P&I insurance coverage in accordance with the International Group of P&I Club Agreement for pollution will be $1.0 billion per event. Our P&I Excess war risk coverage limit is $500.0 million, with a sub - limit of $125.0 million in respect of Russian, Ukrainian and Belarus waters and in respect of certain war and terrorist risks and the liabilities arising from bio-chemical etc., the limit is $30.0 million. For passengers and seaman risks, the limit is $3.0 billion, with a sub-limit of $2.0 billion for passenger claims only. The twelve P&I associations that comprise the International Group insure approximately 90% of the world's commercial blue-water tonnage and have entered into a pooling agreement to reinsure each association's liabilities. As a member of a P&I association, that is a member of the International Group, we will be subject to calls payable to the associations based inter-alia on the International Group's claim records, as well as the individual claims' records of all other members of the analogous individual associations and their performance. If our insurance providers are not able to obtain reinsurance for port calls in Iran, due to continuing U.S. primary sanctions applicable to U.S. persons facilitating transactions involving Iran, we may have to pay additional premiums with respect to any port calls that our charterers direct our vessels to make in Iran.

Environmental and Other Regulations

Government regulation significantly affects the ownership and operation of our vessels. They are subject to international conventions, national, state and local laws, regulations and standards in force in international waters and the countries in which our vessels may operate or are registered, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, wastewater discharges and BWM. These laws and regulations include the U.S. Oil Pollution Act of 1990 (the "OPA"), the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the U.S. Clean Water Act, MARPOL, regulations adopted by the IMO and the EU, various volatile organic compound air emission requirements and various SOLAS amendments, as well as other regulations described below. Compliance with these laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of governmental and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (U.S. Coast Guard, harbor master or equivalent), classification societies, flag state administration (country of registry), charterers and, particularly, terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and financial assurances for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of operation of one or more of our vessels.

We believe that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with U.S. and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations. Because such laws and regulations are frequently changed and may impose increasingly stricter requirements, any future requirements may limit our ability to do business, increase our operating costs, force the early retirement of some of our vessels, and/or affect their resale value, all of which could have a material adverse effect on our financial condition and results of operations. In addition, a future serious marine incident that causes significant adverse environmental impact, such as the 2010 *Deepwater Horizon* oil spill, could result in additional legislation or regulation that could negatively affect our profitability.

Environmental Regulation—International Maritime Organization

Our vessels are subject to standards imposed by the IMO (the United Nations agency for maritime safety and the prevention of pollution by ships). The IMO has adopted regulations that are designed to reduce pollution in international waters, both from accidents and from routine operations. These regulations address oil discharges, ballasting and unloading operations, sewage, garbage, and air emissions. For example, Annex III of MARPOL regulates the transportation of marine pollutants, and imposes standards on packing, marking, labeling, documentation, stowage, quantity limitations and pollution prevention. These requirements have been expanded by the International Maritime Dangerous Goods Code, which imposes additional standards for all aspects of the transportation of dangerous goods and marine pollutants by sea.

In September 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Annex VI, which came into effect on May 19, 2005, set limits on sulfur oxide ("SOx") and nitrogen oxide ("NOx") emissions from vessels and prohibited deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also included a global cap on the sulfur content of fuel oil and allowed for special areas to be established with more stringent controls on sulfur emissions. Annex VI has been ratified by some, but not all IMO member states, including the Marshall Islands. Pursuant to a Marine Notice issued by the Marshall Islands Maritime Administrator as revised in March 2005, vessels flagged by the Marshall Islands that are subject to Annex VI must obtain an International Air Pollution Prevention Certificate evidencing compliance with Annex VI. We have obtained International Air Pollution Prevention certificates for all of our vessels. Amendments to Annex VI, effective July 2010, set progressively stricter regulations to control SOx and NOx emissions from ships, which present both environmental and health risks. These amendments provided for a progressive reduction in SOx emissions from ships, with a global cap of 0.5% on sulfur in marine fuel used by vessels without scrubbers (reduced from 3.50%) effective from January 1, 2020. Vessels with scrubbers may use fuel with a maximum sulfur content of 3.5%. The Annex VI amendments have also established tiers of stringent NOx emissions standards for new marine engines, depending on their dates of installation. The United States ratified the amendments, and all vessels subject to Annex VI must comply with the amended requirements when entering U.S. ports or operating in U.S. waters. In November 2022, amendments to MARPOL Annex VI adopted by the IMO came into effect. These amendments require ships to improve their energy efficiency with a view to reducing their greenhouse gas emissions, with a particular focus on carbon emissions, both through changes in technical specifications as well as in modifications in vessels' operational parameters. The U.S. Coast Guard (the "USCG") is working to implement the amended provisions of MARPOL Annex VI, chiefly through proposed rule 1625-AC78, which remains at the proposed rule stage since its original publication in October of 2022. The amended MARPOL provisions and the rules proposed by the USCG to implement them, in addition to any other new or more stringent air emission regulations which may be adopted, could require significant capital expenditures to retrofit vessels and could otherwise increase our capital expenditures and operating costs.

Additionally, more stringent emission standards apply in coastal areas designated by the IMO's Marine Environment Protection Committee ("MEPC") as Emission Control Areas ("ECAs"). For SOx, current ECAs in which a 0.1% cap on the sulfur content of fuel is enforced include: (i) the North American ECA, which includes the area extending 200 nautical miles from the Atlantic/Gulf and Pacific Coasts of the United States and Canada, the Hawaiian Islands, and the French territories of St. Pierre and Miquelon; (ii) the US Caribbean ECA, including Puerto Rico and the US Virgin Islands; (iii) the Baltic Sea ECA; and (iv) the North Sea ECA. Similar restrictions on the sulfur content of fuel apply in Icelandic and inland Chinese waters. Specifically, as of January 1, 2019, China expanded the scope of its Domestic ECAs to include all coastal waters within 12 nautical miles of the mainland. Effective from January 1, 2022, all vessels entering Korean ports are prohibited from consuming marine fuel with sulfur content exceeding 0.5% cap and are prohibited from consuming maritime fuel with sulfur content exceeding 0.1% cap in the SOx ECAs. For NOx, current ECAs in which certain requirements exist regarding the engines used by vessels and the attendant NOx emissions, include (i) the North American ECA, and (ii) the US Caribbean ECA. Additionally, two new NOx ECAs, the Baltic Sea and the North Sea, are being enforced for ships constructed (keel laying) on or after January 1, 2021, or existing ships which replace an engine with "non-identical" engines, or install an "additional" engine. We may incur costs to install control equipment on our engines in order to comply with these requirements. In December 2021, the member states of the Convention for the Protection of the Mediterranean Sea Against Pollution agreed to support the designation of a new ECA in the Mediterranean. The Mediterranean Sea ECA for SOx and Particulate Matter was approved at MEPC 78 and was formally designated during MEPC 79 in December 2022. MEPC 79 designated the Mediterranean Sea as an ECA for SOx and particulate matter, under MARPOL Annex VI. The amendment became effective on May 1, 2024, with the new limit taking effect on May 1, 2025. Other ECAs may be designated, and the jurisdictions in which our vessels operate may adopt more stringent emission standards independent of IMO. MEPC 80 adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships with enhanced targets to mitigate harmful emissions. The revised IMO GHG Strategy comprises a common ambition to ensure an uptake of alternative zero and near-zero GHG fuels by 2030 and to achieve net-zero emissions from international shipping by 2050. In March 2024, MEPC 81 agreed on an illustration of a possible draft outline of an 'IMO net-zero framework' for cutting GHG emissions from international shipping, which lists regulations under MARPOL to be adopted or amended to allow a new global pricing mechanism for maritime GHG emissions. This may include economic mechanisms to incentivize the transition to net-zero. In April 2025, during its 83rd session (MEPC 83), the International Maritime Organization (IMO) approved draft amendments to MARPOL Annex VI establishing the IMO Net-Zero Framework, a landmark package requiring a global fuel standard and a greenhouse-gas pricing mechanism for ships over 5,000 GT (covering ~85% of international shipping emissions), based on a global fuel standard requiring ships to reduce their annual greenhouse gas fuel intensity (GFI) using a "Base Target" and a "Direct Compliance Target" at which ships would be eligible to earn "surplus units", and requiring ships emitting above GFI thresholds to acquire remedial units to balance their deficit emissions. In October 2025, during the MEPC's second extraordinary session (MEPC/ES.2, 14–17 Oct), IMO delegates voted to adjourn the formal adoption of the framework delaying it by one year due to lack of consensus postponing its final adoption until October 2026. As a result, the entry-into-force date has been pushed back. The earliest realistic implementation is now projected for March 2028, provided adoption occurs in October 2026 and is ratified according to IMO legislative timelines.

The operation of our vessels is also affected by the requirements set forth in the ISM Code, which was made effective in July 1998. The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive SMS that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. The ISM Code requires that vessel operators obtain a Safety Management Certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with ISM Code requirements for a SMS. No vessel can obtain a certificate unless its operator has been awarded a document of compliance, issued by each flag state, under the ISM Code. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, decrease available insurance coverage for the affected vessels or result in a denial of access to, or detention in, certain ports. Currently, each of the vessels in our fleet is ISM Code-certified. However, there can be no assurance that such certifications will be maintained indefinitely.

In 2001, the IMO adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention"), which imposes strict liability on ship owners for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker oil. The Bunker Convention also requires registered owners of ships over a certain size to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the Convention on Limitation of Liability for Maritime Claims of 1976, as amended). The Bunker Convention entered into force on November 21, 2008. Liability limits under the Bunker Convention were increased as of June 2015. Our entire fleet has been issued a certificate attesting that insurance is in force in accordance with the insurance provisions of the Convention. In jurisdictions where the Bunker Convention has not been adopted, such as the United States, various legislative schemes or common law govern, and liability may be strictly imposed or fault-based.

On May 15, 2009, the IMO adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (the "Hong Kong Convention"). The Hong Kong Convention was ratified by 16 states, representing 40% of the world fleet, in June 2023 and will enter into force on June 26, 2025. The Hong Kong Convention requires ships over 500 gross tonnes operating in international waters to maintain an Inventory of Hazardous Materials (an "IHM"). Only warships, naval auxiliary and governmental, non-commercial vessels are exempt from the requirements of the Hong Kong Convention. The IHM has three parts (1) Part I - hazardous materials inherent in the ship's structure and fitted equipment; (2) Part II - operationally generated wastes; and (3) Part III - stores. Once the Hong Kong Convention has entered into force, each new and existing ship will be required to maintain Part I of IHM. We have established policies to ensure that each of our vessels covered by the Convention will maintain an accurate and up-to-date IHM. We are also working actively with all shipyards constructing our newbuilds on-order to ensure that the vessels are properly equipped with an IHM.

Environmental Regulation—The U.S. Oil Pollution Act of 1990

OPA established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. It applies to discharges of any oil from a vessel, including discharges of fuel oil and lubricants. The OPA affects all owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters, which include the United States' territorial sea and its two hundred nautical mile exclusive economic zone. While we do not carry oil as cargo, we do carry fuel oil (or "bunkers") in our vessels, making our vessels subject to the OPA requirements.

Under the OPA, vessel owners, operators and bareboat charterers are "responsible parties" and are jointly, severally and strictly liable (unless the discharge of oil results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels. The OPA defines these other damages broadly to include:

- natural resources damage and the costs of assessment thereof;
- real and personal property damage;
- net loss of taxes, royalties, rents, fees and other lost revenues;
- lost profits or impairment of earning capacity due to property or natural resources damage; and
- net cost of public services necessitated by a spill response, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

The OPA preserves the right to recover damages under existing law, including maritime tort law.

In December 2015, the USCG adjusted the limits of liability of responsible parties under the OPA and established a procedure to further adjust these limits every three years. Effective November 12, 2019, the OPA liability is limited to the greater of $1,200 per gross ton or $997,100 for non - tank vessels, subject to adjustment by the USCG for inflation every three years. On December 23, 2022, the USCG again adjusted those limits to the greater of $1,300 per gross ton or $1,076,000 per non-tank vessel. These latest adjustments took effect on March 23, 2023. These limits of liability do not apply if an incident was directly caused by violation of applicable U.S. federal safety, construction or operating regulations or by a responsible party's gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities.

The OPA requires owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet their potential liabilities under the OPA. Under the regulations, vessel owners and operators may evidence their financial responsibility by providing proof of insurance, surety bond, self-insurance, or guaranty, and an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessels in the fleet having the greatest maximum liability under the OPA. Under the self-insurance provisions, the shipowner or operator must have a net worth and working capital, measured in assets located in the United States against liabilities located anywhere in the world, that exceeds the applicable amount of financial responsibility. We have complied with the USCG regulations by providing a financial guaranty in the required amount.

The OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills. In some cases, states which have enacted such legislation have not yet issued implementing regulations defining vessels owners' responsibilities under these laws. We intend to comply with all applicable state regulations in the ports where our vessels call.

We currently maintain, for each of our vessels, oil pollution liability coverage insurance in the amount of $1.0 billion per incident. In addition, we carry hull and machinery and protection and indemnity insurance to cover the risks of fire and explosion. Given the relatively small amount of bunkers our vessels carry, we believe that a spill of oil from the vessels would not be catastrophic. However, under certain circumstances, fire and explosion could result in a catastrophic loss. While we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates. If the damages from a catastrophic spill exceeded our insurance coverage, it would have a severe effect on us and could possibly result in our insolvency.

All owners and operators of vessels over 300 gross tons are required to establish and maintain with the USCG evidence of financial responsibility sufficient to meet their potential aggregate liabilities under the OPA and CERCLA, which is discussed below. An owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest maximum liability under the OPA and CERCLA. We have complied with these requirements by providing a financial guarantee evidencing sufficient self-insurance. We have satisfied these requirements and obtained a USCG certificate of financial responsibility for all of our vessels trading in the United States of America.

Title VII of the Coast Guard and Maritime Transportation Act of 2004, or the CGMTA, amended the OPA to require the owner or operator of any non-tank vessel of 400 gross tons or more, that carries oil of any kind as a fuel for main propulsion, including bunkers, to have an approved response plan for each vessel. The vessel response plans include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or substantial threat of such a discharge of oil from the vessel due to operational activities or casualties. We have approved response plans for each of our vessels.

Compliance with any new OPA requirements could substantially impact our costs of operation or require us to incur additional expenses. The OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills. We intend to comply with all applicable state regulations in the ports where our vessels call.

Environmental Regulation—CERCLA

CERCLA governs spills or releases of hazardous substances other than petroleum or petroleum products. The owner or operator of a ship, vehicle or facility from which there has been a release is liable without regard to fault for the release, and along with other specified parties may be jointly and severally liable for remedial costs. Costs recoverable under CERCLA include cleanup and removal costs, natural resource damages and governmental oversight costs. Liability under CERCLA is generally limited to the greater of $300 per gross ton or $0.5 million per vessel carrying non - hazardous substances ($5.0 million for vessels carrying hazardous substances), unless the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited. The USCG's financial responsibility regulations under the OPA also require vessels to provide evidence of financial responsibility for CERCLA liability in the amount of $300 per gross ton. As noted above, we have provided a financial guaranty in the required amount to the USCG and we will continue to fulfill this requirement for all of our vessels.

Environmental Regulation—The Clean Water Act

The U.S. Clean Water Act (the "CWA"), prohibits the discharge of oil or hazardous substances in navigable waters and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under the OPA and CERCLA, discussed above. Under U.S. Environmental Protection Agency ("EPA") regulations, we are required to obtain a CWA permit regulating and authorizing any discharges of ballast water or other wastewaters incidental to our normal vessel operations if we operate within the three - mile territorial waters or inland waters of the United States. The permit, which the EPA has designated as the Vessel General Permit for Discharges Incidental to the Normal Operation of Vessels ("VGP"), incorporates the USCG requirements for BWM, as well as supplemental ballast water requirements and limits for 26 other specific discharges. Regulated vessels cannot operate in U.S. waters unless they are covered by the VGP. To do so, owners of commercial vessels greater than 79 feet in length must submit a Notice of Intent ("NOI"), at least 30 days before the vessel operates in U.S. waters. To comply with the VGP, vessel owners and operators may have to install equipment on their vessels to treat ballast water before it is discharged or implement port facility disposal arrangements or procedures at potentially substantial cost. The VGP also requires states to certify the permit, and certain states have imposed more stringent discharge standards as a condition of their certification. Many of the VGP requirements have already been addressed in our vessels' current ISM Code SMS Plan.

On April 12, 2013, EPA issued the current VGP (the "2013 VGP"). The 2013 VGP contains numeric effluent limits for ballast water discharges that are expressed as maximum concentrations of living organisms per unit of ballast water volume discharged. These requirements correspond with the IMO's requirements under the BWM Convention, discussed below, and are consistent with the USCG's 2012 ballast water discharge standards, also described below. The 2013 VGP also includes additional management requirements for non-ballast water discharges and requires the submission of annual reports by all vessels covered by the 2013 VGP. We have submitted NOIs for all of our vessels that operate or potentially operate in U.S. waters and have submitted annual reports for all of our covered vessels. The 2013 VGP was set to expire on December 13, 2018; however, its provisions will remain in effect until the regulations under the 2018 Vessel Incidental Discharge Act ("VIDA") are final and enforceable. VIDA, signed into law on December 4, 2018, establishes a new framework for the regulation of vessel incidental discharges under CWA Section 312(p). VIDA requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the USCG to develop implementation, compliance, and enforcement regulations within two years of the EPA's promulgation of its performance standards. All provisions of the 2013 VGP will remain in force and effect until the USCG regulations under VIDA are finalized. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking – Vessel Incident Discharge National Standards of Performance in the Federal Register for public comment. The comment period closed on November 25, 2020. On October 18, 2023, the EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards of Performance, which shares new ballast water information that the EPA received from the USCG. On September 20, 2024, the EPA finalized national standards of performance for non-recreational vessels 79-feet in length and longer with respect to incidental discharges and on October 9, 2024, these Vessel Incidental Discharge National Standards of Performance were published. Several U.S. states have added specific requirements to the Vessel General Permit including submission of a Notice of Intent, or retention of a PARI form and submission of annual reports. Any upcoming rule changes may have financial impact on our vessels and may result in vessels being banned from calling in the United States in case compliance issues arise.

Environmental Regulation—The Clean Air Act

The Federal Clean Air Act, including its amendments of 1977 and 1990 ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels are subject to CAA vapor control and recovery standards for cleaning fuel tanks and conducting other operations in regulated port areas and emissions standards for so-called "Category 3" marine diesel engines operating in U.S. waters. Several states regulate emissions from vessel vapor control and recovery operations under federally-approved State Implementation Plans. The California Air Resources Board has adopted clean fuel regulations applicable to all vessels sailing within 24 miles of the California coast whose itineraries call for them to enter any California ports, terminal facilities or internal or estuarine waters. Only marine gas oil or marine diesel oil fuels with 0.1% sulfur content or less will be allowed. If new or more stringent requirements relating to marine fuels or emissions from marine diesel engines or port operations by vessels are adopted by the EPA or any states, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Environmental Regulation—Other Environmental Initiatives

The EU has also adopted legislation that requires member states to impose criminal sanctions for certain pollution events, such as the unauthorized discharge of tank washings.

The Paris Memorandum of Understanding on Port State Control, to which 27 nations are parties, adopted the "New Inspection Regime" ("NIR"), effective January 1, 2011. The NIR is a significant departure from the previous system, as it is a risk based targeting mechanism that will reward quality vessels with a smaller inspection burden and subject high - risk ships to more in - depth and frequent inspections. The NIR is designed to identify potential substandard ships and increase the effectiveness of inspections. The inspection record of a vessel, its age and type, the Voluntary IMO Member State Audit Scheme, and the performance of the flag State and recognized organizations are used to develop the risk profile of a vessel.

The European Monitoring, Reporting and Verification Regulation (the "EU MRV") regulation entered into force on July 1, 2015, and require ship owners and operators to annually monitor, report and verify carbon dioxide emissions for vessels larger than 5,000 gross tonnage calling at any EU, Norway and Iceland port. Data collection takes place on a per voyage basis and started on January 1, 2018. The reported carbon dioxide emissions, together with additional data, are to be verified by independent certified bodies and sent to a central database managed by the European Maritime Safety Agency. Since the year 2019, it is mandatory for the companies to submit an approved by an independent verifier emissions report to the European Commission and to the responsible authorities of the flag states. The aggregated ship emission and efficiency data is published by the European Commission.

In January 2023, the EU Parliament, Council and Commission reached a preliminary agreement to extend the EU's Emission Trading System ("ETS") to commercial cargo or passenger vessels above 5000 GT. Maritime shipping is included within the European Union's Emission Trading Scheme (ETS) as of January 1, 2024 with a phase-in period requiring shipping companies to surrender 40% of their 2024 emissions in 2025; 70% of their 2025 emissions in 2026; and 100% of their 2026 emissions in 2027. Compliance with the maritime EU ETS may result in additional compliance and administration costs. These amendments impose an additional regulatory burden on us to ensure that our vessels meet the requirements of the revised EU-MRV, as well as potential additional costs related to the ETS.

The amended EU ETS Directive has applied to cargo and passenger ships of 5,000GT and above since January 1, 2024, and applies to 100% of carbon emissions from voyages between EU ports and 50% of carbon emissions from voyages between an EU port and a non-EU port. The EU ETS is a 'cap and trade' system, where participants purchase allowances via an auction process (or via allocation free of charge), for the purpose of retiring sufficient allowances each year to comply with EU ETS. Surplus allowances can be traded with other participants on a secondary market. An allowance entitles the holder to emit one tonne of CO2 and each year participants must surrender the requisite amount of allowances corresponding to their verified annual of qualifying emissions (monitored, reported and verified in accordance with the MRV (which was also amended in 2023) for the previous reporting calendar year or face paying a financial penalty plus the balance of outstanding allowances. The responsible party is obliged to surrender allowances in accordance with a phase in period: 40% in 2025 for verified emissions relating to the reporting period of 2024, 70% in 2026 for verified emissions relating to the reporting period of 2025 and 100% in 2027 (and every year after) for verified emissions relating to the reporting period of 2026. However, from 2026 qualifying GHG emissions will include nitrous oxides and methane in addition to carbon emissions. The EU ETS provides for means by which the party responsible for compliance costs (which is usually the shipowner, but may be another entity that has assumed responsibilities under the ISM Code and to whom responsibility under EU ETS has been mandated in writing) can request reimbursement from those entities who, pursuant to an underlying physical contract, have contracted to purchase and supply fuel to the vessel or otherwise have assumed operational control of the ship, such as the charterers, for costs in relation to compliance with the EU ETS. It is not expected that compliance with such regulations will have a material effect on the operation or financial viability of our business as we pass on the costs of EU ETS compliance (the polluter pays principle) to charterers under contractual arrangements, for our vessels under time charters.

On January 31, 2020, the UK withdrew from the EU and has become an independent sovereign nation. Although the UK is no longer part of the EU MRV regime, the EU Regulation which established that regime (Regulation (EU) 2015/757) was retained in domestic law under the EU (Withdrawal) Act 2018, subject to amendments needed to make it operable in a UK-only context. As such the UK MRV regime is an identical monitoring reporting and verification system to the EU regulation that applies to voyages between two UK ports, voyages between a UK and non-EEA port and emissions generated at a UK port. The rest of the compliance obligations remained identical as the EU MRV regime. Moreover, as a result of the UK's withdrawal from the EU, the UK Emissions Trading Scheme (UK ETS) replaced the UK's participation in the European Union Emissions Trading Scheme on January 1, 2021. From July 1, 2026, the UK ETS covers maritime vessels of 5,000+ gross tonnage (GT) operating between UK ports, and requires reporting and verification of carbon, methane and nitrous oxide emissions. The expansion of the UK ETS to international voyages is under consideration.

The Fuel EU Maritime Regulation entered into force on January 1, 2025 and sets an annual GHG intensity limit on maritime fuels and other energy used on board vessels above 5,000GT that transport cargo or passengers, arriving at or departing from EU ports. Under FuelEU Maritime the entity with responsibility for the vessel under the ISM Code; (the technical ship manager) is required to: (1) comply with the annual GHG intensity limit for fuel and energy set by FuelEU Maritime (requiring the monitoring and recording of emissions on an annual basis (each year a "Reporting Period"), on a Well-To-Wake ("WtW") basis), confirmed by the recording of a verified annual compliance balance on the FuelEU Database before May 1st of the following year (the "Verification Period"); (2) from 2030, comply with provisions relating the mandatory use of onshore power supply for passenger and container vessels; and (3) where it is established that the uptake of renewable fuels of non-biological origin ("RFNBO") for the Reporting Period 2031 is less than 1% across the shipping sector, comply with a sub-target of RFNBOs to be used on board equal to 2% of its yearly energy consumption, from 2034 onwards. For the purpose of monitoring and recording, WtW emissions for voyages are counted in the same way as those for the EU ETS (see above).Starting from 2026 calendar year for the 2025 reporting period and thereafter for every subsequent reporting period, the following key stages are required during each Verification Period: By January 31st, each company must provide its verifier with a ship-specific FuelEU Report containing ship and voyage-related information in respect of the recent Reporting Period. By March 31st the verifier must calculate and notify the company of the yearly average GHG intensity of the energy used on board the ship, the ship's compliance balance, and other information. Before May 1st the verifier must record each company's verified GHG intensity compliance balance on the FuelEU Database. Companies whose verified compliance balance does not meet the annual GHG intensity limit ("Deficit Vessels"), are subject to a penalty of EUR 2,400 per tonne of VLSFO energy equivalent, in respect of any negative balance (a "Compliance Deficit"), payable by 30 June of the Verification Period. By the same date the verifier will issue a FuelEU Document of Compliance ("DOC") to all vessels that do not have a compliance Deficit, or have paid any Penalty owed, which will remain valid for 18 months or until the next DOC is issued, whichever is earlier. To facilitate compliance, between 31 March and 30 April FuelEU Maritime allows companies to make use any of three flexibility mechanisms (and more than one, where compatible): (1) borrowing (whereby Deficit Vessels may borrow compliance surplus from the following Reporting Period, in exchange for a multiplier to the Compliance Deficit in the year from which Surplus was borrowed); (2) banking, where by compliant Vessels ("Surplus Vessels"), may transfer any excess positive balance ("Compliance Surplus"), for use in the next Reporting Period; and (3) pooling, whereby Surplus Vessels can transfer Compliance Surplus to Deficit Vessels, subject to ensuring that the pool formed, as a whole, is compliant. Unlike EU ETS, no direct statutory recourse exists for the company against time charterer (or other entity ultimately responsible for the purchase of the of the fuel or commercial operation of the ship), under FuelEU Maritime. Instead, if the company wishes to pass costs of FuelEU Maritime down to the operator of the vessel, this must be achieved by contractual arrangements (in both time and voyage charterparties), requiring (in most cases) amendments to contracts. The Company has entered into contractual arrangements, in time charter contracts to pass down to charterers the costs and liabilities arising under FuelEU Maritime.

The U.S. National Invasive Species Act ("NISA"), was enacted in 1996 in response to growing reports of harmful organisms being released into U.S. ports through ballast water taken on by ships in foreign ports. Under NISA, the USCG adopted regulations in July 2004 imposing mandatory BWM practices for all vessels equipped with ballast water tanks entering U.S. waters. These requirements can be met by performing mid-ocean ballast exchange, by retaining ballast water on board the ship, or by using environmentally sound alternative BWM methods approved by the USCG. (However, mid-ocean ballast exchange is mandatory for ships heading to the Great Lakes or Hudson Bay, or vessels engaged in the foreign export of Alaskan North Slope crude oil.) Mid-ocean ballast exchange is the primary method for compliance with the USCG regulations, since holding ballast water can prevent ships from performing cargo operations upon arrival in the United States, and alternative methods are still under development. Vessels that are unable to conduct mid-ocean ballast exchange due to voyage or safety concerns may discharge minimum amounts of ballast water (in areas other than the Great Lakes and the Hudson River), provided that they comply with record keeping requirements and document the reasons they could not follow the required BWM requirements. On March 23, 2012 the USCG adopted ballast water discharge standards that set maximum acceptable discharge limits for living organisms and established standards for BWM systems. The regulations became effective on June 21, 2012 and were phased in between January 1, 2014 and January 1, 2016 for existing vessels, depending on the size of their ballast water tanks and their next drydocking date. As of the date of this report, the USCG has approved forty BWM systems. Certain of our vessels have obtained extensions for drydocking and will install the BWM systems in the next scheduled dry-docking date and certain vessels installed the BWM systems afloat in 2022.

In the past absence of federal standards, states enacted legislation or regulations to address invasive species through ballast water and hull cleaning management and permitting requirements. Michigan's BWM legislation was upheld by the Sixth Circuit Court of Appeals, and California enacted legislation extending its BWM program to regulate the management of "hull fouling" organisms attached to vessels and adopted regulations limiting the number of organisms in ballast water discharges. Other states may proceed with the enactment of requirements similar to those of California and Michigan or the adoption of requirements that are more stringent than the EPA and USCG requirements. We could incur additional costs to comply with additional USCG or state BWM requirements.

At the international level, the IMO adopted the BWM Convention in February 2004. The Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits. The BWM Convention took effect on September 8, 2017. Many of the implementation dates originally contained in the BWM Convention had already passed prior to its effectiveness, so that the period for installation of mandatory ballast water exchange requirements would be very short, with several thousand ships per year needing to install compliant systems. Consequently, the IMO Assembly passed a resolution in December 2013 revising the dates for implementation of the BWM requirements so that they are triggered by the entry into force date. In effect, this makes all vessels constructed before September 8, 2017 "existing" vessels, allowing for the installation of BWM systems on such vessels at the first renewal survey following entry into force of the BWM Convention. In July 2017, the implementation scheme was further changed to require vessels with International Oil Pollution Prevention ("IOPP") certificates expiring between September 8, 2017 and September 8, 2019 to comply at their second IOPP renewal. All ships must have installed a ballast water treatment system by September 8, 2024.

The Kyoto Protocol entered into force in February 2005 and required adopting countries to implement national programs to reduce emissions of certain greenhouse gases, but emissions from international shipping were not subject to the Kyoto Protocol. The second commitment period of the Kyoto Protocol expired in 2020. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change in December 2015 contemplates commitments from each nation party thereto to take action to reduce greenhouse gas emissions and limit increases in global temperatures but did not include any restrictions or other measures specific to shipping emissions. However, restrictions on shipping emissions are likely to continue to be considered and a new treaty may be adopted in the future that includes restrictions on shipping emissions. The IMO's MEPC adopted two new sets of mandatory requirements to address greenhouse gas emissions from vessels at its July 2011 meeting. The Energy Efficiency Design Index ("EEDI") establishes a minimum energy efficiency level per capacity mile and is applicable to new vessels. The Ship Energy Efficiency Management Plan ("SEEMP") is applicable to currently operating vessels of 400 metric tons and above and we are in compliance. These requirements entered into force in January 2013 and could cause us to incur additional compliance costs in the future, particularly as the SEEMP will be strengthened to include mandatory content, including a CII target implementation plan (see below), on top of being subject to approval by appropriate authorities. These new requirements for existing ships will be reviewed by the end of 2025, with particular focus on the enforcement of the carbon intensity rating requirements. MARPOL amendments released in November 2020 and adopted in June 2021 build upon the EEDI and SEEMP and require ships to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index and reduce operational carbon intensity reductions based on a new operational carbon intensity indicator, in line with the IMO strategy which aims to reduce carbon intensity of international shipping by 40% by 2030. The EEXI, which entered into force in January 2023, requires alterations to a vessel's design, machinery or arrangements to meet a certain goal of CO2 grams emitted per capacity tonne mile under certain reference conditions. This measure accounts for the vessel's engine power, fuel consumption and CO2 conversion capacity, all of which make it impossible to effect EEXI compliance by merely reducing the ship's speed or cargo load. Alongside the EEXI, a mandatory Carbon Intensity Indicator ("CII") was introduced on January 1, 2023. This measure of annual efficiency is used to rate vessels based on the grams of CO2 they emit per dwt-mile, giving all cargo vessels above 5,000 GT a rating of A to E every year. The rating thresholds will become increasingly stringent towards 2030. For ships that achieve a D rating for three consecutive years or an E rating, a corrective action plan needs to be developed as part of the SEEMP and approved. The USCG plans to develop and propose regulations to implement these provisions in the United States.

On June 29, 2017, the Global Industry Alliance, or the GIA, was officially inaugurated. The GIA is a program, under the Global Environmental Facility-United Nations Development Program- IMO project, which supports shipping, and related industries, as they move towards a low carbon future. Organizations including, but not limited to, shipowners, operators, classification societies, and oil companies, signed to launch the GIA.

The China Maritime Safety Administration (the "China MSA") issued the Regulation on Data Collection of Energy Consumption for Ships in November 2018. This regulation is effective as of January 1, 2019 and requires ships calling on Chinese ports to report fuel consumption and transport work details directly to the China MSA. This regulation also contains additional requirements for Chinese-flagged vessels (domestic and international) and other non-Chinese-flagged international navigating vessels. In November 2022, the China MSA published an additional Regulation of Administrative Measures of Ship Energy Consumption Data and Carbon Intensity, which came into effect on December 22, 2022. This regulation was essentially enacted to implement MARPOL Annex VI to Chinese-flagged vessels, though a few of its provisions also apply to foreign ships with a gross tonnage of at least 400 entering and exiting Chinese ports. This Regulation essentially applies more stringent rules around that collection and reporting of data related to ships' energy consumption, as is already required by the 2018 regulation.

On October 23, 2023, the China MSA modified its monitoring and inspection requirements for vessels subject to intensified monitoring and inspection. Effective December 1, 2023, the requirements expand the kinds of vessels that can be included in the list and authorize provincial-level offices to enter vessels parallel to the China MSA's existing authority. The modified rules no longer distinguish between Chinese and foreign vessels. Currently, we have no vessels on the list in question, and we closely monitor compliance with applicable rules and regulations to avoid any such entry. Nevertheless, because it is unclear how the China MSA may amend the list's entry requirements, any number of our vessels could be entered into the list regardless of our efforts. This would subsequently result in heightened monitoring, inspection and compliance costs, as well as associated delays in the vessels' operations.

Additional legislation or regulation applicable to the operation of our ships that may be implemented in the future could negatively affect our profitability.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the U.S. Maritime Transportation Security Act of 2002 ("MTSA") came into effect. To implement certain portions of the MTSA, in July 2003, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a chapter of the convention dealing specifically with maritime security. The chapter went into effect in July 2004, and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the International Ship and Port Facilities Security Code (the "ISPS Code").

The ISPS Code is designed to protect ports and international shipping against terrorism. To trade internationally a vessel must obtain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. To obtain an ISSC a vessel must meet certain requirements, including:

- on-board installation of automatic identification systems to enhance vessel-to-vessel and vessel-to-shore communications;
- on-board installation of ship security alert systems that do not sound on the vessel but alert the authorities on shore;
- the development of vessel security plans;
- identification numbers to be permanently marked on a vessel's hull;
- a continuous synopsis record to be maintained on board showing the vessel's history, including the vessel ownership, flag state registration, and port registrations; and
- compliance with flag state security certification requirements.

In addition, as of January 1, 2009, every company and/or registered owner is required to have an identification number which conforms to the IMO Unique Company and Registered Owner Identification Number Scheme. Danaos Shipping has also complied with this requirement.

The USCG regulations are intended to align with international maritime security standards and exempt non - U.S. vessels that have a valid ISSC attesting to the vessel's compliance with SOLAS security requirements and the ISPS Code from the requirement to have a USCG-approved vessel security plan. We have implemented the various security measures addressed by the MTSA, SOLAS and the ISPS Code and have ensured that our vessels are compliant with all applicable security requirements. Our fleet, as part of our continuous improvement cycle, is reviewing ship security plans and is maintaining best management practices during passage through security risk areas.

IMO Cyber security

The Maritime Safety Committee, at its 98th session in June 2017, also adopted Resolution MSC.428(98)—Maritime Cyber Risk Management in Safety Management Systems (the "Cyber Risk Resolution"). The Cyber Risk Resolution encourages administrations to ensure that cyber risks are appropriately addressed in existing SMS no later than the first annual verification of the company's Document of Compliance after January 1, 2021. Owners risk having ships detained if they have not included cyber security in the ISM Code SMS on their ships.

Vessel Recycling Regulations

The EU has also recently adopted a regulation that seeks to facilitate the ratification of the IMO Recycling Convention (the "Recycling Regulation") and sets forth rules relating to vessel recycling and management of hazardous materials on vessels. In addition to new requirements for the recycling of vessels, the Recycling Regulation contains rules for the control and proper management of hazardous materials on vessels and prohibits or restricts the installation or use of certain hazardous materials on vessels. The Recycling Regulation applies to vessels flying the flag of an EU member state and certain of its provisions apply to vessels flying the flag of a third country calling at a port or anchorage of a member state. For example, when calling at a port or anchorage of a member state, a vessel flying the flag of a third country will be required, among other things, to have on board an inventory of hazardous materials that complies with the requirements of the Recycling Regulation and the vessel must be able to submit to the relevant authorities of that member state a copy of a statement of compliance issued by the relevant authorities of the country of the vessel's flag verifying the inventory. The Recycling Regulation took effect on non-EU- flagged vessels calling on EU ports of call beginning on December 31, 2020.

Seasonality

Our containerships primarily operate under multi-year charters and therefore are not subject to the effect of seasonal variations in demand.

Demand for drybulk vessel capacity may exhibit seasonal variations based on the historical data. The drybulk sector is typically stronger in the fiscal quarters ended September 30 and December 31, resulting in fluctuations in market charter rates. These seasonal variations may affect our operating results on a quarterly basis for vessels trading in the spot market, which is currently the trading pattern for our drybulk vessels.

Properties

We have no freehold or leasehold interest in any real property. We occupy space at 3, Christaki Kompou Street, Peters House, 3300, Limassol, Cyprus and 14 Akti Kondyli, 185 45 Piraeus, Greece that is owned by our Manager, Danaos Shipping, and which is provided to us as part of the services we receive under our management agreement.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the notes to those statements included elsewhere in this annual report. This discussion includes forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under "Item 3. Key Information—Risk Factors" and elsewhere in this annual report, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

Our business is to provide international seaborne transportation services by operating vessels in the containership and drybulk sectors of the shipping industry. As of February 25, 2026, we had a fleet of 75 containerships aggregating 477,491 TEUs, 27 under construction containerships aggregating 174,550 TEUs, 11 Capesize bulk carriers, including one scheduled to be delivered to us in March 2026, aggregating 1,943,286 DWT and four under construction Newcastlemax drybulk carriers with an approximate aggregate capacity of 844,000 DWT.

We primarily deploy our containerships on multi-year, fixed-rate charters to take advantage of the stable cash flows and high utilization rates typically associated with multi-year charters, although in weaker containership charter markets we charter more of our vessels on shorter term charters so as to be able to take advantage of any increase in charter rates. As of February 25, 2026, 73 of the 75 containerships in our fleet were employed on time charters, of which two expire in 2026, and two containerships were employed on bareboat charters. Our containerships are generally employed on multi-year charters to large liner companies that charter-in vessels on a multi-year basis as part of their business strategies. As of February 25, 2026, these customers included CMA CGM, MSC, Hapag Lloyd, COSCO, PIL, Maersk, ONE, Sealead, OOCL, Samudera, Interasia Lines, Yang Ming and ZIM. We operate our drybulk carriers in the spot market, on short-term time charters and voyage charters.

The average number of container vessels in our fleet for the years ended December 31, 2025, 2024 and 2023 was 74.1, 70.2 and 68.1, respectively. The average number of drybulk vessels in our fleet for the years ended December 31, 2025, 2024 and 2023 was 10.0, 8.6 and 1.1, respectively.

Our Manager

Our operations are managed by Danaos Shipping, our Manager, and its affiliate Danaos Chartering under the supervision of our officers and our board of directors. We believe our Manager has built a strong reputation in the shipping community by providing customized, high-quality operational services in an efficient manner for both new and older vessels. We have management agreements pursuant to which our Manager and its affiliates provide us and our subsidiaries with technical and administrative services and Danaos Chartering provides us with certain commercial services. The terms of these agreements expire on December 31, 2026 (subject to certain termination rights described in "Item 7. Major Shareholders and Related Party Transactions"), and thereafter extend for additional 12-month terms unless six months' notice of non-renewal is provided by either party. Our Manager and Danaos Chartering are ultimately owned by DIL, which is also our largest stockholder.

Factors Affecting Our Results of Operations

Our financial results are largely driven by the following factors:

- *Number of Vessels in Our Fleet.* The number of vessels in our fleet, and their TEU capacity for containerships or DWT capacity for drybulk vessels, is the primary factor in determining the level of our revenues. Aggregate expenses also increase as the size of our fleet increases. Vessel acquisitions and dispositions will have a direct impact on the number of vessels in our fleet. From time to time we have sold, generally older, vessels in our fleet, including one 2,200 TEU vessel in 2024. We re-entered the drybulk sector in 2023 and we had an average of 1.1, 8.6 and 10.0 drybulk vessels in our fleet in 2023, 2024 and 2025, respectively, while we currently have, on a fully delivered basis, 11 Capesize drybulk carriers. In early 2026, we further expanded our drybulk presence by ordering four Newcastlemax bulk carriers scheduled for delivery in 2028 for an aggregate purchase price of $297.3 million. Since the beginning of 2022, we have ordered 35 newbuilding containerships with 232,948 TEUs aggregate capacity, eight of which have been delivered to us, for an aggregate purchase price of $2.7 billion.

- *Charter Rates.* Aside from the number of vessels in our fleet, the charter rates we obtain for these vessels are the principal drivers of our revenues. Charter rates are based primarily on demand for capacity as well as the available supply of containership and drybulk vessels capacity at the time we enter into the charters for our vessels. As a result of macroeconomic conditions affecting trade flow between ports served by our charterers and economic conditions in the industries which use our charterers, charter rates can fluctuate significantly. Although the multi-year charters on which we deploy many of our containerships make us less susceptible to cyclical containership charter rates than vessels operated on short-term time charters or voyage charters such as our Capesize bulk carriers, we are exposed to varying charter rate environments when our chartering arrangements expire or we lose a charter, such as occurred with the charter cancellations by Hanjin Shipping in 2016, and we seek to deploy our vessels under new charters. The staggered maturities of our containership charters also reduce our exposure to any stage in the shipping cycle. As of February 25, 2026, the charters for two of our containerships are scheduled to expire in 2026 and 21 in 2027. Charter rate levels for containerships generally improved in 2024 and remained at relatively high levels throughout 2025 and in early 2026, however, to the extent charter rates are at levels lower than were prevailing when we entered into expiring charters, we may have to re-charter these vessels for rates lower than the level of their current charter rates.

Our Capesize drybulk carriers are principally deployed on spot market charters, which generate revenues that are less predictable, but may enable us to achieve increased profit margins during periods of high rates in the charter market and can result in decreased utilization, revenues and profitability in weak charter markets, as compared to periods of stronger markets or employment on period charters entered into during more favorable market conditions. The Baltic Capesize 5TC average rate for full-year 2025 was approximately $21,151 per day, modestly below the 2024 full-year average of approximately $22,493 per day, but materially above the 2023 full-year average of approximately $16,609 per day. Capesize rates were at relatively subdued levels through much of the first three quarters of 2025, before strengthening materially in the fourth quarter of 2025, supported by the bunching of Australian iron ore export cargoes, steady growth in Brazilian iron ore exports and the continued expansion of bauxite shipments from Guinea, which collectively drove Capesize tonne-mile growth of approximately 7.2% year-on-year in Q4 2025. Rates eased from their December 2025 peak but remained at firm levels heading into early 2026.

- *Utilization of Our Fleet.* Due to the multi-year charters under which they are often operated, our container vessels have consistently been deployed at high levels of utilization. During 2025, our container vessels fleet utilization was 98.2%, compared to 97.2% in 2024, and 97.7% in 2023. Fleet utilization for our drybulk vessels, which are deployed in the spot market, was 98% for the year ended December 31, 2025, 87% for the year ended December 31, 2024 and 80.8% for the year ended December 31, 2023. In addition, the amount of time our vessels spend in drydock undergoing repairs or undergoing maintenance and upgrade work affects our results of operations. Historically, our fleet has had a limited number of off-hire days. For example, there were 44, 198 and 92 total off-hire days for our container vessels fleet during the years ended December 31, 2025, 2024 and 2023, respectively, other than for scheduled drydockings and special surveys. In addition, there were 16, 33 and nil total off-hire days for our drybulk vessels fleet during the years ended December 31, 2025, 2024 and 2023, respectively, other than for scheduled drydockings and special surveys. An increase in annual off-hire days could reduce our utilization. We currently expect to drydock approximately 11 of our vessels in 2026. The efficiency with which suitable employment is secured, the ability to minimize off-hire days and the amount of time spent positioning vessels also affects our results of operations. If the utilization patterns of our containership fleet changes, or we are not able to achieve high utilization of our drybulk vessels, our financial results would be affected.

- *Expenses.* Our ability to control our fixed and variable expenses, including those for port and bunker expenses, commission expenses, crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses also affects our financial results. In addition, factors beyond our control, such as developments relating to market premiums for insurance and the value of the U.S. dollar compared to currencies in which certain of our expenses, primarily crew wages, are denominated can cause our vessel operating expenses to increase.

In addition to those factors described above affecting our operating results, our net income is significantly affected by our financing arrangements, including any interest rate swap arrangements, and, accordingly, prevailing interest rates and the interest rates and other financing terms we may obtain in the future. See "—Liquidity and Capital Resources."

The following table presents the contracted utilization of our fleet of operating container vessels and of our newbuilding container vessels, scheduled for delivery in 2026 through 2029, as of December 31, 2025:

	2026	2027-2028	2029-2030	2031-2038	Total
Number of vessels available for re-employment in the respective period (1)	2	49	24	25	**100**
TEU's on vessels available for re-employment in the respective period	8,068	319,584	137,681	176,108	
Contracted operating days (2)	27,196	44,272	24,796	22,395	
Total operating days (2)	27,340	60,943	66,726	233,900	
Contracted operating days/Total operating days	99.5 %	72.6 %	37.2 %	9.6 %	

(1) Refers to the incremental number of our 75 operating container vessels and all 25 newbuilding container vessels (as of December 31, 2025) available in the respective periods, including 21 newbuilding container vessels with arranged time charters and four newbuilding container vessels for which no charter arrangements are currently in place. Excludes our drybulk vessels which we generally operate on short term time charters or voyage charters.

(2) Operating days calculations are based on an assumed 364 operating days per annum. Additionally, the operating days above reflect an estimate of off-hire days to perform periodic maintenance. If actual off-hire days are greater than estimated, these would decrease the amount of operating days above. Total operating days also include our 25 newbuilding vessels (as of December 31, 2025) from the expected scheduled delivery date to us in 2026 through 2029.

Operating Revenues

Our operating revenues are driven primarily by the number of vessels in our fleet, the number of operating days during which our vessels generate revenues and the amount of daily charter hire that our vessels earn under time charters which, in turn, are affected by a number of factors, including our decisions relating to vessel acquisitions and dispositions, the amount of time that we spend positioning our vessels, the amount of time that our vessels spend in drydock undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels and the levels of supply and demand in the containership and drybulk charter market.

Revenues from multi-year period charters of our containerships comprised a substantial portion of our revenues for the years ended December 31, 2025, 2024 and 2023. The revenues relating to our multi-year charters will be affected by any additional vessels subject to multi-year charters we may acquire in the future, as well as by the disposition of any such vessel in our fleet. Our revenues will also be affected if any of our charterers cancel a multi-year charter or fail to perform at existing contracted rates. Our multi-year charter agreements have been contracted in varying rate environments and expire at different times. Generally, we employ our Capesize bulk carriers under voyage charter agreements under which a shipowner, in return for a fixed sum, agrees to transport cargo from one or more loading ports to one or more destinations and assumes all vessel operating costs and voyage expenses. In 2025, we generated $46.6 million (2024: $47.0 million) of revenue from voyage charter agreements and $40.4 million (2024: $30.0 million) of revenue from short-term time charter agreements of our Capesize bulk carriers.

In May 2022, we received $238.9 million of charter hire prepayment related to charter contracts for 15 of our containerships, representing partial prepayment of charter hire payable up to January 2027. See "Note 9. Lease Arrangements-Charters-out" in our audited consolidated financial statements contained elsewhere in this report. Our future expected minimum charter hire payments as of December 31, 2025, based on contracted charter rates, from our non-cancellable time charter and bareboat charter arrangements for our containerships is shown in the table below. Although these expected future minimum payments are based on contracted charter rates, any contract is subject to performance by the counterparties. If the charterers are unable or unwilling to make charter payments to us, our results of operations and financial condition will be materially adversely affected. See "Item 3. Key Information—Risk Factors—We are dependent on the ability and willingness of our charterers to honor their commitments to us for all of our revenues and the failure of our counterparties to meet their obligations under our charter agreements could cause us to suffer losses or otherwise adversely affect our business."

Future Minimum Payments from Charters as of December 31, 2025(1)
(Amounts in millions of U.S. dollars)

Number of Vessels	2026	2027-2028	2029-2030	2031-2038	Total
96	$ 945.8	$ 1,602.0	$ 914.7	$ 690.9	**$4,153.4**

(1) Refers to contracted future minimum payments expected to be received under non-cancellable time charter and bareboat charter agreements for our 75 operating container vessels and 21 of our 25 newbuilding container vessels for which time charters have been arranged. The remaining four newbuilding container vessels as of December 31, 2025 are excluded as they do not yet have time charters arranged, as are newbuilding vessels ordered subsequent to December 31, 2025. Annual calculations are based on an assumed 364 revenue days per annum at the contracted charter rates, with newbuilding vessels assumed to be delivered on their respective contracted delivery dates. Although these contracted future minimum payments reflect contractual charter rates, all contracts are subject to performance by the counterparties and by us. In addition to the contracted minimum payments reflected in the above table, a charter hire prepayment of $238.9 million received in May 2022 in respect of 15 of our containerships is being recognized as revenue over the remaining term of the applicable charter party agreements through January 2027; such prepayment is not reflected in the contracted minimum payments in the table above.

Of our 75 containerships, as of the date of this report, two of our vessels are employed on time charters expiring in 2026 and 21 on time charters expiring in 2027. Our drybulk vessels are operating on short term charters. Vessels operating in the spot market generate revenues that are less predictable than vessels on period charters, although this chartering strategy can enable vessel owners to capture increased profit margins during periods of improvements in charter rates. Deployment of vessels in the spot market creates exposure, however, to the risk of declining charter rates, as spot rates may be higher or lower than those rates at which a vessel could have been time chartered for a longer period.

Our drybulk carriers generated revenue from short-term time charter agreements and voyage charter agreements from 19 customers and 14 customers in the years ended December 31, 2025 and December 31, 2024, respectively. Under voyage charter agreements, the customers generally specify a minimum amount of cargo to be transported for a defined rate between the ports. Under voyage charter agreements, all voyage expenses and vessel operating expenses are borne and paid by us. The voyage charter agreements do not contain a lease because the charterer under such contracts does not have the right to control the use of the vessel since we retain control over the operations of our vessel and are therefore considered service contracts. We account for a voyage charter when all the following criteria are met: (i) the parties to the contract have approved the contract in the form of a written charter agreement or fixture recap and are committed to perform their respective obligations, (ii) we can identify each party's rights regarding the services to be transferred, (iii) we can identify the payment terms for the services to be transferred, (iv) the charter agreement has commercial substance (that is, the risk, timing, or amount of the future cash flows is expected to change as a result of the contract) and (v) it is probable that we will collect substantially all of the consideration to which we will be entitled in exchange for the services that will be transferred to the charterer. Demurrage income, which represents a form of variable consideration when loading or discharging time exceeds the stipulated time in the voyage charter agreement, is included in voyage revenues and was immaterial in the years ended December 31, 2023, December 31, 2024 and December 31, 2025. The majority of revenue from voyage charter agreements is usually collected in advance. We determined that there is one single performance obligation for each of our voyage contracts, which is to provide the charterer with an integrated transportation service within a specified time period. In addition, we concluded that a contract for a voyage charter meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the vessel's performance as we perform. Therefore, since our performance obligation under each voyage contract is met evenly as the voyage progresses, revenue is recognized on a straight line basis over the voyage days from the loading of cargo to its discharge.

Amortization of Time Charters Assumed on Acquisition of Vessels

Eleven of our container vessel additions in 2021 were acquired with attached time charter agreements, which were below market terms prevailing at their acquisition date. As the present value of the contractual cash flows of these time charter agreements assumed was lower than its current fair value, the difference was recorded as unearned revenue. Such liabilities are amortized as an increase in revenue over the period of each time charter assumed. Amortization of these time charter agreements resulted in an increase of our revenue by nil, $4.5 million and $21.2 million in the years ended December 31, 2025, 2024 and 2023, respectively. Significant assumptions used in calculation of the fair value of the time charters assumed include daily time charter rate prevailing in the market for the similar size of the vessels available before the acquisition for a similar charter duration (including the estimated time charter expiry date). Other assumptions used are the discount rate based on our weighted average cost of capital close to the acquisition date and the estimated average off-hire rate.

Voyage Expenses

Under voyage charter agreements, on which we frequently charter our drybulk vessels, all voyage costs are borne and paid by us. Voyage expenses consist primarily of port and canal charges, bunker (fuel) expenses, agency fees, address commissions and brokerage commissions related to the voyage. All voyage costs are expensed as incurred with the exception of the contract fulfilment costs that are incurred from the later of the end of the previous vessel employment and the contract date and until the commencement of loading the cargo on the relevant vessel, which are capitalized to the extent that they (i) are directly related to a contract, (ii) will be recoverable and (iii) enhance our resources by putting our vessel in a location to satisfy our performance obligation under a contract and are amortized on a straight-line basis as the related performance obligations are satisfied.

Under multi-year time charters and bareboat charters, such as those on which we charter our container vessels and under short-term time charters, the charterers bear the voyage expenses other than brokerage and address commissions. As such, voyage expenses represent a relatively small portion of the overall expenses under time charters and bareboat charters.

From time to time, in accordance with industry practice and in respect of the charters for our container vessels we pay brokerage commissions of 1.03% up to 2.5% of the total daily charter hire rate under the charters to unaffiliated ship brokers associated with the charterers, depending on the number of brokers involved with arranging the charter. We also pay address commissions of 2.0% up to 5.0% to a limited number of our charterers. In each of the years ended December 31, 2025, 2024 and 2023, we paid a fee to Danaos Chartering or Danaos Shipping, as applicable, of 1.25% on all freight, charter hire, ballast bonus and demurrage for each vessel. In 2026, this fee will remain at 1.25%, payable to Danaos Chartering under our brokerage services agreement.

Vessel Operating Expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Aggregate expenses increase as the size of our fleet increases. Factors beyond our control, some of which may affect the shipping industry in general, including, for instance, developments relating to market premiums for insurance or inflationary pressures, may also cause these expenses to increase. In addition, a substantial portion of our vessel operating expenses, primarily crew wages, are in currencies other than the U.S. dollar and any gain or loss we incur as a result of the U.S. dollar fluctuating in value against these currencies is included in vessel operating expenses. We fund Danaos Shipping in advance with amounts it will need to pay our fleet's vessel operating expenses.

Under voyage charters and time charters, we pay for vessel operating expenses. Under bareboat charters, such as those on which we charter two containerships in our fleet, our charterers bear substantially all vessel operating expenses, including the costs of crewing, insurance, surveys, drydockings, maintenance and repairs.

Amortization of Deferred Drydocking and Special Survey Costs

We follow the deferral method of accounting for special survey and drydocking costs, whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period until the next scheduled survey and drydocking, which is two and a half years. If a special survey or drydocking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off. The amortization periods reflect the estimated useful economic life of the deferred charge, which is the period between each special survey and drydocking.

Major overhaul performed during drydocking is differentiated from normal operating repairs and maintenance. The related costs for inspections that are required for the vessel's certification under the requirement of the classification society are categorized as drydock costs. A vessel at drydock performs certain assessments, inspections, refurbishments, replacements and alterations within a safe non-operational environment that allows for complete shutdown of certain machinery and equipment, navigational, ballast (keep the vessel upright) and safety systems, access to major underwater components of vessel (rudder, propeller, thrusters and anti-corrosion systems), which are not accessible during vessel operations, as well as hull treatment and paints. In addition, specialized equipment is required to access and maneuver vessel components, which are not available at regular ports.

Repairs and maintenance normally performed during operation either at port or at sea have the purpose of minimizing wear and tear to the vessel caused by a particular incident or normal wear and tear. Repair and maintenance costs are expensed as incurred.

Impairment Loss

There was no impairment loss in the years ended December 31, 2025, 2024 and 2023. See "Critical Accounting Estimates—Impairment of Long-lived Assets."

Depreciation

We depreciate our vessels on a straight-line basis over their estimated remaining useful economic lives. We estimate the useful lives of our containerships to be 30 years and of our drybulk carriers to be 25 years from the year built. Depreciation is based on cost, less the estimated scrap value of $300 per ton for all vessels.

General and Administrative Expenses

We paid Danaos Shipping the following management fees for 2025 and 2024: (i) an annual management fee of $2.0 million, which annual management fee will be $2.5 million for 2026, and 100,000 shares of common stock payable in the fourth quarter, (ii) a daily vessel management fee of $475 for vessels on bareboat charter, for each calendar day we own each vessel, which fee will be $550 for 2026, and (iii) a daily vessel management fee of $950 for vessels on time charter or voyage charter, for each calendar day we own each vessel, which fee will be $1,100 for 2026. In 2023 we paid Danaos Shipping: (i) a daily management fee of $850, (ii) a daily vessel management fee of $425 for vessels on bareboat charter, for each calendar day we owned each vessel, and (iii) a daily vessel management fee of $850 for vessels on time charter or voyage charter, for each calendar day we owned each vessel. See "Note 11 Related Party Transactions" to our audited consolidated financial statements included elsewhere in this annual report.

In each of the years ended December 31, 2025, 2024 and 2023, we also recognized non-cash share-based expenses of $6.3 million in respect of 100,000 shares of common stock issued to the Manager as part of the management fees payable under our management agreement. Our executive officers received an aggregate of $2.6 million (€2.3 million), $2.5 million (€2.3 million) and $2.2 million (€2.0 million) in cash compensation for the years ended December 31, 2025, 2024 and 2023, respectively, and for the year ended December 31, 2025, the Company distributed an additional $4.8 million as a one-off discretionary cash bonus to its executive officers. We also recognized non-cash share-based compensation expense in respect of awards to our executive officers of $9.8 million, $8.2 million and $6.3 million in the years ended December 31, 2025, 2024 and 2023, respectively. Additionally, projected periodic benefit cost of executive retirement plan amounting to $0.8 million, $0.7 million and $0.6 million was recognized in the years ended December 31, 2025, 2024 and 2023, respectively, and an additional projected periodic benefit cost of $1.1 million is also expected to be recognized in the year ending December 31, 2026. See "Note 19 Executive Retirement Plan" to our audited consolidated financial statements included elsewhere in this report.

Furthermore, general and administrative expenses include audit fees, legal fees, board remuneration, executive officers compensation, directors & officers insurance, stock exchange fees and other general and administrative expenses.

Other (Expenses)/Income, Net

In the years ended December 31, 2025, 2024 and 2023, we recorded net other expense of $1.2 million, net other income of $2.2 million and net other expense of $0.8 million, respectively. The other expenses/income, net in the year ended December 31, 2024 mainly consisted of $2.1 million income of cash collections from the bankruptcy trustee of Hanjin Shipping as a partial payment of common benefit claim.

Interest Expense, Interest Income and Other Finance Expenses

We have incurred interest expense on outstanding indebtedness under our credit facilities and Senior Notes which we included in interest expense. We also incurred financing costs in connection with establishing those facilities, which are included in other finance expenses. Further, we earn interest on cash deposits in interest bearing accounts, which we include in interest income. We expect to incur additional interest expense in future periods as we increase our level of borrowings to finance a portion of the purchase price of our contracted newbuildings and potentially future acquisitions and investments. To the extent prevailing interest rates increase, we expect this would further increase our interest expenses, as borrowings under our credit facilities are advanced at a floating rate based on SOFR and we do not have any interest rate hedging arrangements.

Gain/(Loss) on Investments

In June 2023, we acquired marketable securities, comprising 1,552,865 shares of common stock of Eagle Bulk Shipping Inc. ("EGLE"), for $68.2 million (out of which $24.4 million was acquired from Virage International Ltd., our related company). Following the stock-for-stock merger of EGLE with Star Bulk completed on April 9, 2024, we owned 4,070,214 shares of common stock of Star Bulk, subsequently acquired 2,185,967 additional shares through open market purchases in 2025 and currently own 6,256,181 shares of common stock of Star Bulk. As of December 31, 2025 and 2024, these marketable securities were fair valued at $120.2 million and $60.9 million, respectively. We recognized a $29.5 million gain, a $25.2 million loss and a $17.9 million gain on these marketable securities in the years ended December 31, 2025, 2024 and 2023, respectively.

Dividend Income

In the years ended December 31, 2025, 2024 and 2023, we recognized $1.7 million, $9.3 million and $1.0 million of dividend income on Star Bulk and EGLE marketable securities, respectively.

Loss on Debt Extinguishment, net

The loss on debt extinguishment of $2.5 million in the year ended December 31, 2025 related to our early extinguishment of debt. We did not recognize any gain or loss on debt extinguishment in 2024. The loss on debt extinguishment of $2.3 million in the year ended December 31, 2023 resulted from an early extinguishment of our leaseback obligations.

Loss on equity investments

In March 2023, we invested $4.3 million in the common shares of a newly established company Carbon Termination Technologies Corporation ("CTTC"), incorporated in the Republic of the Marshall Islands, which represents our 49% ownership interest. CTTC currently engages in research and development of decarbonization technologies for the shipping industry. In 2024 and 2025, the Company provided CTTC with aggregate loan funding of $2.1 million bearing interest at SOFR plus 2.0% and maturing on December 31, 2025. On October 3, 2025, the facility was amended and restated to provide an additional $0.4 million, bringing total loan funding to $2.5 million, with the same interest rate and a maturity date of December 31, 2026. Our share of CTTC's initial expenses amounted to $1.0 million, $1.6 million and $4.0 million in the years ended December 31, 2025, 2024 and 2023, respectively, and is presented under "Loss on equity investments" in the consolidated statements of income.

Realized Loss on Derivatives

We currently have no outstanding interest rate swaps agreements. In past years, we had interest rate swaps agreements generally based on the forecasted delivery of vessels we contracted for and our debt financing needs associated therewith. All changes in the fair value of our cash flow interest rate swap agreements were recorded in earnings under "Loss on derivatives".

We evaluated whether the previously hedged forecasted interest payments prior to June 30, 2012 are probable of occurring within the originally specified time period and concluded that such payments remain probable of occurring. Accordingly, the unrealized loss balance associated with the previously designated cash flow interest rate swaps remains in accumulated other comprehensive loss and is reclassified into earnings on an annual basis as the underlying hedged interest payments are recognized. An amount of $3.6 million was reclassified from Accumulated Other Comprehensive Loss into earnings for each of the years ended December 31, 2025, 2024 and 2023, representing amortization of deferred realized losses on cash flow hedges over the depreciable life of the vessels.

Income taxes

We recorded income taxes of nil in each the years ended December 31, 2025, 2024 and 2023.

Results of Operations

The following table presents selected consolidated financial and other data of Danaos Corporation and its consolidated subsidiaries for each of the years in the three year period ended December 31, 2025. The selected consolidated financial data of Danaos Corporation as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 is derived from our consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 20-F, which have been prepared in accordance with U.S. generally accepted accounting principles, or "U.S. GAAP". Our audited consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for the years ended December 31, 2025, 2024 and 2023, and the consolidated balance sheets at December 31, 2025 and 2024, together with the notes thereto, are included in "Item 18. Financial Statements" and should be read in their entirety.

	Year ended December 31,		
	2025	2024	2023
	In USD thousands, except per share amounts and other data		
STATEMENT OF INCOME			
Operating revenues	1,042,456	1,014,110	973,583
Operating expenses, net	(543,690)	(473,226)	(392,922)
Income from operations	498,766	540,884	580,661
Total other income/(expenses), net	(4,152)	(35,811)	(4,362)
Income taxes	—	—	—
Net income	494,614	505,073	576,299
PER SHARE DATA			
Basic earnings per share of common stock	$ 26.83	$ 26.15	$ 28.99
Diluted earnings per share of common stock	$ 26.76	$ 26.05	$ 28.95
Basic weighted average number of shares (in thousands)	18,432	19,316	19,879
Diluted weighted average number of shares (in thousands)	18,480	19,385	19,904
Dividends declared per share	$ 3.45	$ 3.25	$ 3.05
CASH FLOW DATA			
Net cash provided by operating activities	644,753	621,750	576,292
Net cash used in investing activities	(325,696)	(650,789)	(338,528)
Net cash provided by/(used in) financing activities	264,851	210,614	(233,623)
Net increase in cash and cash equivalents	583,908	181,575	4,141
OTHER DATA			
Number of containerships at year end	75	73	68
TEU capacity of containerships at year end	477,491	465,463	421,293
Number of Capesize bulk carriers at year end	10	10	7
DWT capacity of Capesize bulk carriers at year end	1,760,861	1,760,861	1,231,157

Segments

Following our acquisition of drybulk vessels in 2023, for management purposes, we have two reporting segments (1) a container vessels segment and (2) a drybulk vessels segment. The container vessels segment owns and operates container vessels which are primarily chartered on multi-year, fixed-rate time charter and bareboat charter agreements. The drybulk vessels segment owns and operates drybulk vessels to provide drybulk commodities transportation services.

Our chief operating decision maker (our chief executive officer) monitors and assesses the performance of the container vessels segment and the drybulk vessels segment based on net income. Items included in the applicable segment's net income are directly allocated to the extent that the items are directly or indirectly attributable to the segments. With regards to the items that are allocated by indirect calculations, their allocation is commensurate to the utilization of key resources. Investments in marketable securities and investments in affiliates accounted for using the equity method accounting are not allocated to any of the Company's reportable segments.

The following table summarizes our selected financial information for the year ended December 31, 2025, by segment (in USD in thousands):

Income Statement Metrics for the year ended December 31, 2025	Container vessels segment	Dry bulk vessels segment	Total
	(in '000s of US$)		
Operating revenues	$ 955,433	$ 87,023	$ 1,042,456
Voyage expenses	(35,741)	(27,320)	(63,061)
Vessel operating expenses	(180,847)	(27,932)	(208,779)
Depreciation	(150,075)	(13,291)	(163,366)
Amortization of deferred drydocking and special survey costs	(35,114)	(8,960)	(44,074)
Interest income (excluding interest income from investments in affiliates)	19,413	2	19,415
Interest expense	(42,842)	—	(42,842)
Other segment items[1]	(69,281)	(6,169)	(75,450)
Net Income per segment	**$ 460,946**	**$ 3,353**	**$ 464,299**
Gain on investments, dividend income, interest income from investments in affiliates and loss on equity investments			30,315
Net Income			**$ 494,614**

(1) Other segment items for each reportable segment include general and administrative expenses, other finance expenses, other (expenses)/income, net and loss on derivatives.

Balance Sheet Metrics as of December 31, 2025	Container vessels segment	Dry bulk vessels segment	Total
	(in '000s of US$)		
Total Assets per segment	$ 4,717,465	$ 275,965	$ 4,993,430
Marketable Securities [1]			120,244
Receivable from affiliates [1]			256
Total Assets			**$ 5,113,930**

(1) Reflected under "Other current assets" in the Consolidated Balance Sheet.

The following table summarizes our selected financial information for the year ended December 31, 2024, by segment (in USD in thousands):

Income Statement Metrics for the year ended December 31, 2024	Container vessels segment	Dry bulk vessels segment	Total
	(in '000s of US$)		
Operating revenues	$ 937,077	$ 77,033	$ 1,014,110
Voyage expenses	(32,481)	(31,620)	(64,101)
Vessel operating expenses	(162,192)	(23,532)	(185,724)
Depreciation	(137,823)	(10,521)	(148,344)
Amortization of deferred drydocking and special survey costs	(27,167)	(1,994)	(29,161)
Net gain on disposal/sale of vessels	8,332	—	8,332
Interest income (excluding interest income from investments in affiliates)	12,843	—	12,843
Interest expense	(26,185)	—	(26,185)
Other segment items[1]	(54,275)	(4,937)	(59,212)
Net Income per segment	**$ 518,129**	**$ 4,429**	**$ 522,558**
Loss on investments, dividend income, interest income from investments in affiliates and loss on equity investments			(17,485)
Net Income			**$ 505,073**

(1) Other segment items for each reportable segment include general and administrative expenses, other finance expenses, other (expenses)/income and loss on derivatives.

Balance Sheet Metrics as of December 31, 2024	Container vessels segment	Dry bulk vessels segment	Total
		(in '000s of US$)	
Total Assets per segment	$ 4,006,268	$ 276,207	$ 4,282,475
Marketable Securities [1]			60,850
Receivable from affiliates [1]			329
Total Assets			**$ 4,343,654**

(1) Reflected under "Other current assets" in the Consolidated Balance Sheet.

Year ended December 31, 2025 compared to the year ended December 31, 2024

During the year ended December 31, 2025, Danaos had an average of 74.1 container vessels and 10 drybulk vessels compared to 70.2 container vessels and 8.6 drybulk vessels during the year ended December 31, 2024. Our container vessels utilization for the year ended December 31, 2025 was 98.2% compared to 97.2% in the year ended December 31, 2024. Our drybulk vessels utilization for the year ended December 31, 2025 was 98.0% compared to 87.0% in the year ended December 31, 2024.

Operating Revenues

Operating revenues increased by 2.8%, or by $28.4 million, to $1,042.5 million in the year ended December 31, 2025 from $1,014.1 million in the year ended December 31, 2024.

Operating revenues of our container vessels segment increased by 2.0%, or by $18.3 million, to $955.4 million in the year ended December 31, 2025 from $937.1 million in the year ended December 31, 2024, analyzed as follows:

- $60.1 million increase in revenues as a result of newbuilding containership vessel additions in the year ended December 31, 2025 compared to the year ended December 31, 2024;
- $5.0 million increase in revenues as a result of higher fleet utilization in the year ended December 31, 2025 compared to the year ended December 31, 2024;
- $29.7 million decrease in revenues as a result of lower charter rates in the year ended December 31, 2025 compared to the year ended December 31, 2024;
- $16.9 million decrease in revenues due to lower non-cash revenue recognition in accordance with US GAAP in the year ended December 31, 2025 compared to the year ended December 31, 2024;
- $0.2 million decrease in revenues due to the disposal of one containership vessel in the year ended December 31, 2025 compared to the year ended December 31, 2024.

Operating revenues of our drybulk vessels segment increased by 13.0%, or by $10.0 million, to $87.0 million in the year ended December 31, 2025, compared to $77.0 million of revenues in the year ended December 31, 2024, analyzed as follows:

- $13.0 million increase in revenues as a result of dry bulk vessel acquisitions in the year ended December 31, 2025 compared to the year ended December 31, 2024; and
- $3.0 million net decrease in revenues as a result of an increase in the deployment of our drybulk vessels through time charter contracts instead of voyage charter contracts between the two periods. Drybulk fleet utilization improved to 98% for 2025 from 87% in 2024 and the Time Charter Equivalent rate improved to $18,175 per day in 2025 from $18,147 per day in 2024.

Voyage Expenses

Voyage expenses decreased by $1.0 million to $63.1 million in the year ended December 31, 2025 from $64.1 million in the year ended December 31, 2024.

Voyage expenses of our drybulk vessels segment decreased by $4.3 million to $27.3 million in the year ended December 31, 2025 compared to $31.6 million voyage expenses in the year ended December 31, 2024. For the year ended December 31, 2025, voyage expenses of our drybulk vessels comprised of $5.3 million in commissions and $22.0 million in other voyage expenses, mainly comprised of bunkers cost and port expenses, compared to $4.5 million in commissions and $27.1 million in other voyage expenses for the year ended December 31, 2024, reflecting an increase in time charter employment of our dry bulk vessels during the year ended December 31, 2025 compared to the year ended December 31, 2024.

Voyage expenses of container vessels segment increased by $3.3 million to $35.8 million in the year ended December 31, 2025 from $32.5 million in the year ended December 31, 2024, mainly due to increased other voyage expenses which refers to voyage expenses other than commissions, including bunkers consumption and port expenses.

Vessel Operating Expenses

Vessel operating expenses increased by $23.1 million to $208.8 million in the year ended December 31, 2025 from $185.7 million in the year ended December 31, 2024, primarily as a result of the increase in the average number of vessels in our fleet due to container vessel newbuilding deliveries and dry bulk vessels acquisitions and the increase in average daily operating cost of our vessels to $6,969 per vessel per day for the year ended December 31, 2025 compared to $6,606 per vessel per day for the year ended December 31, 2024. Management believes that our daily operating costs remain among the most competitive in the industry.

Vessel operating expenses for the container vessels segment increased by $18.7 million, to $180.8 million for the year ended December 31, 2025, from $162.2 million for the year ended December 31, 2024. The increase was driven in approximately equal measure by fleet expansion and higher costs per vessel per day. Vessels employed under bareboat charter agreements are excluded from the above per-day calculations, as vessel operating expenses under such arrangements are borne by the charterer.

Vessel operating expenses for the dry bulk vessels segment increased by $4.4 million, to $27.9 million for the year ended December 31, 2025, from $23.5 million for the year ended December 31, 2024. The increase was driven predominantly by fleet expansion, with higher ownership days.

Depreciation

Depreciation expense increased by $15.1 million, to $163.4 million in the year ended December 31, 2025 from $148.3 million in the year ended December 31, 2024, due to the increase in the average number of vessels in our fleet.

Depreciation expense for the container vessel segment increased by $12.3 million to $150.1 million in the year ended December 31, 2025 from $137.8 million in the year ended December 31, 2024 primarily due to an increase in the average number of vessels in the fleet.

Depreciation expense for the dry bulk vessel segment increased by $2.8 million to $13.3 million in the year ended December 31, 2025 from $10.5 million in the year ended December 31, 2024 due to higher ownership days and the full-year depreciation impact of vessels acquired in prior periods.

Amortization of Deferred Drydocking and Special Survey Costs

Amortization of deferred drydocking and special survey costs increased by $14.9 million to $44.1 million in the year ended December 31, 2025 from $29.2 million in the year ended December 31, 2024, reflecting a larger number of vessels drydocked for which vessels drydocking amortization costs were recognized during the year ended December 31, 2025 compared to the year ended December 31, 2024.

Amortization of deferred drydocking and special survey costs for our container vessels segment increased by $7.9 million to $35.1 million in 2025 from $27.2 million in 2024 as amortization continued from prior drydockings and additional vessels completed scheduled drydockings during 2025.

Amortization of deferred drydocking and special survey costs for our drybulk vessels segment increased by $7.0 million to $9.0 million in 2025 from $2.0 million in 2024 reflecting the continued amortization of prior drydock expenditures and the recognition of amortization related to drydockings completed during the year.

General and Administrative Expenses

General and administrative expenses increased by $10.2 million, to $64.4 million in the year ended December 31, 2025 from $54.2 million in the year ended December 31, 2024. The increase was mainly attributable to a one-off discretionary cash bonus of $4.8 million distributed to certain employees, a $2.2 million increase in stock based compensation expense, a $2.0 million higher management fees due to the increase in the average number of vessels and a $1.2 million increase in corporate general and administrative expense, during the year ended December 31, 2025 compared to the year ended December 31, 2024.

Interest Expense, Interest Income and Other Finance Expenses

Interest expense increased by $16.6 million, to $42.8 million in the year ended December 31, 2025 from $26.2 million in the year ended December 31, 2024. The increase in interest expense is a result of:

- $15.6 million increase in interest expense due to an increase in our average indebtedness by $286.7 million between the two periods, partially offset by a decrease in our average debt service cost. Average indebtedness was $867.3 million in the year ended December 31, 2025, compared to average indebtedness of $580.6 million in the year ended December 31, 2024, while our average debt service cost decreased by approximately 0.76% mainly as a result of lower SOFR rates between the two periods;

- $1.2 million increase in the amortization of deferred finance costs and debt discount between the two periods; and

- $0.2 million decrease in interest expense due to an increase in the amount of interest expense capitalized on our vessels under construction that was $21.6 million in the year ended December 31, 2025, when compared to capitalized interest of $21.5 million in the year ended December 31, 2024.

As of December 31, 2025, our outstanding debt, gross of deferred finance costs, was $1,177.8 million, which include $262.8 million principal amount of the 2028 Senior Notes and $500.0 million principal amount of the 2032 Senior Notes. These balances compare to debt of $744.5 million, which included $262.8 million principal amount of the 2028 Senior Notes as of December 31, 2024. The increase in our outstanding debt is mainly due to (i) the issuance of the $500.0 million aggregate principal amount of the 2032 Senior Notes in October 2025, (ii) the loans drawn down to partially finance our container vessel newbuildings, partially offset by (iii) the early prepayment of two secured credit facilities.

Interest income increased by $6.6 million to $19.5 million in the year ended December 31, 2025 compared to $12.9 million in the year ended December 31, 2024, mainly driven by higher average cash balances between the two periods, partially offset by lower interest rates on cash deposits between the corresponding periods.

Other finance expenses increased by $0.1 million to $3.7 million in the year ended December 31, 2025 compared to $3.6 million in the year ended December 31, 2024.

Gain/(loss) on investments

The change in fair value of our shareholding interest in SBLK of $29.5 million was recognized in the year ended December 31, 2025 as gain on investments compared to a $25.2 million loss on investments representing the change in fair value of this investment in the year ended December 31, 2024.

Dividend income

Dividend income of $1.7 million was recognized on marketable securities in the year ended December 31, 2025 compared to $9.3 million dividend income on marketable securities in the year ended December 31, 2024.

Loss on debt extinguishment

The loss on debt extinguishment of $2.5 million in the year ended December 31, 2025 related to our early extinguishment of debt compared to nil in the year ended December 31, 2024.

Loss on equity investments

Loss on equity investments amounting to $1.0 million and $1.6 million in the years ended December 31, 2025 and December 31, 2024, respectively, relates to our share of initial expenses of CTTC, currently engaged in the research and development of decarbonization technologies for the shipping industry.

Loss on Derivatives

Amortization of deferred realized losses on interest rate swaps remained stable at $3.6 million in each of the years ended December 31, 2025 and December 31, 2024.

Other (expenses)/income, net

Other expenses/income, net, amounted to an expense of $1.2 million in the year ended December 31, 2025, compared to an income of $2.2 million in the year ended December 31, 2024. Other expenses/income, net, for the year ended December 31, 2024 mainly consisted of income of $2.1 million related to cash collected from the bankruptcy trustee of Hanjin Shipping as a partial payment of our claim under the Hanjin bankruptcy proceedings.

Year ended December 31, 2024 compared to the year ended December 31, 2023

During the year ended December 31, 2024, Danaos had an average of 70.2 container vessels and 8.6 drybulk vessels compared to 68.1 container vessels and 1.1 drybulk vessels during the year ended December 31, 2023. Our container vessels utilization for the year ended December 31, 2024 was 97.2% compared to 97.7% for the year ended December 31, 2023. Our drybulk vessels utilization for the year ended December 31, 2024 was 87.0% compared to 80.8% in the year ended December 31, 2023.

Operating Revenues

Operating revenues increased by 4.2%, or $40.5 million, to $1,014.1 million in the year ended December 31, 2024 from $973.6 million in the year ended December 31, 2023.

Operating revenues of our container vessels segment decreased by 2.7%, or $26.1 million, to $937.1 million in the year ended December 31, 2024 from $963.2 million in the year ended December 31, 2023, mainly due to:

- a $40.5 million increase in revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023 as a result of newbuilding vessel additions;

- a $40.4 million decrease in revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023 mainly as a result of lower charter rates and decreased vessel utilization;

- a $9.9 million decrease in revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023 due to vessel disposals;

- a $16.7 million decrease in revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023 due to decreased amortization of assumed time charters; and

- a $0.4 million increase in revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023 due to higher non-cash revenue recognition in accordance with US GAAP.

Operating revenues of our drybulk vessels segment added an incremental $66.6 million of revenues in the year ended December 31, 2024 compared to the year ended December 31, 2023, reflecting the significant increase in the average number of drybulk vessels operating in our fleet from 1.1 in 2023 to 8.6 in 2024.

Voyage Expenses

Voyage expenses increased by $23.1 million to $64.1 million in the year ended December 31, 2024 from $41.0 million in the year ended December 31, 2023, mainly as a result of a $24.5 million increase in the voyage expenses related to our drybulk vessels.

Voyage expenses of container vessels segment decreased by $1.4 million to $32.5 million in the year ended December 31, 2024 from $33.9 million in the year ended December 31, 2023 mainly due to decreased other voyage expenses, which refers to voyage expenses other than commissions, including bunkers consumption and port expenses.

Voyage expenses of drybulk vessels segment increased by $24.5 million to $31.6 million in the year ended December 31, 2024 compared to $7.1 million in the year ended December 31, 2023. Total voyage expenses of drybulk vessels segment comprised $4.5 million commissions and $27.1 million other voyage expenses, mainly bunkers consumption and port expenses, in the year ended December 31, 2024.

Vessel Operating Expenses

Vessel operating expenses increased by $23.6 million to $185.7 million in the year ended December 31, 2024 from $162.1 million in the year ended December 31, 2023, primarily as a result of the increase in the average number of vessels in our fleet due to recent container vessel newbuild deliveries and dry bulk vessels acquisitions, while the average daily operating cost of our vessels remained stable at $6,606 per vessel per day for the year ended December 31, 2024 compared to $6,607 per vessel per day for the year ended December 31, 2023. Management believes that our daily operating costs remain among the most competitive in the industry.

Vessel operating expenses for the container vessels segment increased by $3.1 million, to $162.2 million for the year ended December 31, 2024, from $159.1 million for the year ended December 31, 2023. The increase was driven from fleet expansion partially offset by lower costs per vessel per day. Vessels employed under bareboat charter agreements are excluded from the above per-day calculations, as vessel operating expenses under such arrangements are borne by the charterer.

Vessel operating expenses for the dry bulk vessels segment increased by $20.5 million, to $23.5 million for the year ended December 31, 2024, from $3.0 million for the year ended December 31, 2023. The increase was driven predominantly by fleet expansion, with higher ownership days.

Depreciation

Depreciation expense increased by 14.7%, or $19.0 million, to $148.3 million in the year ended December 31, 2024 from $129.3 million in the year ended December 31, 2023 mainly due to depreciation expense related to 10 recently acquired Capesize drybulk vessels and 6 recently delivered container vessel newbuilds.

Amortization of Deferred Drydocking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs increased by $10.5 million to $29.2 million in the year ended December 31, 2024 from $18.7 million in the year ended December 31, 2023, reflecting a larger number of container and drybulk vessels drydocked for which vessels amortized costs were recognized during 2024.

General and Administrative Expenses

General and administrative expenses increased by $10.7 million, to $54.2 million in the year ended December 31, 2024 from $43.5 million in the year ended December 31, 2023. The increase was mainly attributable to increased stock based compensation and management fees.

Net gain on disposal/sale of vessels

In March 2024, we sold for scrap the vessel *Stride,* which had been off-hire since January 8, 2024 due to damage from a fire in the engine room that was subsequently contained. We recognized $11.9 million of net insurance proceeds for the constructive total loss of the vessel and recorded a gain on disposal of this vessel amounting to $8.3 million in the year ended December 31, 2024.

In January 2023, we completed the sale of the container vessel *Amalia C* for net proceeds of $4.9 million resulting in a gain of $1.6 million.

Interest Expense, Interest Income and Other Finance Expenses

Interest expense increased by $5.7 million, to $26.2 million in the year ended December 31, 2024 from $20.5 million in the year ended December 31, 2023. The increase in interest expense is a result of:

- a $9.7 million increase in interest expense due to an increase in our average indebtedness by $129.7 million between the two periods, which was partially offset by a decrease in our debt service cost mainly as a result of a reduction in our financing margin cost. Average indebtedness was $580.6 million in the year ended December 31, 2024, compared to average indebtedness of $450.9 million in the year ended December 31, 2023; and

- a $0.1 million increase in the amortization of deferred finance costs; which were partially offset by

- a $4.1 million decrease in interest expense that would otherwise have been recognizable due to an increase in capitalized interest expense on our vessels under construction in the year ended December 31, 2024.

As of December 31, 2024, our outstanding debt, gross of deferred finance costs, was $744.5 million, which included $262.8 million principal amount of our Senior Notes. These balances compare to outstanding debt of $410.5 million, which included $262.8 million principal amount of our Senior Notes as of December 31, 2023. The increase in our outstanding debt is mainly due to bank loans drawn down to partially finance our container vessel newbuilds.

Interest income increased by $0.8 million to $12.9 million in the year ended December 31, 2024 compared to $12.1 million in the year ended December 31, 2023, which relates primarily to interest earned on time deposits of cash.

Other finance expenses decreased by $0.7 million to $3.6 million in the year ended December 31, 2024 compared to $4.3 million in the year ended December 31, 2023.

Gain/(loss) on investments

Following the all-stock merger of Eagle Bulk Shipping Inc. with Star Bulk which was completed on April 9, 2024, we currently own 4,070,214 shares of common stock of Star Bulk. The loss on investments of $25.2 million in the year ended December 31, 2024 represents the change in fair value of these marketable securities. This compares to a $17.9 million gain on marketable securities in the year ended December 31, 2023.

Dividend income

Dividend income of $9.3 million was recognized on marketable securities in the year ended December 31, 2024 compared to $1.0 million dividend income on marketable securities in the year ended December 31, 2023.

Loss on debt extinguishment

A $2.3 million loss on early extinguishment of our leaseback obligations in the year ended December 31, 2023 compares to no such loss in the year ended December 31, 2024.

Loss on equity investments

Loss on equity investments amounting to $1.6 million and $4.0 million in the year December 31, 2024 and December 31, 2023, respectively, relates to our share of initial expenses of CTTC, currently engaged in the research and development of decarbonization technologies for the shipping industry.

Loss on Derivatives

Amortization of deferred realized losses on interest rate swaps remained stable at $3.6 million in each of the years ended December 31, 2024 and December 31, 2023.

Other (expenses)/income, net

Other expenses/income, net amounted to $2.2 million income in the year ended December 31, 2024 compared to $0.8 million expense in the year ended December 31, 2023. The other expenses/income, net in the year ended December 31, 2024 mainly consists of $2.1 million of cash collections from the bankruptcy trustee of Hanjin Shipping as a partial payment of our claim under the Hanjin bankruptcy proceedings.

Liquidity and Capital Resources

Our principal source of funds has been operating cash flows and long-term bank borrowings, as well as funds from issuances of equity and debt securities, including offerings of our common stock, most recently in 2019, and unsecured senior notes in 2021 and October 2025. We have also received funds from dividend payments on investments in marketable securities of other shipping companies. Our principal uses of funds have been capital expenditures to establish, grow (including vessels currently under construction) and maintain our fleet, including our expansion into the dry bulk shipping sector, to comply with international shipping standards and environmental laws and regulations, and to fund working capital requirements and the repayment of debt.

Our short-term liquidity needs primarily relate to funding our vessel operating expenses, drydocking costs, installment payments for our contracted newbuildings, payment for the acquisition of a secondhand dry bulk vessel, funding of our investment in the Alaska LNG project, debt interest payments, servicing our debt obligations, the prepayment in full of tranches under our Syndicated $450.0 million Facility relating to vessels *Catherine C, Greenland, Interasia Accelerate* and *Interasia Amplify*, the payment of dividends, repurchases of our common stock and the full redemption of our outstanding 2028 Senior Notes on March 2, 2026. Our long-term liquidity needs primarily relate to installment payments for our contracted newbuildings, any additional vessel acquisitions, and debt repayment. We anticipate that our primary sources of funds will be cash from operations and equity or debt financings. We currently expect that the sources of funds available to us will be sufficient to meet our short-term liquidity and long-term liquidity requirements.

Under our existing multi-year charters as of December 31, 2025, we had $4,153.5 million of total contracted revenues, with $945.8 million for 2026, $900.8 million for 2027 and thereafter $2,306.9 million. Although these contracted cash revenues are based on contracted charter rates, we are dependent on the ability and willingness of our charterers to meet their obligations under these charters.

On October 16, 2025, we placed a $500.0 million senior unsecured bond due in 2032 and a coupon of 6.875%. In terms of uses of this offering, on December 1, 2025, we utilized $111.4 million towards early repayment of two secured credit facilities, while we have already issued a redemption notice to repay early on March 2, 2026 our 2028 Senior Notes with an outstanding principal amount of $262.8 million. The remaining proceeds were applied toward refinancing-related costs and expenses, including fees and commissions, with any balance available for general corporate purposes. In addition, on December 15, 2025, we entered into a Japanese operating lease agreement with a call option for a total facility of up to $80.0 million, with the purpose of financing the container vessel *Greenhouse* (the "JOLCO Greenhouse Facility") and on January 15, 2026, the Company drew down the full amount of the $80.0 million of the JOLCO Greenhouse Facility.

In February 2026, we notified the bank that on March 2, 2026 together with the quarterly instalments under the Syndicated $450.0 million Facility for the tranches relating to the vessels *Catherine C, Greenland, Interasia Accelerate*, and *Interasia Amplify*, amounting to $3.3 million, we would also prepay in full the outstanding principal amount of $213.8 million, resulting in a total cash outflow of $217.1 million.

As of December 31, 2025, we had cash and cash equivalents of $1,037.3 million. As of December 31, 2025, we had $247.5 million of remaining borrowing availability under our Citibank $382.5 mil. Revolving Credit Facility, the availability under which reduces on a quarterly basis through maturity in December 2027, $80.0 million under the JOLCO Greenhouse Facility and $850.0 million of remaining borrowing availability under our Syndicated $850.0 million Facility.

As of December 31, 2025, we had $1,177.8 million of outstanding indebtedness (gross of deferred finance costs), including $262.8 million relating to our 2028 Senior Notes, which we will redeem in full in March 2026, and $500.0 million relating to our 2032 Senior Notes, as discussed above. As of December 31, 2025, we were obligated to make quarterly fixed amortization payments, totaling $22.7 million to December 31, 2026, related to the long-term bank debt. We are also obligated to make certain payments to our Manager and Danaos Chartering under our management agreements, as described below under "—Contractual Obligations."

From 2022 through the end of 2025, we entered into contracts for the construction of a total of 35 containerships aggregating 232,948 TEUs in capacity for an aggregate purchase price of $2.7 billion. As of December 31, 2025, eight of these newbuilding containerships had been delivered to us.

As of December 31, 2025, the aggregate contracted purchase price of the 25 container vessels under construction amounted to $1,940.9 million, out of which $190.0 million, $174.5 million and $28.3 million was paid in the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the future remaining contractual commitments for the 25 vessels under construction were as follows (in millions of US$):

Payments due by year ending	**US$ mil.**
December 31, 2026	$ 502.4
December 31, 2027	763.7
December 31, 2028	239.5
December 31, 2029	42.5
Total contractual commitments	**$ 1,548.1**

In addition, during 2025, we entered into a Memorandum of Agreement to acquire a Capesize drybulk vessel for a purchase price of $25.0 million, which is expected to be delivered in the first quarter of 2026, of which we deposited $3.8 million into an escrow account in 2025, with the remaining $21.2 million payable upon delivery of the vessel.

Subsequent to December 31, 2025, we exercised our option to enter into shipbuilding contracts for the construction of two additional 5,300 TEUs container vessel newbuildings for an aggregate purchase price of $126.0 million, with expected delivery dates in 2029. Furthermore, we reached agreements with chinese shipyards for the construction of four Newcastlemax drybulk carriers of approximately 211,000 DWT each, with an aggregate purchase price of $297.3 million and expected delivery dates in 2028.

Additionally, a supervision fee of $850 thousand per newbuilding vessel will be payable to our Manager, Danaos Shipping, over the construction period starting from steel cutting. Supervision fees totaling totaling $1.9 million in the year ended December 31, 2025 and $3.0 million in each of the years ended December 31, 2024 and 2023, were charged by Danaos Shipping and capitalized to the vessels under construction. Interest expense amounting to $21.6 million, $21.5 million and $17.4 million was capitalized to the vessels under construction in the years ended December 31, 2025, 2024 and 2023, respectively.

In February 2026, we declared a dividend of $0.90 per share of common stock payable on March 4, 2026 to holders of record as of February 23, 2026. In the year ended December 31, 2025, the Company declared and paid a dividend of $0.85 per share of common stock in each of March, June, August and $0.90 per share in December amounting to $63.6 million. We intend to pay a regular quarterly dividend on our common stock, which will have an impact on our liquidity. 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, finance leases and Senior Notes, which include limitations on the amount of dividends and other restricted payments that we may make, and will be subject to conditions in the container and drybulk shipping industries, our financial performance and us having sufficient available excess cash and distributable reserves. See "Item 8. Financial Information—Dividend Policy" in this annual report.

In June 2022, we announced a share repurchase program of up to $100.0 million of our common stock. A $100.0 million increase to the existing share repurchase program, for a total aggregate amount of $200.0 million, was approved by our Board of Directors on November 10, 2023. On April 14, 2025, following Board approval, the Company announced the upsizing of its common stock repurchase program by an additional $100.0 million to a total of $300.0 million. We repurchased 60,819 shares of our common stock in the open market for $5.9 million for the period January 1, 2026 to February 25, 2026; 927,527 shares for $76.1 million in the year ended December 31, 2025; 661,103 shares for $53.9 million in the year ended December 31, 2024; 1,131,040 shares for $70.6 million in the year ended December 31, 2023 and 466,955 shares for $28.6 million in the year ended December 31, 2022. All purchases have been made on the open market within the safe harbor provisions of Regulation 10b-18 under the Exchange Act. Under the share repurchase program, shares of our common stock may be purchased in open market or privately negotiated transactions, at times and prices that are considered to be appropriate by the Company, and the program may be suspended or discontinued at any time.

We may also at any time and from time to time, seek to retire or purchase our outstanding debt securities through cash purchases, in open-market purchases, privately negotiated transactions or otherwise.

Star Bulk Carriers Corp. Shares

In June 2023, we acquired marketable securities of Eagle Bulk Shipping Inc., which was an owner of bulk carriers listed on the New York Stock Exchange (Ticker: EGLE) consisting of 1,552,865 shares of common stock for $68.2 million (out of which $24.4 million from Virage International Ltd., our related company). On December 11, 2023, Star Bulk Carriers Corp. (Ticker: SBLK) and EGLE announced that both companies had entered into a definitive agreement to combine in an all-stock merger, which was completed on April 9, 2024. Under the terms of the agreement, EGLE shareholders received 2.6211 shares of SBLK common stock in exchange for each share of EGLE common stock owned. During the year ended December 31, 2025, we purchased an additional 2,185,967 shares of common stock of "SBLK" in the open market for $29.9 million. As of December 31, 2025 and as of the date of this report, we own 6,256,181 shares of common stock of Star Bulk Carriers Corp., a Nasdaq-listed owner and operator of drybulk vessels. We recognized a $29.5 million gain on marketable securities and dividend income on these securities amounting to $1.7 million in the year ended December 31, 2025.

Investment in Alaska LNG Project

On January 20, 2026, we announced a strategic partnership with Glenfarne Group to advance the Alaska LNG project. This partnership includes our $50.0 million development capital equity investment in Glenfarne Alaska Partners LLC. In addition, Danaos Corporation will also be the preferred tonnage provider to construct and operate at least six LNG carriers to deliver LNG to global customers for Glenfarne Alaska LNG, LLC, majority owner and developer of the Alaska LNG Project. See "Item 4. Our Business—Strategic Partnership with Gelfarne Group-Alaska LNG Project."

Impact of Inflation and Interest Rates Risk on our Business

We continue to see near-term impacts on our business due to elevated inflation in the United States of America, Eurozone and other countries, including ongoing global prices pressures, which continue to affect our operating expenses to a moderate extent. Interest rates have increased rapidly and substantially as central banks in developed countries raised interest rates in an effort to subdue inflation. The eventual long-term implications of tight monetary policy, and higher long-term interest rates may continue to drive a higher cost of capital for our business, including because borrowings under our credit facilities are advanced at a floating rate based on SOFR and we do not have any interest rate hedging arrangements.

Cash Flows

	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
		(In thousands)	
Net cash provided by operating activities	$ 644,753	$ 621,750	$ 576,292
Net cash used in investing activities	$ (325,696)	$ (650,789)	$ (338,528)
Net cash provided by/(used in) financing activities	$ 264,851	$ 210,614	$ (233,623)

Net Cash Provided by Operating Activities

Net cash flows provided by operating activities increased by $23.0 million, to $644.8 million in the year ended December 31, 2025 compared to $621.8 million in the year ended December 31, 2024. The increase was attributed to: (i) $52.4 million increase in cash operating revenues, (ii) $10.9 million decrease in drydocking expenses, (iii) $7.4 million increase in interest income and (iv) $0.4 million decrease in commitment fees, partially offset by: (i) $23.8 million increase in total operating expenses principally due to the increased size of our drybulk and container vessel fleets, (ii) $12.5 million increase in net financing costs, (iii) $7.6 million decrease in dividend income, (iv) $2.1 million negative change in working capital, and (v) $2.1 million decrease in claims received.

Net cash flows provided by operating activities increased by $45.5 million, to $621.8 million in the year ended December 31, 2024 compared to $576.3 million in the year ended December 31, 2023. The increase was attributed to: (i) $79.3 million increase in net operating revenues, (ii) $8.2 million increase in dividend income from investments, (iii) $24.9 million change in working capital between the two periods, and (iv) $2.1 million of cash collection from the bankruptcy trustee of Hanjin Shipping, which were partially offset by: (i) $47.5 million increase in operating expenses principally due to the increased size of our drybulk and container vessel fleets, (ii) $19.4 million increase in payments for drydocking and special survey costs, and (iii) $2.1 million increase in net finance costs.

Net Cash Used in Investing Activities

Net cash flows used in investing activities decreased by $325.1 million, to $325.7 million used in investing activities in the year ended December 31, 2025 compared to $650.8 million used in investing activities in the year ended December 31, 2024. The decrease was due to: (i) $263.9 million lower payments for vessels under construction, (ii) $77.8 million lower payments for vessel acquisitions, and (iii) a $20.9 million decrease in vessel cost additions, partially offset by: (i) $29.0 million increase in investments in marketable securities and (ii) $8.5 million decrease in net proceeds and insurance proceeds from disposal of vessel.

Net cash flows used in investing activities increased by $312.3 million, to $650.8 million used in investing activities in the year ended December 31, 2024, compared to $338.5 million used in investing activities in the year ended December 31, 2023. The increase was the result of: (i) $440.8 million increase in advance payments for vessels under construction including capitalized interest and (ii) $9.9 million increase in additions to vessel cost, which were partially offset by: (i) $72.7 million decrease in investments outflows, (ii) $59.4 million decrease in advances and payments for vessel acquisitions, and (iii) $6.3 million increase in net sale and insurance proceeds from disposal/sale of vessels.

Net Cash Provided by/(Used in) Financing Activities

Net cash flows provided by financing activities increased by $54.3 million, to $264.9 million provided by financing activities in the year ended December 31, 2025 compared to $210.6 million provided by financing activities in the year ended December 31, 2024. This increase was attributed to: (i) increase of $258.7 million in debt proceeds, partially offset by: (i) $154.1 million increase of early prepayments of long-term debt, (ii) $22.4 million increase in repurchase of our common stock, (iii) $18.5 million increase in finance costs, (iv) $8.7 million increase in amortization payments of long-term debt, and (v) $0.7 million increase in dividend payments on our common stock.

Net cash flows provided by/used in financing activities increased by $444.2 million, to $210.6 million provided by financing activities in the year ended December 31, 2024 compared to $233.6 million used in financing activities in the year ended December 31, 2023. This increase was attributed to: (i) $362.0 million increase in proceeds from long-term debt, (ii) $72.4 million decrease in payments of long-term debt and leaseback obligations, and (iii) $17.3 million decrease in repurchase of common stock, which were partially offset by: (i) $5.4 million increase in finance costs, and (ii) $2.1 million increase in dividend payments on our common stock.

Non-GAAP Financial Measures

We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). Management believes, however, 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 our performance. See the table below for supplemental financial data and corresponding reconciliation to GAAP financial measures. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. The non-GAAP financial measures as presented below may not be comparable to similarly titled measures of other companies in the shipping or other industries.

EBITDA and Adjusted EBITDA

EBITDA represents net income before interest income and expense, income taxes, depreciation, amortization of deferred drydocking & special survey costs, amortization of assumed time charters, amortization of deferred realized losses of cash flow interest rate swaps, amortization of deferred finance costs, debt discount and commitment fees. Adjusted EBITDA represents net income before interest income and expense, income taxes, depreciation, amortization of deferred drydocking & special survey costs, amortization of assumed time charters, amortization of deferred realized losses of cash flow interest rate swaps, amortization of deferred finance costs, debt discount and commitment fees, stock based compensation and one-off discretionary cash bonus of executives and employees, gain/loss on debt extinguishment, net gain on disposal/sale of vessels and gain/loss in fair value of investments. We believe that EBITDA and Adjusted EBITDA assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. EBITDA and Adjusted EBITDA are also used: (i) by prospective and current customers as well as potential lenders to evaluate potential transactions; and (ii) to evaluate and price potential acquisition candidates. Our EBITDA and Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA/Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA/Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. 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. Because of these limitations, EBITDA/Adjusted EBITDA should not be considered as principal indicators of our performance.

Net Income Reconciliation to EBITDA and Adjusted EBITDA

	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
		(In USD in thousands)	
Net income	$ 494,614	$ 505,073	$ 576,299
Depreciation	163,366	148,344	129,287
Amortization of deferred drydocking & special survey costs	44,074	29,161	18,663
Amortization of assumed time charters	—	(4,534)	(21,222)
Amortization of deferred realized losses of cash flow interest rate swaps	3,622	3,632	3,622
Amortization of finance costs, debt discount and commitment fees	5,694	4,905	5,136
Interest income	(19,548)	(12,890)	(12,133)
Interest expense	39,355	23,859	18,262
Income taxes	—	—	—
EBITDA	**$ 731,177**	**$ 697,550**	**$ 717,914**
(Gain)/Loss on investments	(29,541)	25,179	(17,867)
Loss on debt extinguishment	2,499	—	2,254
Net gain on disposal/sale of vessels	—	(8,332)	(1,639)
Stock based compensation and one-off discretionary cash bonus of executives and employees	15,241	8,218	6,340
Adjusted EBITDA	**$ 719,376**	**$ 722,615**	**$ 707,002**

EBITDA increased by $33.7 million, to $731.2 million in the year ended December 31, 2025, from $697.5 million in the year ended December 31, 2024. This increase was attributed to: (i) $32.9 million increase in operating revenues (excluding $4.5 million decrease in amortization of assumed time-charters), (ii) $54.7 million increase in fair value gain on investments and (iii) $0.6 million decrease in loss on equity investments, which were partially offset by: (i) $34.0 million increase in total operating expenses, (ii) $8.3 million decrease in gain from disposal of vessel, (iii) $7.6 million decrease in dividends received, (iv) $2.5 million increase in loss on debt extinguishment and (v) $2.1 million decrease in claims received.

EBITDA decreased by $20.4 million, to $697.5 million in the year ended December 31, 2024, from $717.9 million in the year ended December 31, 2023. This decrease is primarily attributed to: (i) a $56.3 million increase in total operating expenses and (ii) a $34.8 million change in fair value of our investment and dividend income, which were partially offset by: (i) a $57.2 million increase in operating revenues, (ii) a $6.7 million increase in net gain on disposal/sale of vessels, (iii) a $2.4 million decrease in loss on equity investments, (iv) a $2.3 million decrease in loss on debt extinguishment and (v) a $2.1 million cash collection of common benefit claim from the bankruptcy trustee of Hanjin Shipping.

Adjusted EBITDA decreased by $3.2 million, to $719.4 million in the year ended December 31, 2025, from $722.6 million in the year ended December 31, 2024. This decrease was attributed to: (i) $27.0 million increase in total operating expenses, (ii) $7.6 million decrease in dividends received, and (ii) $2.1 million decrease in claims received, which were partially offset by: (i) $32.9 million increase in operating revenues (excluding $4.5 million decrease in amortization of assumed time-charters), and (ii) $0.6 million decrease in loss on equity investments.

Adjusted EBITDA increased by $15.6 million, to $722.6 million in the year ended December 31, 2024, from $707.0 million in the year ended December 31, 2023. This increase is primarily attributed to: (i) a $57.2 million increase in operating revenues, (ii) a $8.2 million increase in dividends received, (iii) a $2.4 million decrease in loss on equity investments and (iv) a $2.1 million cash collection of common benefit claim from the bankruptcy trustee of Hanjin Shipping, which were partially offset by a $54.3 million increase in total operating expenses.

Net Income Reconciliation to Adjusted EBITDA per segment (in thousands):

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	Container Vessels	Drybulk Vessels	Other	Total	Container Vessels	Drybulk Vessels	Other	Total
Net income/(loss)	$ 460,946	$ 3,353	$ 30,315	$ 494,614	$ 518,129	$ 4,429	$ (17,485)	$ 505,073
Depreciation	150,075	13,291	—	163,366	137,823	10,521	—	148,344
Amortization of deferred drydocking & special survey costs	35,114	8,960	—	44,074	27,167	1,994	—	29,161
Amortization of assumed time charters	—	—		—	(4,534)	—		(4,534)
Amortization of deferred finance costs, commitment fees and debt discount	5,694	—	—	5,694	4,905	—	—	4,905
Amortization of deferred realized losses on interest rate swaps	3,622	—	—	3,622	3,632	—	—	3,632
Interest income	(19,413)	(2)	(133)	(19,548)	(12,843)		(47)	(12,890)
Interest expense excluding amortization of finance costs	39,355	—	—	39,355	23,859	—	—	23,859
Change in fair value of investments	—	—	(29,541)	(29,541)	—	—	25,179	25,179
Stock based compensation and one-off discretionary cash bonus of executives and employees	14,242	999	—	15,241	7,657	561	—	8,218
Loss on debt extinguishment	2,499	—	—	2,499	—	—	—	—
Net gain on disposal/sale of vessels	—	—	—	—	(8,332)	—	—	(8,332)
Adjusted EBITDA	**$ 692,134**	**$ 26,601**	**$ 641**	**$ 719,376**	**$ 697,463**	**$ 17,505**	**$ 7,647**	**$ 722,615**

	Year Ended December 31, 2024				Year Ended December 31, 2023			
	Container Vessels	Drybulk Vessels	Other	Total	Container Vessels	Drybulk Vessels	Other	Total
Net income/(loss)	$ 518,129	$ 4,429	$ (17,485)	$ 505,073	$ 563,279	$ (1,910)	$ 14,930	$ 576,299
Depreciation	137,823	10,521	—	148,344	128,097	1,190	—	129,287
Amortization of deferred drydocking & special survey costs	27,167	1,994	—	29,161	18,663	—	—	18,663
Amortization of assumed time charters	(4,534)	—	—	(4,534)	(21,222)	—	—	(21,222)
Amortization of finance costs and commitment fees	4,905	—	—	4,905	5,136	—	—	5,136
Amortization of deferred realized losses on interest rate swaps	3,632	—	—	3,632	3,622	—	—	3,622
Interest income	(12,843)	—	(47)	(12,890)	(12,096)	(37)	—	(12,133)
Interest expense excluding amortization of finance costs	23,859	—	—	23,859	18,262	—	—	18,262
Change in fair value of investments	—	—	25,179	25,179	—	—	(17,867)	(17,867)
Stock based compensation of executives and employees	7,657	561	—	8,218	6,120	220	—	6,340
Loss on debt extinguishment	—	—	—	—	2,254	—	—	2,254
Net gain on disposal/sale of vessels	(8,332)	—	—	(8,332)	(1,639)	—	—	(1,639)
Adjusted EBITDA	**$ 697,463**	**$ 17,505**	**$ 7,647**	**$ 722,615**	**$ 710,476**	**$ (537)**	**$ (2,937)**	**$ 707,002**

Time Charter Equivalent Revenues and Time Charter Equivalent US$/day per segment

Time charter equivalent revenues represent operating revenues less voyage expenses excluding commissions presented per container vessels segment and drybulk vessels segment separately. Time charter equivalent US$/per day ("TCE rate") represents the average daily TCE rate of our container vessels segment and drybulk vessels segment calculated dividing time charter equivalent revenues of each segment by operating days of each segment. Operating days of each segment is calculated by deducting vessels off-hire days of each segment from total ownership days of each segment. TCE rate is a measure of the average daily net revenue performance of our vessels in each segment. TCE rate is a standard shipping industry performance measure used primarily to compare period to period changes in a shipping company's performance despite changes in the mix of charter types i.e., voyage charters, time charters, bareboat charters under which its vessels may be employed between the periods. Our method of computing TCE rate may not necessarily be comparable to TCE rates of other companies due to differences in methods of calculation. We include TCE rate, a non-GAAP measure, as it provides additional meaningful information in conjunction with operating revenues, the most directly comparable GAAP measure. TCE rate is useful to investors because it enables them to evaluate our operating performance across different periods on a comparable basis regardless of changes in charter type mix and to compare our performance against industry peers. TCE rate assists our management in making decisions regarding the deployment and use of our operating vessels and assists investors and our management in evaluating our financial performance.

Container vessels segment TCE rate	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Ownership Days	27,039	25,684
Less Off-hire Days:		
Scheduled Off-hire Days	(430)	(525)
Other Off-hire Days	(44)	(198)
Operating Days	26,565	24,961
Operating Revenues (in '000s of US$)	$ 955,433	$ 937,077
Less: Voyage Expenses excluding commissions (in '000s of US$)	(1,972)	746
Time Charter Equivalent Revenues (in '000s of US$)	**$ 953,461**	**$ 937,823**
Time Charter Equivalent US$/per day	**$ 35,892**	**$ 37,572**

Drybulk vessels segment TCE rate	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Ownership Days	3,650	3,164
Less Off-hire Days:		
Scheduled Off-hire Days	(56)	(378)
Other Off-hire Days	(16)	(33)
Operating Days	3,578	2,753
Operating Revenues (in '000s of US$)	$ 87,023	$ 77,033
Less: Voyage Expenses excluding commissions (in '000s of US$)	(21,992)	(27,075)
Time Charter Equivalent Revenues (in '000s of US$)	**$ 65,031**	**$ 49,958**
Time Charter Equivalent US$/per day	**$ 18,175**	**$ 18,147**

Credit Facilities

We, as borrower, and certain of our subsidiaries, as guarantors, have entered into a number of credit facilities in connection with financing the acquisition of certain vessels in our fleet. Our existing credit facilities are secured by, among other things, certain of our vessels (as described below). The following summarizes certain terms of our existing credit facilities and our Senior Notes:

Credit Facility	**Outstanding Principal Amount as of December 31, 2025 (in millions of US$)**	**Collateral Vessels and Under Construction Hulls**
Syndicated $450.0 mil. Facility	$ 335.2	*Catherine C, Greenland, Greenville, Greenfield, Interasia Accelerate and Interasia Amplify*
Citibank $382.5 mil. Revolving Credit Facility	$ —	*Express Berlin, Express Rome, Express Athens, Kota Plumbago, Speed, Ambition, Pusan C, Le Havre, Europe, America, CMA CGM Musset, Racine, CMA CGM Rabelais, CMA CGM Nerval, YM Maturity and YM Mandate*
Syndicated $850.0 mil. Facility	$ —	*Hull No. YZJ2023-1556, Hull No. YZJ2023-1557, Hull No. YZJ2024-1612, Hull No. YZJ2024-1613, Hull No. YZJ2024-1625, Hull No. YZJ2024-1626, Hull No. YZJ2024-1668, Hull No. C9200-7, Hull No. C9200-8, Hull No. C9200-9, Hull No. C9200-10, Hull No. C9200-11, Hull No. H2596 and Hull No. H2597*
JOLCO Greenhouse Facility[(1)]	$ —	*Greenhouse*
JOLCO Phoebe Facility	$ 79.8	*Phoebe*
2028 Senior Notes	$ 262.8	None
2032 Senior Notes	$ 500.0	None

(1) On January 15, 2026, we drew down the full amount of $80.0 million under the JOLCO Greenhouse facility.

As of December 31, 2025, there was $247.5 million of remaining borrowing availability under our Citibank $382.5 mil. Revolving Credit Facility, $850.0 million under the Syndicated $850.0 mil. Facility and $80.0 million under the JOLCO Greenhouse Facility. As of December 31, 2025, 77 of our vessels were unencumbered. See Note 10 "Long-Term Debt, net" to our consolidated financial statements included elsewhere in this report for additional information regarding our outstanding debt and the related repayment schedule.

The weighted average interest rate on our borrowings for the years ended December 31, 2025, 2024 and 2023 was 6.9%, 7.7% and 7.8%, respectively (including leaseback obligations).

On October 16, 2025, we consummated the offering of $500.0 million of 6.875% senior unsecured notes due in 2032, and we will redeem in full the $262.8 million outstanding principal amount of our existing 8.500% Senior Notes due 2028 on March 2, 2026. On December 1, 2025, we prepaid in full the outstanding principal amount under our BNP Paribas/Credit Agricole $130.0 million Secured Credit Facility and our Alpha Bank $55.25 million Secured Credit Facility.

JOLCO Greenhouse Facility

In December 2025, we entered into a Japanese operating lease agreement (the "JOLCO Greenhouse Facility") with a call option for a total facility of up to $80.0 million, with the purpose of financing the container vessel Greenhouse. Although legal title to the vessel was transferred to the lessor as part of the arrangement, the transaction did not qualify as a sale under the sale-leaseback guidance in ASC 842 (which incorporates the sale criteria in ASC 606) and is therefore accounted for as a financing arrangement in accordance with ASC 470. The facility provides total funding of up to $80.0 million and has an eight-year term. The facility includes a call option that allows the Company to repurchase the vessel at specified dates during the term of the arrangement. On January 15, 2026, the Company drew down the full amount of $80.0 million. The vessel will be continued to be recognized under "Fixed assets, net" on the Company's consolidated balance sheets and to be depreciated over its remaining useful life.

JOLCO Phoebe Facility

In October 2025, we entered into a Japanese Operating Lease with Call Option ("JOLCO Phoebe Facility") structure to finance the container vessel *Phoebe* (previously financed and mortgaged under the Syndicated $450.0 million Facility). Although legal title to the vessel was transferred to the lessor as part of the arrangement, the transaction did not qualify as a sale under the sale-leaseback guidance in ASC 842 (which incorporates the sale criteria in ASC 606) and is therefore accounted for as a financing arrangement in accordance with ASC 470. The facility provides total funding of up to $80.0 million and has an eight-year term. The facility includes a call option that allows the Company to repurchase the vessel at specified dates during the term of the arrangement. On October 30, 2025, we received the full $80.0 million in proceeds, which recognized as a financing liability. The vessel continues to be recognized under "Fixed assets, net" on the Company's consolidated balance sheets and to be depreciated over its remaining useful life.

Syndicated $850.0 mil. Senior Secured Credit Facility

On February 7, 2025, we, as borrower, and our subsidiaries that have entered into the relevant shipbuilding contracts for the vessels that will collateralize the facility, as guarantors, entered into an up to $850 million Syndicated Senior Secured Credit Facility (the "Syndicated $850 mil. Facility") with a syndicate of banks, consisting of fourteen tranches, seven of up to $57.75 million, two of up to $63.75 million and five of up to $63.68 million, each committed to finance and to be secured by one of our newbuilding vessels under construction at the time of entry into the credit facility and other customary collateral. Each of the tranches is repayable over 5 years from the date such tranche is drawn down in 20 consecutive quarterly repayment installments of $0.77 million, together with a balloon payment of $43.35 million at maturity, for the seven $57.75 million tranches; 20 consecutive quarterly repayment installments of $0.85 million, together with a balloon payment of $46.675 million at maturity, for the two $63.675 million tranches and 20 consecutive quarterly repayment installments of $0.85 million each, together with a balloon payment of $46.68 million at maturity, for the five $63.68 million tranches. This facility bears interest at SOFR plus a margin of 1.65% and commitment fee of 0.495% on any undrawn amount. We do not expect to draw any amounts under this facility until the third quarter of 2026 when the first of the newbuildings financed thereunder is expected to be delivered to us.

Syndicated $450.0 mil. Senior Secured Credit Facility

In March 2024, we, as borrower, and our subsidiaries owning the vessels collateralizing the facility, as guarantors, entered into a syndicated secured loan facility agreement providing for a maximum principal amount of up to $450.0 million (the "Syndicated $450.0 mil. Facility"). The facility was initially secured by eight of the Company's container vessels, including the vessel *Greenhouse*, which was under construction and delivered to the Company in the fourth quarter of 2025. In September 2025, the Company submitted to the bank a cancellation notice related to the undrawn tranche for this vessel. In connection with this cancellation, we recorded a loss on debt extinguishment of $1.1 million, representing the write-off of unamortized deferred financing costs and commitment fee charges associated with the undrawn portion of the facility.

The facility was structured in separate vessel tranches, each drawn upon delivery of the respective vessel. As of December 31, 2025, all seven remaining vessel tranches had been fully utilized. Each drawn vessel tranche is repayable in 20 equal quarterly instalments ranging from $0.6 million to $0.9 million per tranche, followed by a balloon payment due on the fifth anniversary of each tranche, ranging from $31.8 million to $45.5 million, with final maturities extending through September 2030. Borrowings under the facility bear interest at SOFR plus a margin of 1.85% and are subject to a commitment fee of 0.74% on undrawn amounts. On October 1, 2025, we prepaid the outstanding principal amount of $42.78 million related to the newbuilding vessel *Phoebe*, which had been drawn in January 2025. In connection with this prepayment, unamortized deferred financing costs of $0.7 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income. In February 2026, we notified the bank that on March 2, 2026 together with the quarterly instalments under the Syndicated $450.0 million Facility for the tranches relating to the vessels *Catherine C, Greenland, Interasia Accelerate, and Interasia Amplify,* amounting to $3.3 million, we would also prepay in full the outstanding principal amount of $213.8 million, resulting in a total cash outflow of $217.1 million.

Citibank $382.5 mil. Senior Secured Revolving Credit Facility

In December 2022, we, as borrower, and our subsidiaries owning the vessels collateralizing the facility, as guarantors, entered into a $382.5 mil. Senior Secured Revolving Credit Facility with Citibank (the "Citibank $382.5 mil. Revolving Credit Facility") and with Alpha Bank $55.25 mil. Facility (as defined below). As of December 31, 2025, no amounts were drawn down under Citibank $382.5 mil. Revolving Credit Facility and $247.5 million remained available for borrowing as of December 31, 2025. The Citibank $382.5 million Revolving Credit Facility is a reducing facility and is repayable over five years through 20 quarterly commitment reductions of $11.25 million each, followed by a final reduction of $157.5 million at maturity in December 2027. Borrowings under this facility bear interest at SOFR plus a margin of 2.0%, and a commitment fee of 0.8% is payable on the undrawn portion. The facility is secured by sixteen of the Company's vessels.

BNP Paribas/Credit Agricole $130 mil. Senior Secured Revolving Credit Facility

In June 2022, we put in place a $130.0 million senior secured term loan facility with BNP Paribas and Credit Agricole (the "BNP Paribas/Credit Agricole $130 mil. Facility"), which was secured by six 5,466 TEUs sister vessels acquired in 2021. The facility was repayable in eight quarterly instalments of $5.0 million followed by twelve quarterly instalments of $1.9 million, together with a balloon payment of $67.2 million payable at maturity of the facility's five year term in June 2027. The facility bore interest at SOFR plus a margin of 2.16%. On December 1, 2025, we prepaid the outstanding principal amounts of $78.6 million under the BNP Paribas/Credit Agricole $130.0 million Facility. In connection with this prepayment, unamortized deferred financing costs of $0.6 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income.

Alpha Bank $55.25 mil. Senior Secured Revolving Credit Facility

In December 2022, as discussed above, we also entered into a $55.25 million secured credit facility with Alpha Bank, which was fully utilized (the "Alpha Bank $55.25 mil. Facility"). The Alpha Bank $55.25 mil. Facility was repayable over five years in 20 consecutive quarterly installments of $1.875 million each, with a balloon payment of $17.75 million due at maturity in December 2027. This facility bore interest at SOFR plus a margin of 2.3% and was secured by two of the Company's vessels. On December 1, 2025, we prepaid the outstanding principal amount of $32.8 million under the Alpha Bank $55.25 mil. Facility. In connection with this prepayment, unamortized deferred financing costs of $0.1 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income.

Covenants, Events of Default, Collateral and Other Terms

The Syndicated $850 mil. Facility, Syndicated $450 mil. Facility and Citibank $382.5 mil. Revolving Credit Facility each contain a requirement to maintain a minimum fair market value of collateral vessels to loan value coverage of 120%. Additionally, these facilities, and the JOLCO Phoebe Facility and JOLCO Greenhouse Facility, require us to maintain the following financial covenants:

(i) minimum liquidity of $30.0 million;
(ii) maximum consolidated debt (less cash and cash equivalents) to consolidated EBITDA ratio of 6.5x; and
(iii) minimum consolidated EBITDA to net interest expense ratio of 2.5x.

Each of our credit facilities, but not our unsecured Senior Notes, are collateralized by first preferred mortgages over the vessels specified above, general assignment of all hire freights, income and earnings, the assignment of their insurance policies, as well as any proceeds from the sale of mortgaged vessels, stock pledges and benefits from corporate guarantees. Twenty-four of our vessels having a net carrying value of $1,736.3 million as of December 31, 2025, were subject to first preferred mortgages as collateral to our credit facilities; no vessels were subject to mortgages under our unsecured 2028 Senior Notes or 2032 Senior Notes.

Each of our credit facilities also contain certain restrictive covenants and customary events of default, including those relating to cross-acceleration and cross-defaults to other indebtedness, non-compliance or repudiation of security documents, material adverse changes to our business, the Company's common stock ceasing to be listed on the NYSE (or another recognized stock exchange), foreclosure on a vessel in our fleet, a breach of the undertaking from the Manager and a material breach or (for the purposes of the Citibank $382.5 mil. Revolving Credit Facility) change to an existing charter or cancellation of a charter (unless replaced with a similar charter acceptable to the lenders) for the vessels securing such credit facilities. Our credit facilities also require that the vessels mortgaged under the relevant facility are at all times managed by our Manager. In addition, we and our subsidiaries will not be permitted under our credit facilities to pay dividends if there is a breach of covenant or an event of default, including if the minimum collateral coverage requirement is not satisfied, or such a breach or event of default would result from such dividend payment. Our credit facilities also contain customary covenants that will require us to maintain adequate insurance coverage and obtain the consent of the lenders thereunder before we incur any new indebtedness that is secured by the mortgaged vessels.

For the purpose of these covenants in the Syndicated $450.0 mil. Facility and the Syndicated $850.0 mil. Facility the market value of our vessels is calculated on a charter-free basis based on broker valuations. For the purpose of these covenants in the Citibank $382.5 mil. Revolving Credit Facility, the market value of our vessels is calculated on a charter-inclusive basis (using the present value of the "bareboat-equivalent" time charter income from such charter) so long as a vessel's charter has a remaining duration at the time of valuation of more than twelve months plus the present value of the residual value of the relevant vessel (generally equivalent to the charter free value of an equivalent vessel today at the age such vessel would be at the expiration of the existing time charter). The market value of any newbuilding vessels would equal the lesser of such amount and the newbuilding vessel's book value.

A “Change of Control” will give the lenders under each of our credit facilities the right to cancel any remaining commitments thereunder and to declare all amounts outstanding under such credit facility immediately due and payable. A “Change of Control” of the Company for these purposes includes the occurrence of the following: (i) Dr. Coustas ceases to be both the Company’s Chief Executive Officer and a director of the Company, unless this is due to his death or disability and, in such case, a replacement person is appointed by the Company’s board of directors, (ii) the existing members of the board of directors and the directors appointed following nomination by the existing board of directors collectively do not constitute a majority of the board of directors of the Company, (iii) Dr. Coustas and members of his family cease to collectively control at least 15% and one share of the voting interest in the Company’s outstanding capital stock or to beneficially own at least 15% and one share of the Company’s outstanding capital stock, (iv) any person or persons acting in concert (other than the Coustas family) controls the Company, (v) Dr. Coustas and/or DIL cease to own 80% of the capital stock and/or voting rights in our Manager and/or cease to control the Manager, and/or (vi) any guarantor of the applicable credit facility ceases to be a wholly owned subsidiary of (and controlled by) Danaos Corporation.

We were in compliance with the financial covenants and collateral coverage requirements contained in the credit facility agreements as of December 31, 2025 and December 31, 2024.

Senior Notes

2028 Senior Notes

On February 11, 2021, we consummated an offering of $300 million aggregate principal amount of 8.500% Senior Notes due 2028 of Danaos Corporation, which we refer to as the 2028 Senior Notes or the 8.500% Senior Unsecured Notes Due 2028. The 2028 Senior Notes are general senior unsecured obligations of Danaos Corporation.

The 2028 Senior Notes were issued pursuant to an Indenture, dated as of February 11, 2021, between the Company and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent. The 2028 Senior Notes bear interest at a rate of 8.500% per year, payable in cash on March 1 and September 1 of each year, commencing September 1, 2021. The 2028 Senior Notes would mature on March 1, 2028. We will redeem in full the $262.8 million outstanding principal amount of our 2028 Senior Notes due in March 2028 on March 2, 2026.

In December 2022, we repurchased $37.2 million aggregate principal amount of our 2028 Senior Notes in a privately negotiated transaction. As described above, we will redeem in full the $262.8 million outstanding principal amount of our 2028 Senior Notes on March 2, 2026.

2032 Senior Notes

On October 16, 2025, we consummated an offering of $500 million aggregate principal amount of 6.875% Senior Notes due 2032, which we refer to as the 2032 Senior Notes or the 6.875% Senior Unsecured Notes Due 2032. The 2032 Senior Notes are general senior unsecured obligations of Danaos Corporation.

The 2032 Senior Notes were issued pursuant to an Indenture, dated as of October 16, 2025, between Danaos Corporation and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent (the “Indenture”). The 2032 Senior Notes bear interest at a rate of 6.875% per year, payable in cash on March 1 and September 1 of each year, commencing March 1, 2026. The 2032 Senior Notes will mature on October 15, 2032.

We may redeem some or all of the 2032 Senior Notes at any time or from time to time for cash: (i) prior to October 15, 2028, at 100.00% of the principal amount of such 2032 Senior Notes, plus an applicable “make-whole premium,” plus accrued and unpaid interest; (ii) on or after October 15, 2028 and prior to October 15, 2029, at 103.438% of the principal amount of such Senior Notes, plus accrued and unpaid interest; (iii) on or after October 15, 2029 and prior to October 15, 2030, at 101,719% of the principal amount of such 2032 Senior Notes, plus accrued and unpaid interest; and (iv) on or after October 15, 2030 and prior to maturity, at 100.000% of the principal amount of such 2032 Senior Notes, in each case plus accrued and unpaid interest to, but not including, the redemption date.

Subject to certain conditions, at any time and from time to time prior to October 15, 2028 we may redeem up to 40% of the original aggregate principal amount of the 2032 Senior Notes with the net cash proceeds of public equity offerings of the Company and certain contributions to the Company’s equity at a redemption price of 106.875% of their principal amount, plus accrued and unpaid interest, if any, to but excluding the redemption date; provided that at least 60% of the original aggregate principal amount of the 2032 Senior Notes remain outstanding.

If a “Change of Control” (as defined in the Indenture) of the Company occurs, the Company must make a “Change of Control Offer” (as defined in the Indenture) to each holder of the notes to repurchase all or any part of such holder’s 2032 Senior Notes at a purchase price in cash in an amount equal to 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the repurchase date. In the event of certain developments affecting taxation, we may redeem the 2032 Senior Notes in whole, but not in part, at any time, at a redemption price of 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of redemption.

The Indenture contains covenants that limit, among other things, our ability and the ability of certain of our existing and future subsidiaries to:

- pay dividends, make distributions, redeem or repurchase capital stock and make certain other restricted payments of investments;
- incur additional indebtedness or issue certain equity interests;
- merge, consolidate or sell all or substantially all assets;
- issue or sell capital stock of some of the Company’s subsidiaries;
- sell or exchange assets or enter into new businesses;
- create any restrictions on the payment of dividends, the making of distributions, the making of loans and the transfer of assets;
- create liens on assets;
- sell or exchange assets or enter into new businesses;
- create any restrictions on the payment of dividends, the making of distributions, the making of loans and the transfer of assets; and
- enter into certain transactions with affiliates or related persons.

The 2032 Senior Notes are listed on the Official List of The International Stock Exchange (the “ISE”). The ISE is not a regulated market for the purposes of Directive 2004/39/EC. There are no assurances that the 2032 Senior Notes will remain admitted for trading on the ISE.

The 2032 Senior Notes and the Indenture contain customary events of default, including failure to pay principal or interest, breach of covenants, cross-acceleration to other debt in excess of $75 million and bankruptcy events, all subject to terms, including notice and cure periods, set forth in the Indenture.

The Indenture and the 2032 Senior Notes are governed by New York law.

Principal Payments

The scheduled debt maturities of our credit facilities, including our unsecured Senior Notes, as of December 31, 2025 are as follows (in millions of US$):

Payments due by year ending	Principal Repayments (in millions of US$)
December 31, 2026*	$ 285.4
December 31, 2027	23.4
December 31, 2028*	23.5
December 31, 2029	278.5
December 31, 2030	3.8
December 31, 2031 and thereafter	563.2
Total long-term debt	**$ 1,177.8**

*As described above, we will redeem in full the $262.8 million outstanding principal amount of our 2028 Senior Notes due in March 2028 on March 2, 2026.

Interest Rate Swaps

In the past, we entered into interest rate swap agreements converting floating interest rate exposure into fixed interest rates in order to hedge some of our exposure to fluctuations in prevailing market interest rates, as well as interest rate swap agreements converting the fixed rate we paid in connection with certain of our credit facilities into floating interest rates in order to economically hedge the fair value of the fixed rate credit facilities against fluctuations in prevailing market interest rates. All of these interest rate swap agreements have expired and we do not currently have any outstanding interest rate swap agreements. See "Note 13. Financial Instruments" to our audited financial statements included in this annual report and "—Factors Affecting our Results of Operations—Unrealized gain/(loss) and realized loss on derivatives."

Contractual Obligations

Our contractual obligations as of December 31, 2025 were:

	Payments Due by Period				
	Total	1 year (2026)	Less than 2-3 years (2027-2028)	4-5 years (2029-2030)	6-8 years (2031-2033)
	in thousands of US$				
Long-term debt obligations of contractual fixed debt principal repayments (1)	$ 1,177,782	285,448	46,897	282,289	563,148
Interest on long-term debt obligations (2)	$ 336,056	62,400	110,029	87,959	75,668
Commitment fees (3)	$ 3,228	1,858	1,370	—	—
Payments to our Manager and Danaos Chartering (4)	$ 74,122	74,122	—	—	—
Payments to shipyards for newbuilding vessels (5)	$ 1,548,115	502,414	1,003,151	42,550	—
Payments for acquisition of drybulk vessel (6)	$ 21,250	21,250	—	—	—
Total	**$ 3,160,553**	**$ 947,492**	**$ 1,161,447**	**$ 412,798**	**$ 638,816**

(1) These long-term debt obligations reflect our existing debt obligations and our 2028 Senior Notes and 2032 Senior Notes as of December 31, 2025. As described above, we intend to redeem in full the $262.8 million outstanding principal amount of our 2028 Senior Notes on March 2, 2026.

(2) The interest payments in this table reflect our existing debt obligations as of December 31, 2025. The calculation of interest is based on outstanding debt balances as of December 31, 2025 amortized by the contractual fixed amortization payments. The interest payments on debt obligations in this table are based on an assumed average SOFR rate of 3.48% in the year ending December 31, 2026, up to 3.40% in the twenty-four months ending December 31, 2028 and up to a maximum of 4.31% thereafter. The actual amortization we pay may differ from management's estimates, potentially materially, which would result in different interest payment obligations. These interest payment obligations are gross of amounts, which will be capitalized to the cost of the vessels under construction under (5) below.

(3) The commitment fees represent maximum fee payable on our reducing $382.5 mil. Revolving Credit Facility with Citibank calculated at 0.8% rate on the undrawn amount over the remaining two year term of this facility.

(4) Under our management agreement with Danaos Shipping Company Limited, we pay a daily vessel management fee of $550 per vessel for vessels on bareboat charter and $1,100 per vessel for vessels on time charter and voyage charter. Under our separate brokerage services agreement with Danaos Chartering Services Inc., an affiliate of the Manager, we pay a fee of 1.25% of gross freight, demurrage and charter hire collected from the employment of our ships, and 1.0% of the contract price of any vessels bought or sold on our behalf. As of December 31, 2025, we had a fleet of 75 containerships held for use, out of which 73 were on time charter and 2 on bareboat charter, and 25 newbuilding containerships scheduled to be delivered to us from 2026 through 2029. Additionally, as of December 31, 2025, we owned 11 Capesize drybulk vessels, including one expected to be delivered in March 2026. We also will pay the Manager $850 thousand per newbuilding vessel for the on-premises supervision of any newbuilding contracts, an annual management fee of $2.5 million and 100,000 shares of the Company's common stock payable annually in the fourth quarter of each year. We will also pay the Manager a fee of $1 per Emission Allowance required to be surrendered by the responsible entity under the EU Emissions Trading System or any other applicable emission scheme in any calendar year. As the amount of this fee depends on future regulatory requirements and vessel trading patterns, it has not been included in the table above. We will be obligated to make the payments set forth in the above table under our management agreements, based on our contracted revenue as of December 31, 2025 for periods subsequent thereto, as reflected above under "—Factors Affecting Our Results of Operations—Operating Revenues" with respect to the fee of 1.25%, and assuming no change to the number of vessels in our fleet with respect to the per vessel per day fees described above other than the planned deliveries of the newbuilding vessels in 2026 through 2029. In addition to the amounts set forth in the table, we will also be obligated to pay the 1.25% fee on revenue generated by our vessels with uncontracted days during these periods under contracts that have not yet been arranged.

(5) Payments to shipyards for newbuilding vessels relate to remaining contracted payments for 25 of our vessels under construction, as of December 31, 2025, which are expected to be delivered to us in 2026 through 2029. These amounts do not reflect construction contracts for two containerships and four Newcastlemax dry bulk carriers under construction that were entered into after December 31, 2025 and prior to the date of this Annual Report.

(6) Payment related to the acquisition of the drybulk capesize vessel that is expected to be delivered to us in March 2026.

Research and Development, Patents and Licenses

We have not incurred expenditures relating to research and development, patents or licenses for the last three years.

Trend Information

Our results of operations depend primarily on the charter hire rates that we are able to realize. Charter hire rates paid for containerships and drybulk carriers are primarily a function of the underlying balance between vessel supply and demand and, in particular with respect to containerships which are generally deployed on longer charters, the respective charter terms, including contracted charter-hire rates and duration. The demand for containerships is determined by the underlying demand for goods which are transported in containerships and the demand for Capesize and Newcastlemax drybulk carriers is determined by the underlying demand for commodities transported in Capesize and Newcastlemax drybulk carriers.

Containerships

Charter rates for containerships have experienced marked volatility in recent years. Container freight rates were volatile and the containership charter market declined significantly in the first half of 2020 as a result of the onset of the COVID-19 pandemic before quickly reversing course and improving significantly, reaching all-time highs around the end of 2021, into the first half of 2022, subsequent to which charter rates declined to pre-COVID-19 levels in late 2022 and 2023, before strengthening in 2024 and remaining broadly elevated through 2025. The daily charter hire rate for a one-year time charter for a 4,300–4,400 TEU Panamax containership stood at approximately $56,000 per day at the end of 2025, compared to $56,000 per day at the end of 2024, $17,100 per day at the end of 2023, $24,300 per day at the end of 2022, and $100,000 at the end of 2021. Overall, charter rates across all containership size segments remain significantly elevated relative to historical averages: as of December 2025, 4,300 TEU Panamax rates stood approximately 405% above their 2010–2019 average, 6,500 TEU rates approximately 268% above, and 8,500 TEU rates approximately 194% above their respective 2010–2019 averages.

Global containerized trade is estimated to have expanded by approximately 5.0% in 2025, reaching approximately 237 million TEU, following an 6.6% expansion in 2024. Growth is currently forecast to moderate to approximately 2.1% in 2026, equivalent to approximately 242 million TEU. This slowdown reflects a normalization following above-average expansion in 2024–2025, and is subject to revision as conditions evolve.

Global containerized trade flows in 2025 were significantly affected by the U.S. tariff environment and the resulting diversion of Chinese exports to alternative markets. U.S. containerized imports from the Far East were broadly flat on a full-year basis in 2025 (−0.1% year-on-year), but declined sharply in Q4 2025, falling approximately −7.7% versus Q4 2024, as U.S. importers had front-loaded cargo earlier in the year in anticipation of tariff measures. In contrast, Far East TEU exports to the Middle East, Indian Subcontinent, and African regions grew by approximately +15.1% over the first 11 months of 2025 versus the same period in 2024, and exports to Latin America grew by approximately +10.0%. In 2024, China accounted for approximately 39% of U.S. TEU imports, and the U.S. represented approximately 18% of China's total TEU exports, underscoring the scale of the trade relationship and the potential for ongoing disruption.

Available tonnage in the containership sector remains tight. The volume of idle containership capacity stood at approximately 0.8% of total fleet capacity at end-December 2025, remaining well below the historical average and the peak of approximately 11% recorded in May 2020. The composition of idle capacity has also shifted materially: while tonnage providers (non-operating owners) accounted for approximately 72% of idle capacity in 2015–2017, this share declined to approximately 19% in 2023–2025, with liner companies bearing a significantly greater share of idle risk on their own vessels.

New containership deliveries totaled approximately 484,000 TEU in Q4 2025, above the long-run quarterly average of approximately 374,000 TEU per quarter (Q1 2015 to Q4 2025). Demolitions remain negligible, at approximately 1,000 TEU in Q4 2025 compared to a historical quarterly average of approximately 47,000 TEU. The industry orderbook-to-fleet ratio increased to approximately 35.4% as of January 2026. The sub-12,000 TEU orderbook-to-fleet ratio stood at approximately 20.0%, with the sub-12,000 TEU fleet having an average age of approximately 15.8 years, compared to just 6.2 years for the 12,000+ TEU fleet. The orderbook, both in absolute terms and as a percentage of the existing fleet, remains highest in the segment for vessels over 12,000 TEU.

Red Sea diversions remain extensive. The number of unique containerships transiting the Bab-al Mandeb Strait recovered slightly in Q4 2025 but stood at approximately 168 vessels per month in December 2025, far below the 516 vessels per month recorded in November 2023 prior to the onset of Houthi attacks, and also below the 152 vessels per month recorded in December 2024. These diversions continue to absorb meaningful vessel capacity. Major liner companies remain cautious about a full return to the Suez Canal route; a large-scale normalization of Red Sea transits would release a substantial amount of capacity currently tied up in longer Cape of Good Hope routings and represents a significant supply-side risk to charter rates.

In recent years a number of liner companies entered into consolidating mergers or formed cooperative alliances. As of 2025, 10 major global liner companies operate (compared to 20 in 2015), and 3 alliances operate on mainlane trades. The 2M alliance between Maersk and MSC dissolved in 2025, with Maersk forming the new Gemini Cooperation with Hapag-Lloyd. Liner companies have also increased the percentage of their total fleet capacity that is directly owned rather than chartered-in from tonnage providers; the top 10 liner companies currently operate approximately 86% of the total liner fleet. U.S. and Chinese port fees, which had been proposed as a near-term measure, have been postponed until Q4 2026, but continue to represent a potential source of disruption from late 2026 onwards. All of these developments may decrease the demand for chartered-in containership tonnage should demand for seaborne trade of containerized cargo decline.

The 'slow-steaming' of services since 2009, particularly on longer trade routes, enabled containership operators to moderate the impact of high bunker costs while absorbing additional fleet capacity. This has proved to be an effective approach and it currently appears likely that this will remain in place in the coming year. The effective supply of vessels has also been impacted by the trade pattern disruptions and resulting longer sailing distances from geopolitical conditions, including diversions of vessels away from the Red Sea due to attacks by Houthi rebels on ships, which may not continue.

Capesize Drybulk Vessels

Charter rates in the drybulk sector have been very volatile over the past 25 years. Trade expansion slowed materially from the highs of the 2000s and early 2010s, with cargo volumes growing at an average of approximately 1.8% per year in the 10-year period between 2014 and 2023. Seaborne drybulk trade contracted by approximately 0.6% in 2022, before recovering to approximately 3.2% in 2023 and an estimated 2.0% in 2024. The Baltic Capesize 5TC (C5TC) weekly average for full-year 2025 was approximately $21,151 per day, compared to $22,493 per day in 2024 and $16,609 per day in 2023. Capesize earnings were particularly strong in the final quarter of 2025, supported by the bunching of Australian iron ore cargoes, steady growth in Brazilian iron ore exports, and the continued expansion of bauxite shipments from Guinea. Following a spike in earnings in early December 2025, rates eased but remained at firm levels heading into the seasonally weaker period ahead of the Lunar New Year.

Capesize vessels are primarily involved in the shipment of iron ore (approximately 75% of cargoes carried) and coal (approximately 20% of cargoes carried), with bauxite, grains, and minor bulks comprising the residual share. Chinese iron ore imports totaled approximately 1,249 million tonnes in 2025, an increase of approximately 0.8% year-on-year. Chinese bauxite imports grew strongly, reaching approximately 201 million tonnes in 2025, up approximately 26% year-on-year, driven primarily by shipments from Guinea. The long-haul nature of Guinea-to-China bauxite routes provides meaningful support to Capesize tonne-mile demand. Overall, Capesize tonne-miles in Q4 2025 expanded by approximately +7.2% year-on-year, reflecting these trade developments as well as the ongoing impact of vessel re-routings away from the Red Sea and Suez Canal.

Fleet inefficiencies in recent years — first from COVID-19 disruptions, then from Red Sea re-routing and Panama Canal restrictions — pushed tonne-mile demand above what underlying cargo growth alone would have implied. These tailwinds partially remain in place, though any normalization of Red Sea transit conditions or resolution of geopolitical disruptions could release absorbed capacity and weigh on rates. In addition, excess capacity in other drybulk vessel classes could impact Capesize charter rates, as drybulk cargoes can be divided for transport in smaller vessels when economically viable. Any unexpected global economic downturn, as well as increased barriers to trade from protectionism and tariffs, could negatively impact the outlook for Capesize drybulk charter rates.

The Capesize orderbook-to-fleet ratio stood at approximately 11.4% at end-2025, compared to 8.9% at end-2020. The fleet age profile has shifted materially: the share of the Capesize fleet under 10 years old declined from approximately 64.9% at end-2020 to approximately 37.3% at end-2025, meaning an increasing share of the fleet is approaching or entering the age range where scrapping decisions become more economically relevant. At the same time, scrapping volumes in recent years have been negligible given the elevated earnings environment. Deliveries totaled approximately 7.7 million DWT in 2024, and the orderbook for 2025 deliveries stood at approximately 7.6 million DWT based on orderbook data.

In the medium term, structural changes to China's economy — including a shift away from steel-intensive growth and a move towards cleaner energy production — suggest that seaborne iron ore and coal volumes should first peak and then slowly decline later in the decade. Incremental growth is expected to be driven in particular by India and Southeast Asia. Heightened charter rate volatility is likely to continue, especially in the spot market, which typically experiences higher peaks in strong markets and lower troughs in weak markets.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make estimates in the application of our accounting policies based on our best assumptions, judgments and opinions. We base these estimates on the information currently available to us and on various other assumptions we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Following is a discussion of the critical accounting estimates that involve a high degree of judgment and the methods of their application.

Impairment of Vessels

We evaluate the net carrying value of our vessels for possible impairment when events or conditions exist that cause us to question whether the carrying value of the vessels will be recovered from future undiscounted net cash flows. If any such indication exists, the Company performs step one of the impairment test by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. An impairment charge would be recognized in a period if the fair value of the vessels was less than their carrying value and the carrying value was not recoverable from future undiscounted cash flows. Considerations in making such an impairment evaluation would include comparison of current carrying value to anticipated future operating cash flows, vessel market values, expectations with respect to future operations, and other relevant factors.

As of December 31, 2025 and December 31, 2024, we concluded that events occurred and circumstances had changed, which may trigger the existence of potential impairment of some of our container vessels. These indicators included volatility in the charter market and the vessels' market values, as well as the potential impact the current marketplace may have on our future operations. As a result, we performed an impairment assessment of certain of our container vessels, for which an impairment indicator existed as of December 31, 2025, by comparing the undiscounted projected net operating cash flows for each vessel to their carrying value. Our strategy is to charter our vessels under multi-year, fixed rate period charters that have initial terms up to 18 years for our container vessels, providing us with contracted stable cash flows. The factors and assumptions we used in our undiscounted projected net operating cash flow analysis included operating revenues, off-hire revenues, dry docking costs, operating expenses and management fees estimates.

As of December 31, 2025 and December 31, 2024, our revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessel as well as the estimated time charter equivalent rates for the remaining life of the vessel after the completion of its current contracts i.e. non-contracted revenue days. The estimated daily time charter equivalent rate used for non-contracted revenue days of each vessel is considered a significant assumption. Recognizing that the container transportation industry is cyclical and subject to significant volatility based on factors beyond our control we believe that the most recent 5 to 15 years historical average time charter rates represent a reasonable benchmark for the estimated time charter equivalent rates for the non-contracted revenue days, as such averages take into account the volatility and cyclicality of the market and the remaining economic useful life of the respective vessel.

In addition, we used annual operating expenses escalation factors and estimations of scheduled and unscheduled off-hire revenues based on historical experience. All estimates used and assumptions made were in accordance with our internal budgets and historical experience of the shipping industry.

The more significant factors that could impact management's assumptions regarding time charter equivalent rates include (i) loss or reduction in business from significant customers, (ii) unanticipated changes in demand for transportation of containers, (iii) greater than anticipated levels of containership newbuilding orders or lower than anticipated levels of containership scrapings, and (iv) changes in rules and regulations applicable to the shipping industry, including legislation adopted by international organizations such as IMO and the EU or by individual countries. Although management believes that the assumptions used to evaluate potential impairment were reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially, in the future. There can be no assurance as to how long charter rates and vessel values will remain at their low levels or whether they will improve by a significant degree.

As of December 31, 2025 and December 31, 2024, our assessment concluded that step two of the impairment analysis was not required for any vessel in our fleet held and used, as their undiscounted projected net operating cash flows exceed their carrying value.

Impairment Sensitivity Analysis

As of December 31, 2025, an internal analysis, which is based on our vessel's market valuation as described in our credit facilities and accepted by our lenders as of December 31, 2025, concludes that six of our container vessels may have current market values below their carrying values. We believe that each of the six container vessels identified as having estimated market values less than their carrying values, all of which are currently under long-term charters expiring between March 2027 and October 2030, will recover their carrying values through the end of their useful lives, based on their undiscounted net cash flows calculated in accordance with our impairment assessment.

While the Company intends to hold and operate its vessels, the following table presents information with respect to the carrying amount of the Company's vessels. The carrying value of each of the Company's vessels does not represent its market value or the amount that could be obtained if the vessel were sold. The Company's estimates of market values are based on charter-free vessel values provided by the third-party independent brokers. Charter-free vessel values are highly volatile and these estimates may not be indicative of either the current or future prices that the Company could achieve if it were to sell any of the vessels. The Company would not record a loss for any of the vessels for which the market value is below its carrying value unless and until the Company either determines to sell the vessel for a loss or determines that the vessel's carrying value is not recoverable as discussed above.

The below table sets out the net book value of each of our vessels and we have indicated which of those have a net book value which exceeds its estimated market value as of December 31, 2025 and 2024.

Vessel	Capacity in TEUs/DWT	Year Built	Net Book Value December 31, 2025 (In thousands of Dollars)	Net Book Value December 31, 2024 (In thousands of Dollars)
Kota Peony (2)(3)	13,100	2012	$ 107,212	$ 113,029
Kota Primrose (2)(3)	13,100	2012	107,349	113,149
Kota Plumbago (2)(3)	13,100	2012	108,579	114,406
Speed (2)(3)	13,100	2012	109,354	115,217
Ambition (2)(3)	13,100	2012	109,875	115,774
Express Berlin (2)	10,100	2011	84,868	89,678
Express Rome (2)	10,100	2011	86,118	91,001
Express Athens (2)(3)	10,100	2011	86,304	91,176
Le Havre	9,580	2006	41,302	43,058
Pusan C	9,580	2006	40,441	43,192
Bremen	9,012	2009	26,652	27,604
C Hamburg	9,012	2009	26,650	26,834
Niledutch Lion	8,626	2008	22,784	23,775
Kota Manzanillo	8,533	2005	19,259	20,171
Belita	8,533	2006	43,997	46,396
CMA CGM Melisande (2)	8,530	2012	74,170	77,144
CMA CGM Attila (2)	8,530	2011	70,163	72,915
CMA CGM Tancredi (2)	8,530	2011	71,611	74,518
CMA CGM Bianca (2)	8,530	2011	72,232	75,059
CMA CGM Samson (2)	8,530	2011	72,670	74,530
America	8,468	2004	31,279	33,686
Europe	8,468	2004	30,542	32,913
Kota Santos	8,463	2005	20,799	21,910
Catherine C	8,010	2024	97,597	100,705
Greenland	8,010	2024	97,978	100,639
Greenville	8,010	2024	98,852	101,987
Greenfield	8,010	2024	99,849	102,980
Interasia Accelerate	7,165	2024	83,730	86,420
Interasia Amplify	7,165	2024	84,902	87,610
CMA CGM Moliere (2)	6,500	2009	50,420	53,428
CMA CGM Musset (2)	6,500	2010	51,338	54,380
CMA CGM Nerval (2)	6,500	2010	51,872	54,921
CMA CGM Rabelais (2)	6,500	2010	52,489	55,536
Racine (2)	6,500	2010	53,026	55,216
YM Mandate (2)	6,500	2010	53,719	56,940
YM Maturity (2)	6,500	2010	54,635	57,867
Savannah	6,402	2002	8,663	8,730
Dimitra C	6,402	2002	8,754	8,821
Phoebe	6,014	2025	62,356	—
Greenhouse	6,014	2025	65,271	—
Suez Canal (2)	5,610	2002	27,337	30,458
Kota Lima	5,544	2002	27,815	30,888
Wide Alpha	5,466	2014	47,081	49,301
Stephanie C	5,466	2014	47,246	49,478
Euphrates	5,466	2014	47,041	49,221
Wide Hotel	5,466	2015	48,683	50,904
Wide India	5,466	2015	48,665	50,866
Wide Juliet	5,466	2015	48,702	50,898
Seattle C	4,253	2007	9,164	9,510
Vancouver	4,253	2007	9,263	9,613
Rio Grande	4,253	2008	10,378	10,788
Paolo (ex Merve A)	4,253	2008	10,790	11,226
Kingston	4,253	2008	11,075	11,539
Monaco	4,253	2009	11,274	11,756
Dalian	4,253	2009	11,686	12,188
Jamaica (ex Luanda)	4,253	2009	12,130	12,652
Derby D	4,253	2004	5,346	5,381
Tongala	4,253	2004	5,284	5,315
Dimitris C	3,430	2001	4,864	4,933
Express Brazil	3,400	2010	6,240	6,398
Express France	3,400	2010	6,276	6,395
Express Spain	3,400	2011	6,477	6,634
Express Argentina	3,400	2010	6,213	6,369
Express Black Sea	3,400	2011	6,573	6,737
Colombo	3,314	2004	7,590	7,959
Singapore	3,314	2004	7,723	8,084
Zebra	2,602	2001	3,884	3,949
Artotina	2,524	2001	3,769	3,851
Advance	2,200	1997	2,777	2,822
Future	2,200	1997	2,745	2,793
Sprinter	2,200	1997	2,763	2,808
Progress C	2,200	1998	2,802	2,849
Bridge	2,200	1998	2,794	2,837
Highway	2,200	1998	2,793	2,833
Phoenix D	2,200	1997	2,802	2,869
Integrity (1)	175,966	2010	18,988	20,052
Achievement (1)	175,966	2011	19,059	20,113
Ingenuity (1)	176,022	2011	20,659	21,744
Genius (1)	175,580	2012	21,271	22,342
Peace (1)	175,858	2010	18,297	19,340
W Trader (1)	175,879	2009	17,569	18,594
E Trader (1)	175,886	2009	17,659	18,679
Gouverneur (1)	178,043	2010	26,036	27,419
Valentine (1)	175,125	2011	26,641	28,217
Danaos (1)	176,536	2011	25,818	27,392
Total			**$ 3,269,703**	**$ 3,290,309**

(1) Capesize bulk carriers' capacity is expressed in dead weight tons (DWT).
(2) Indicates 21 container vessels, for which the aggregate carrying values exceeded their aggregate estimated market value by approximately $226.3 million as of December 31, 2024.
(3) Indicates six container vessels, for which the aggregate carrying values exceeded their aggregate estimated market value by approximately $40.3 million as of December 31, 2025.

As discussed above, we believe that the appropriate historical period to use as a benchmark for impairment testing of our vessels is the most recent 5 to 15 years, to the extent available, as such averages take into account the volatility and cyclicality of the market and the remaining economic useful life of the respective vessel. Charter rates are, however, subject to change based on a variety of factors that we cannot control and we note that for all vessel categories, charter rates for the last one year have been greater than their ten and fifteen year historical averages.

In connection with the impairment testing of our vessels as of December 31, 2025, our internal analysis concludes that six of our container vessels may have current market values below their carrying values. We performed a sensitivity analysis on the most sensitive and/or subjective assumption – the estimated daily time charter equivalent rates used for non-contracted revenue days that has the potential to affect the outcome of the test, the projected charter rate used to forecast future cash flows for non - contracted days. The following table summarizes information about these six container vessels, including the breakeven charter rates and the one - year charter rate historical average for the last 1, 3, 5, 10 and 15 years, respectively.

Vessel/Year Built	Break Even re-chartering rates(3) ($ per day)	Assumed Rechartering Rate(4)/Percentage difference between break even and assumed re-chartering rates(5) ($ per day)/(%)	Historical average of 1-year charter rates over the last 1 year ($ per day)	Historical average of 1-year charter rates over the last 3 years ($ per day)	Historical average of 1-year charter rates over the last 5 years ($ per day)	Historical average of 1-year charter rates over the last 10 years ($ per day)	Historical average of 1-year charter rates over the last 15 years ($ per day)
5 × 13,100 TEU vessels (2012)(1)	$ 28,108	$ 73,500 / 61.8 %	$ 113,375	$ 90,675	$ 118,385	$ 73,540	$ 64,842
1 × 10,100 TEU vessels (2011)(2)	$ 24,537	$ 57,200 / 57.1 %	$ 88,350	$ 70,667	$ 92,280	$ 57,220	$ 50,472

(1) Our five 13,100 TEU vessels are under long - term time charter contracts with the earliest expiration dates of the charters being as follows: the *Kota Peony* in March 2027, the *Kota Primrose* in April 2027, the *Kota Plumbago* in July 2027, the *Speed* in March 2027 and the *Ambition* in April 2027.

(2) Our one 10,100 TEU vessel is under long - term time charter contract with the earliest expiration date of its charter being as follows: the *Express Athens* in October 2030.

(3) The breakeven re-chartering rate is the charter rate that if used in step one of the impairment testing will result in the undiscounted total cash flows being equal to the carrying value of the vessel.

(4) Re-chartering rate used in our impairment testing as of December 31, 2025, to estimate the revenues for the remaining life of the respective vessels after the expiration of their existing charter contracts.

(5) The variance in percentage points of the breakeven re-chartering rate per day compared to the per day re-chartering assumption used in our impairment testing analysis as of December 31, 2025.

Furthermore, as discussed above, our internal analysis concludes that 79 of our vessels had a market value in excess of its net book value as of December 31, 2025.

Newly Implemented Accounting Principles:

None.

Item 6. Directors, Senior Management and Employees

The following table sets forth, as of February 25, 2026, information for each of our directors and executive officers.

Name	Age	Position
Dr. John Coustas	69	President, Chief Executive Officer and Class I Director
Iraklis Prokopakis	75	Vice Chairman and Class II Director
Evangelos Chatzis	52	Vice President, Chief Financial Officer, Treasurer and Secretary
Dimitris Vastarouchas	58	Vice President and Chief Operating Officer
Filippos Prokopakis	43	Chief Commercial Officer
Petros Christodoulou	65	Class I Director
Myles R. Itkin	78	Class I Director
Charalampos Pampoukis	66	Class III Director
Richard Sadler	64	Class III Director

The term of our Class I directors expires in 2027, the term of our Class III directors expires in 2028 and the term of our Class II director expires in 2026. Certain biographical information about each of these individuals is set forth below.

Dr. John Coustas is our President, Chief Executive Officer and Chairman of our board of directors. Dr. Coustas has over 30 years of experience in the shipping industry. Dr. Coustas assumed management of our company in 1987 from his father, Dimitris Coustas, who founded Danaos Shipping in 1972, and has been responsible for our corporate strategy and the management of our affairs since that time. Dr. Coustas is Deputy Chairman of the board of directors of The Swedish Club. Additionally, he is a member of the board of directors of the Union of Greek Shipowners and a member of the DNV Council. Dr. Coustas holds a degree in Marine Engineering from the National Technical University of Athens as well as a Master's degree in Computer Science and a Ph.D. in Computer Controls from Imperial College, London.

Iraklis Prokopakis is Vice Chairman of our board of directors. On November 10, 2023, Iraklis Prokopakis's previously announced retirement from his executive role as Senior Vice President and Chief Operating Officer of the Company became effective. Mr. Iraklis Prokopakis joined us in 1998 and has over 40 years of experience in the shipping industry. Prior to entering the shipping industry, Mr. Iraklis Prokopakis was a captain in the Hellenic Navy. He holds a Bachelor of Science in Mechanical Engineering from Portsmouth University in the United Kingdom, a Master's degree in Naval Architecture and a Ship Risk Management Diploma from the Massachusetts Institute of Technology in the United States and a post-graduate diploma in business studies from the London School of Economics. Mr. Iraklis Prokopakis also has a Certificate in Operational Audit of Banks from the Management Center Europe in Brussels and a Safety Risk Management Certificate from DNV. He is a member of the Board of the Hellenic Chamber of Shipping and the Owners' Committee of the Korean Register of Shipping. He is the uncle of Filippos Prokopakis.

Evangelos Chatzis is our Chief Financial Officer, Treasurer and Secretary. Mr. Chatzis has been with Danaos Corporation since 2005 and has over 25 years of experience in corporate finance and the shipping industry. During his years with Danaos he has been actively engaged in the company's initial public offering in the United States and has led the finance function of the company. Throughout his career he has developed considerable experience in operations, corporate finance, treasury and risk management and international business structuring. Prior to joining Danaos, Evangelos was the Chief Financial Officer of Globe Group of Companies, a public company in Greece engaged in a diverse scope of activities including drybulk shipping, the textile industry, food production & distribution and real estate. During his years with Globe Group, he was involved in mergers and acquisitions, corporate restructurings and privatizations. He holds a Bachelor of Science degree in Economics from the London School of Economics, a Master's of Science degree in Shipping & Finance from City University Cass Business School, as well as a post-graduate diploma in Shipping Risk Management from IMD Business School.

Dimitris Vastarouchas is our Chief Operating Officer. On November 10, 2023, Dimitris Vastarouchas, who had been serving as the Company's Deputy Chief Operating Officer, was appointed the Company's Chief Operating Officer. Mr. Vastarouchas has been the Technical Manager of Danaos Shipping since 2005 and has over 27 years of experience in the shipping industry. Mr. Vastarouchas initially joined Danaos Shipping in 1995 and prior to becoming Technical Manager he was the New Buildings Projects and Site Manager, under which capacity he supervised newbuilding projects in Korea for 4,250, 5,500 and 8,500 TEU containerships. He holds a degree in Naval Architecture & Marine Engineering from the National Technical University of Athens, Certificates & Licenses of expertise in the fields of Aerodynamics (C.I.T.), Welding (CSWIP), Marine Coating (FROSIO) and Insurance (North of England P&I). He is also a qualified auditor by Det Norske Veritas and Certified Negotiator by Schranner Negotiations Institute (SNI).

Filippos Prokopakis is our Chief Commercial Officer. On November 10, 2023, Filippos Prokopakis, who had been serving as Commercial Director of Danaos Shipping, was appointed Chief Commercial Officer of the Company. Mr. Filippos Prokopakis had been with Danaos Shipping since 2012 and has over 14 years of experience in the shipping and logistics industry. During his tenure with Danaos Shipping, he has been in charge of chartering and sale and purchase activities and has developed considerable experience across all commercial operations. Prior to joining Danaos Shipping, Filippos was a Project Manager at Mamidoil — Jetoil S.A., responsible for commercial operations concerning aviation fuel, contract negotiations, market analysis and forecasting. He holds a bachelor's degree in business administration from Hofstra University, New York, a Master of Science degree in International Marketing from London South Bank University and Certificates in the fields of Shipping, Negotiations and Decision Making. He is the nephew of Iraklis Prokopakis.

Petros Christodoulou has been a member of our board of directors since June 2018. Mr. Christodoulou has been a member of the Board of Directors of Guardian Capital Group since 2016 and a member of the Institute of Corporate Directors of Canada. He has also been a member of the Board of Directors of Aegean Baltic Bank since 2017 and a member of the Board of Directors of Minetta Insurance. Mr. Christodoulou was Chief Executive Officer and Chief Financial Officer of Capital Product Partners, an owner of crude, product carriers and containerships, from September 2014 until 2015. From 2012 to 2014, Mr. Christodoulou was the Deputy Chief Executive Officer and Executive Member of the Board of the National Bank of Greece Group, acting as chairman of NBG Asset Management, Astir Palace SA and NBG BankAssurance. Mr. Christodoulou was a member of the Board of Directors of Hellenic Exchanges SA from 2012 to 2014 and Director General of the Public Debt Management Agency of Greece from 2010 to 2014, acting as its Executive Director from 2010 to 2012. Mr. Christodoulou holds an MBA from Columbia University and a Bachelor of Commerce degree from the Athens School of Commerce and Economics.

Myles R. Itkin has been a member of our board of directors since 2006. Mr. Itkin was the Executive Vice President, Chief Financial Officer and Treasurer of Overseas Shipholding Group, Inc. ("OSG"), in which capacities he served, with the exception of a promotion from Senior Vice President to Executive Vice President in 2006, from 1995 to 2013. Prior to joining OSG in June 1995, Mr. Itkin was employed by Alliance Capital Management L.P. as Senior Vice President of Finance. Prior to that, he was Vice President of Finance at Northwest Airlines, Inc. Mr. Itkin served on the board of directors of the U.K. P&I Club from 2006 to 2013. Mr. Itkin holds a Bachelor's degree from Cornell University and an MBA from New York University.

On November 14, 2012, OSG filed voluntary petitions for reorganization for itself and 180 of its subsidiaries under Chapter 11 of Title 11 of the United States Code in the U.S. Bankruptcy Court for the District of Delaware. On January 23, 2017, Mr. Itkin, and OSG, consented to an SEC order finding they violated or caused the violation of, among other provisions, the negligence-based antifraud provisions as well as reporting, books-and-records, and internal controls provisions of the federal securities laws, in relation to the failure to recognize tax liabilities in OSG's financial statements resulting from its controlled foreign subsidiary guaranteeing OSG's debt. Mr. Itkin agreed to pay a $75,000 penalty and OSG agreed to pay a $5 million penalty subject to bankruptcy court approval.

Charalampos Pampoukis has been a member of our board of directors since May 30, 2025. Charalampos Pampoukis is a prolific scholar and legal writer who holds numerous accolades in the field of international trade law. He is currently the Director at the Hellenic Institute of International and Foreign Law at the National and Kapodistrian University of Athens, where he teaches courses in Private International Law and International Trade Law. He has previously taught at the Hague Academy of International Law, and has authored three major treatises on private international and business law and arbitration,. Charalampos Pampoukis has been a licensed attorney since 1984 and is a founder and managing partner of a law firm, PMN-Pampoukis — Maravelis — Nikolaidis & Associates (Alpha Law), recognized for its international litigation and international corporate practice. Previously, Charalampos Pampoukis served as Secretary General in the Ministry of Foreign Affairs (1999 – 2000), Minister of State and to Prime Minister (2009 – 2011) and Minister Alternate in Maritime Affairs (2011) in Greece and was honored by the President of the French Republic by being nominated as Commandeur de la Légion d'honneur. Charalampos Pampoukis currently serves on the board of directors of Aktor Group of Companies, Athens International Airport and Alter Ego Media, all of which are listed on the Athens Stock Exchange, and took an active role in the successful listing of the latter two on the Athens Stock Exchange. Charalampos Pampoukis studied law in Paris (Paris I — Panthéon — Sorbonne) from where he also obtained a PhD with honors in 1990 (Docteur d'Etat en droit).

Richard Sadler has been a member of our board of directors since July 2022. Mr. Sadler has been, since December 2021, an advisor to Purus Maritime, a U.S. holding company, that owns and leases environmentally advanced vessels and infrastructure, in four sectors, with a focus on technology that exceeds the decarbonization trajectory rate set by the IMO and Paris Agreement. In May 2022 he was elected to the Board of Britannia P&I Club having, since June 2020, been a Sustainable Business Advisor to the Board and senior leadership team. In that capacity he was responsible for the development, and publishing, of the Britannia Sustainability report. From June 2017 to June 2020, Mr. Sadler was Chief Operating Officer of NYSE-listed GasLog Ltd and GasLog Partners LP, who were leading owners and operators of LNG carriers. Prior to that, from October 2015 to June 2017, he was a consultant advisor to the Foresight Group, which operated in the shipping, drilling, hospitality and shoe retail and manufacturing industries, and from June 2007 to October 2015 he was Chief Executive Officer of Lloyd's Register Group, which provided regulatory compliance and consultancy services through technical and management services in the marine, energy and other sectors. From 2004 to 2007, he was a director of asset management for the Royal Bank of Scotland (Shipping and Offshore Energy). Mr. Sadler is a member of the Trinity House Corporate Board and a fellow of the Royal Academy of Engineers. Mr. Sadler holds a Bachelors of Science, with honors, in Naval Architecture from Newcastle University and was awarded honorary doctorates from both Newcastle and Southampton University.

Compensation of Directors and Senior Management

In 2025, our Vice Chairman received annual fees of $100,000 and our other non-executive directors received annual fees of $85,000, in each case plus reimbursement for their out-of-pocket expenses, which amounts are payable at the election of each non-executive director in cash or stock as described below under "—Equity Compensation Plan." The audit committee chairman receives an additional annual fee of $15,000. For the years ended December 31, 2025, 2024 and 2023, non-executive directors received an additional bonus reward of $270,000, $227,500 and $147,500, respectively, in the aggregate. We do not have service contracts with any of our non-employee directors. We have employment agreements with one director who is also the Chief Executive Officer of our company, as well as with our other three executive officers.

We directly employ our executive officers, which in 2025 comprised our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer. Our executive officers, which prior to November 2023 consisted of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Deputy Chief Operating Officer, received aggregate cash compensation of $2.6 million (€2.3 million), $2.5 million (€2.3 million) and $2.2 million (€2.0 million) for the years ended December 31, 2025, 2024 and 2023, respectively, and for the year ended December 31, 2025, the Company distributed an additional $4.8 million in the aggregate as a one-off discretionary cash bonus to executive officers. As of January 1, 2026, the annual base compensation of our executive officers is €3.0 million in the aggregate. Our executive officers are also eligible, at the discretion of our board of directors and compensation committee, for incentive compensation and restricted stock, stock options or other awards under our equity compensation plan, which is described below under "—Equity Compensation Plan." We recognized non-cash share-based compensation expense in respect of awards to executive officers of $9.8 million, $8.2 million and $6.3 million in the years ended December 31, 2025, 2024 and 2023, respectively, in respect of the grant of 104,000, 100,000 and 100,000, respectively, fully vested shares to executive officers.

In addition, effective from December 14, 2022, the Company maintains a defined benefit retirement plan for its executive officers. Prior service cost arising from the retrospective recognition of past service of $14.2 million was recognized in the "Other Comprehensive Income" in 2022, out of which advances amounting to $7.8 million were exercised and recognized under "Other (expense)/income, net" in the Consolidated Statement of Income in the year ended December 31, 2022. In 2023, one additional executive officer was added to the plan and another one was appointed to a new position. Defined benefit obligation of $21.5 million and $12.9 million is presented under "Other long-term liabilities" as of December 31, 2025 and December 31, 2024, respectively. See "Note 19, Executive Retirement Plan" to our audited consolidated financial statements included elsewhere in this report.

Our executive officers are entitled to severance payments for termination without "cause" or for "good reason" generally equal to (i) (x) the greater of (A) the amount of base salary that would have been payable during the remaining term of the agreements, which expire in December 2027, and (B) three times the executive officer's annual salary plus bonus (based on an average of the prior three years), including the value on the date of grant of any equity grants made under our equity compensation plan during that three-year period (which, for stock options, will be the Black-Scholes value), as well as (y) a pro-rata bonus for the year in which termination occurs and continued benefits, if any, for 36 months or (ii) if such termination without cause or for good reason occurs within two years of a "change of control" of our company the greater of (a) the amount calculated as described in clause (i) and (b) a specified dollar amount for each executive officer (approximately €6.8 million in the aggregate for all executive officers, excluding amounts payable under the defined benefit retirement plan), as well as continued benefits, if any, for 36 months.

Employees

We directly employ our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer, which are the only employees of Danaos Corporation or its subsidiaries. As of December 31, 2025, 4,116 people served on board the vessels in our fleet and 282 people provided services to us on shore. Other than the officers noted above, there are no other employees of Danaos Corporation or its subsidiaries. Crew wages and other related expenses are paid by our Manager and our Manager is reimbursed by us. We are not responsible for the compensation of the shore-based employees of our Manager or Danaos Chartering. In 2024, we awarded employees of our Manager an aggregate of 30,000 restricted shares of common stock. In addition, in each of the years ended December 31, 2025 and 2024, we awarded employees of our Manager an aggregate cash awards of $2.0 million.

Share Ownership

The common stock beneficially owned by our directors and executive officers and/or companies affiliated with these individuals is disclosed in "Item 7. Major Shareholders and Related Party Transactions" below.

Board of Directors

On February 25, 2026, we had six members on our board of directors, following the appointment of Dr. Pampoukis to the Board in May 2025 and the resignation of Mr. Repko from the Board in October 2025. The board of directors may change the number of directors to not less than two, nor more than 15, by a vote of a majority of the entire board. Each director is elected to serve until the third succeeding annual meeting of stockholders and until his or her successor shall have been duly elected and qualified, except in the event of death, resignation or removal. A vacancy on the board created by death, resignation, removal (which may only be for cause), or failure of the stockholders to elect the entire class of directors to be elected at any election of directors or for any other reason, may be filled only by an affirmative vote of a majority of the remaining directors then in office, even if less than a quorum, at any special meeting called for that purpose or at any regular meeting of the board of directors.

Our board of directors has determined that a majority of our board of directors, each of Messrs. Christodoulou, Itkin, Pampoukis and Sadler, is independent within the requirements of the New York Stock Exchange.

To promote open discussion among the independent directors, those directors meet in regularly scheduled and ad hoc executive session without participation of our company's management and will continue to do so in 2026. Mr. Myles Itkin served as the presiding director for purposes of these meetings. Stockholders who wish to send communications on any topic to the board of directors or to the independent directors as a group, or to the presiding director, Mr. Myles Itkin, may do so by writing to our Secretary, Mr. Evangelos Chatzis, Danaos Corporation, c/o Danaos Shipping Co. Ltd., 14 Akti Kondyli, 185 45 Piraeus, Greece.

Corporate Governance

The board of directors and our company's management has engaged in an ongoing review of our corporate governance practices in order to oversee our compliance with the applicable corporate governance rules of the New York Stock Exchange and the SEC. Our Restated Articles of Incorporation and amended and restated Bylaws are the foundation of our corporate governance. We have adopted a number of key documents that are the foundation of our corporate governance, including:

- the Corporate Governance Guidelines;
- a Code of Business Conduct and Ethics for officers and employees;
- a Code of Conduct and Ethics for Corporate Officers and Directors;
- a Suppliers' Code of Conduct;
- an Ethics and Compliance Policy;
- an Anti-Fraud Policy;
- an Anti-Bribery and Corruption Policy;

- an Anti-Money Laundering Policy;
- an Insider Trading Policy;
- a Compensation Recovery Policy;
- a Nominating and Corporate Governance Committee Charter;
- a Compensation Committee Charter;
- an Audit Committee Charter; and
- an Environmental, Social and Governance (ESG) Committee Charter.

These documents and other important information on our governance, including the board of director's corporate governance guidelines, are posted on the Danaos Corporation website, and may be viewed at *http://www.danaos.com*. We will also provide a paper copy of any of these documents upon the written request of a stockholder. Stockholders may direct their requests to the attention of our Secretary, Mr. Evangelos Chatzis, Danaos Corporation, c/o Danaos Shipping Co. Ltd., 14 Akti Kondyli, 185 45 Piraeus, Greece.

Committees of the Board of Directors

We are a "foreign private issuer" under SEC rules promulgated under the Securities Act and within the meaning of the New York Stock Exchange corporate governance standards. We are also a "controlled company" within the meaning of the New York Stock Exchange corporate governance standards. Pursuant to certain exceptions for foreign private issuers and controlled companies, we are not required to comply with certain of the corporate governance practices followed by domestic U.S. companies under the New York Stock Exchange listing standards. We have elected to comply, however, with the New York Stock Exchange corporate governance rules applicable to domestic U.S. issuers, except that (1) as permitted for foreign private issuers, one member of the Nominating and Corporate Governance Committee is a non-independent director and (2) we may not seek stockholder approval for issuances of capital stock, including equity compensation arrangements, as permitted by applicable Marshall Islands law. See "Item 16G. Corporate Governance."

Audit Committee

Our audit committee consists of Myles R. Itkin (chairman), Charalampos Pampoukis and Petros Christodoulou each of whom our Board has determined is independent within the requirements of the NYSE and SEC. Our board of directors has determined that Mr. Itkin qualifies as an audit committee "financial expert," as such term is defined in Regulation S-K. The audit committee is responsible for (1) the hiring, termination and compensation of the independent auditors and approving any non-audit work performed by such auditor, (2) approving the overall scope of the audit, (3) assisting the board in monitoring the integrity of our financial statements, the independent accountant's qualifications and independence, the performance of the independent accountants and our internal audit function and our compliance with legal and regulatory requirements, (4) annually reviewing an independent auditors' report describing the auditing firms' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, (5) discussing the annual audited financial and quarterly statements with management and the independent auditor, (6) discussing earnings press releases, as well as financial information and earning guidance, (7) discussing policies with respect to risk assessment and risk management, (8) meeting separately, periodically, with management, internal auditors and the independent auditor, (9) reviewing with the independent auditor any audit problems or difficulties and management's response, (10) setting clear hiring policies for employees or former employees of the independent auditors, (11) annually reviewing the adequacy of the audit committee's written charter, (12) handling such other matters that are specifically delegated to the audit committee by the board of directors from time to time, (13) reporting regularly to the full board of directors and (14) evaluating the board of directors' performance. During 2025, there were five meetings of the audit committee.

Compensation Committee

Our compensation committee consists of Petros Christodoulou (chairman), Charalampos Pampoukis and Richard Sadler. The compensation committee is responsible for (1) reviewing key employee compensation policies, plans and programs, (2) reviewing and approving the compensation of our chief executive officer and other executive officers, (3) developing and recommending to the board of directors compensation for board members, (4) reviewing and approving employment contracts and other similar arrangements between us and our executive officers, (5) reviewing and consulting with the chief executive officer on the selection of officers and evaluation of executive performance and other related matters, (6) administration of stock plans and other incentive compensation plans, (7) overseeing compliance with any applicable compensation reporting requirements of the SEC, (8) retaining consultants to advise the committee on executive compensation practices and policies and (9) handling such other matters that are specifically delegated to the compensation committee by the board of directors from time to time. During 2025, there were four meetings of the compensation committee.

Environmental, Social and Governance (ESG) Committee

Our environmental, social and governance committee consists of Iraklis Prokopakis (chairman), Richard Sadler and Petros Christodoulou. The Board has established the ESG Committee to assist, advise and act on behalf of the board in: (1) providing oversight and guidance with respect to the Company's environmental (including with respect to climate change), social (including with respect to social and political trends), and corporate responsibility matters ("ESG Matters"); (2) evaluating and recommending initiatives for ESG Matters for adoption by the Company; (3) assessing risks and opportunities regarding ESG Matters; (4) promoting practices for ESG Matters within the Company's business culture and processes. During 2025, there were four meetings of the ESG Committee.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Charalampos Pampoukis (chairman), Iraklis Prokopakis and Myles R. Itkin. The nominating and corporate governance committee is responsible for (1) developing and recommending criteria for selecting new directors, (2) screening and recommending to the board of directors individuals qualified to become executive officers, (3) overseeing evaluations of the board of directors, its members and committees of the board of directors and (4) handling such other matters that are specifically delegated to the nominating and corporate governance committee by the board of directors from time to time. During 2025, there were five meetings of the nominating and corporate governance committee.

Equity Compensation Plan

We have adopted an equity compensation plan, which we refer to as the Plan. The Plan is generally administered by the compensation committee of our board of directors, except that the full board may act at any time to administer the Plan, and authority to administer any aspect of the Plan may be delegated by our board of directors or by the compensation committee to an executive officer or to any other person. The Plan allows the plan administrator to grant awards of shares of our common stock or the right to receive or purchase shares of our common stock (including options to purchase common stock, restricted stock and stock units, bonus stock, performance stock, and stock appreciation rights) to our employees, directors or other persons or entities providing significant services to us or our subsidiaries, including employees of our Manager. The actual terms of an award, including the number of shares of common stock relating to the award, any exercise or purchase price, any vesting, forfeiture or transfer restrictions, the time or times of exercisability for, or delivery of, shares of common stock, will be determined by the plan administrator and set forth in a written award agreement with the participant. Any options granted under the Plan will be accounted for in accordance with accounting guidance for share - based compensation.

The aggregate number of shares of common stock for which awards may be granted under the Plan shall not exceed 1,000,000 shares plus the number of shares subject to outstanding unvested awards granted before August 2, 2019. Awards made under the Plan that have been forfeited, cancelled or have expired, will not be treated as having been granted for purposes of the preceding sentence. These equity awards under our amended and restated 2006 equity compensation plan may be granted by the Company's Compensation Committee or Board of Directors.

The Plan requires that the plan administrator make an equitable adjustment to the number, kind and exercise price per share of awards in the event of our recapitalization, reorganization, merger, spin-off, share exchange, dividend of common stock, liquidation, dissolution or other similar transaction or event. In addition, the plan administrator will be permitted to make adjustments to the terms and conditions of any awards in recognition of any unusual or nonrecurring events. Unless otherwise set forth in an award agreement, any awards outstanding under the Plan will vest upon a "change of control," as defined in the Plan. Our board of directors may, at any time, alter, amend, suspend, discontinue or terminate the Plan, except that any amendment will be subject to the approval of our stockholders if required by applicable law, regulation or stock exchange rule and that, without the consent of the affected participant under the Plan, no action may materially impair the rights of such participant under any awards outstanding under the Plan.

Except in connection with a corporate transaction, including any stock dividend, distribution, stock split, extraordinary cash dividend, recapitalization, change in control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of common shares or other securities, or similar transactions, we may not, without obtaining stockholder approval, (i) amend the terms of outstanding stock options or stock appreciation rights to reduce the exercise price of such outstanding stock options or base price of such stock appreciation rights, (ii) cancel outstanding stock options or stock appreciation rights in exchange for stock options or stock appreciation rights with an exercise price or base price, as applicable, that is less than the exercise price or base price of the original stock options or stock appreciation rights or (iii) cancel outstanding stock options or stock appreciation rights with an exercise price or base price, as applicable, above the current stock price in exchange for cash or other securities.

As of April 18, 2008, the Board of Directors and the Compensation Committee approved incentive compensation of the Manager's employees with its shares from time to time, after specific for each such time, decision by the compensation committee and the Board of Directors in order to provide a means of compensation in the form of free shares to certain employees of the Manager of the Company's common stock. The plan was effective as of December 31, 2008. Pursuant to the terms of the plan, employees of the Manager may receive (from time to time) shares of the Company's common stock as additional compensation for their services offered during the preceding period. The total amount of stock to be granted to employees of the Manager will be at the Company's Board of Directors' discretion only and there will be no contractual obligation for any stock to be granted as part of the employees' compensation package in future periods.

On November 10, 2023, November 8, 2024 and November 14, 2025, the Company granted 100,000,100,000 and 104,000 fully vested shares, respectively. to executive officers. On December 18, 2024 the Company granted an aggregate of 30,000 restricted shares of common stock to certain employees of the Manager, which are scheduled to vest over four years, subject to continued service. The fair value of shares granted was calculated based on the closing trading price of the Company's shares on the grant date.

Stock based compensation expenses of $16.8 million, $14.6 million and $12.7 million, which includes 100,000 shares issued each year to Danaos Shipping as part of its annual management fee, were recognized under "General and administrative expenses" in our Consolidated Statements of Income in the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, 28,000 restricted shares were outstanding with aggregate compensation expense of $1.7 million related thereto expected to be recognized as the shares vest over the remaining 3-year vesting period.

The Company has also established the Directors Share Payment Plan. The purpose of the plan is to provide a means of payment of all or a portion of compensation payable to directors of the Company in the form of the Company's common stock. The plan was effective as of April 18, 2008, and amended and restated as of August 26, 2025. Each member of the Board of Directors of the Company may participate in the plan. Pursuant to the terms of the plan, directors may elect to receive in Danaos common stock all or a portion of their compensation. During 2025, 2024 and 2023, none of the directors elected to receive his compensation in shares of Danaos common stock. Refer to Note 17, "Stock Based Compensation", in the notes to our consolidated financial statements included elsewhere herein.

Item 7. Major Shareholders and Related Party Transactions

Related Party Transactions

Management Affiliations

Danaos Shipping Co. Ltd., which we refer to as our Manager or Danaos Shipping, and Danaos Chartering Services Inc., which we refer to as Danaos Chartering, are each ultimately owned by Danaos Investment Limited as the trustee of the 883 Trust, of which Dr. Coustas and other members of the Coustas family are beneficiaries. Dr. Coustas has certain powers to remove and replace Danaos Investment Limited as trustee of the 883 Trust. DIL is also our largest stockholder, owning approximately 52.4% of our outstanding common stock as of February 25, 2026. Danaos Shipping has provided services to our vessels since 1972 and continues to provide technical, administrative and certain general services which support our business, as well as comprehensive ship management services such as technical supervision and, until 2025, commercial management, including chartering our vessels, pursuant to a management agreement. From 2025, Danaos Chartering provides us with commercial management services, including chartering our vessels and sale and purchase brokerage services, pursuant to a brokerage services agreement.

On November 10, 2023, we entered into an amended and restated management agreement with Danaos Shipping, extending the term of the management agreement with Danaos Shipping, dated April 1, 2021, from December 31, 2024 to December 31, 2025 and modifying the fees payable thereunder. On February 3, 2025, we entered into (1) an amended and restated management agreement with Danaos Shipping, removing the provision of certain commercial services to us by Danaos Shipping and the related fees payable by us, and (2) a brokerage services agreement with Danaos Chartering for the provision of such commercial services for the same fees previously payable to Danaos Shipping which were eliminated in the amended and restated management agreement. On August 1, 2025, we entered into an amended and restated management agreement with Danaos Shipping, extending the term of the management agreement with Danaos Shipping, dated April 1, 2021, from December 31, 2025 to December 31, 2026 and modifying the fees payable thereunder as described below under "—Compensation of Our Manager and Danaos Chartering", and an amended and restated brokerage services agreement with Danaos Chartering extending the term of the brokerage services agreement with Danaos Chartering, dated February 3, 2025, from December 31, 2025 to December 31, 2026.

Management fees in respect of continuing operations under our management agreement amounted to approximately $31.1 million in 2025, $29.1 million in 2024 and $21.5 million in 2023. The related expenses are presented under "General and administrative expenses" on the Consolidated Statement of Income. We recognized non-cash share-based expense of $6.3 million in respect of 100,000 shares of common stock issued to Danaos Shipping in each of the years ended December 31, 2025, 2024 and 2023, which is presented under "General and administrative expenses" in the Consolidated Statements of Income. We pay monthly advances in regard to the next month's vessels' operating expenses. These prepaid monthly expenses are presented in our consolidated balance sheet under "Due from related parties" and totaled $46.8 million and $52.6 million as of December 31, 2025 and 2024, respectively.

Management Agreements

Under our management agreement with Danaos Shipping, Danaos Shipping is responsible for providing us with technical and administrative services, which include the following:

- *technical services*, which include managing day-to-day vessel operations, performing general vessel maintenance, ensuring regulatory compliance and compliance with the law of the flag of each vessel and of the places where the vessel operates, ensuring classification society compliance, supervising the maintenance and general efficiency of vessels, arranging the hire of qualified officers and crew, training, transportation, insurance of the crew (including processing all claims), performing normally scheduled drydocking and general and routine repairs, arranging insurance for vessels (including marine hull and machinery, protection and indemnity and war risks insurance), purchasing stores, supplies, spares, lubricating oil and maintenance capital expenditures for vessels, appointing supervisors and technical consultants and providing technical support, shoreside support, supervising the design and construction of newbuildings by shipyards, and attending to all other technical matters necessary to run our business; and

- *administrative services*, which include, at the direction of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer, assistance with the maintenance of our corporate books and records, payroll services, assistance with the preparation of our tax returns and financial statements, assistance with corporate and regulatory compliance matters not related to our vessels, procuring legal and accounting services (including the preparation of all necessary budgets for submission to us), assistance in complying with United States and other relevant securities laws, human resources, cash management and bookkeeping services, development and monitoring of internal audit controls, disclosure controls and information technology, assistance with all regulatory and reporting functions and obligations, furnishing any reports or financial information that might be requested by us and other non-vessel related administrative services, assistance with office space, providing legal and financial compliance services, overseeing banking services (including the opening, closing, operation and management of all of our accounts including making deposits and withdrawals reasonably necessary for the management of our business and day-to-day operations), arranging general insurance and director and officer liability insurance (at our expense), providing all administrative services required for subsequent debt and equity financings and attending to all other administrative matters necessary to ensure the professional management of our business.

Danaos Shipping also provides us with services in relation to the European Union Emission Trading System.

Under our brokerage services agreement with Danaos Chartering, Danaos Chartering is responsible for providing us with commercial services, which include chartering our vessels, assisting in our chartering, locating, purchasing, financing and negotiating the purchase and sale of our vessels, including newbuildings, and such other commercial services as we may reasonably request from time to time.

Reporting Structure

Our Manager and Danaos Chartering report to us and our Board of Directors through our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer, each of which is appointed by our board of directors. Under our management agreement, our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer may direct the Manager and Danaos Chartering to remove and replace any officer or any person who serves as the head of a business unit of our Manager and Danaos Chartering, respectively. Furthermore, our Manager and Danaos Chartering will not remove any person serving as an officer or senior manager without the prior written consent of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Commercial Officer.

Compensation of Our Manager and Danaos Chartering

Under the amended and restated management agreement dated August 1, 2025, we will pay to Danaos Shipping the following fees: (i) an annual management fee of $2.0 million for the remainder of 2025 and $2.5 million for 2026, effective as of January 1, 2026, (ii) 100,000 shares of the Company's common stock, payable annually, (iii) a daily vessel management fee of $475 for vessels on bareboat charter for the remainder of 2025 and $550 for vessels on bareboat charter for 2026, effective as of January 1, 2026, each pro-rated for the number of calendar days we own each vessel, (iv) a daily vessel management fee of $950 for vessels on time charter or voyage charter for the remainder of 2025 and $1,100 for vessels on time charter or voyage charter for 2026, effective as of January 1, 2026, each pro-rated for the number of calendar days we own each vessel, (v) a flat fee of $850 thousand per newbuilding vessel, which is capitalized to the newbuilding cost, for the on-premises supervision of any newbuilding contracts by selected engineers and others of its staff, and (vi) a fee of $1 per Emission Allowance required to be surrendered by the Responsible entity under the EU ETS or any other applicable emission scheme in any calendar year.

Under the brokerage services agreement, dated August 1, 2025, we will pay to Danaos Chartering the following fees in 2026: (i) a management fee of 1.25% on all freight, charter hire, ballast bonus and demurrage for each vessel and (ii) a fee of 1.0% based on the contract price of any vessel bought or sold by it on our behalf, including newbuilding contracts. These are the same fees that we paid in 2025 and in 2024 under our management agreement with Danaos Shipping. In 2023, we paid Danaos Shipping: (i) a daily management fee of $850, (ii) a daily vessel management fee of $425 for vessels on bareboat charter, for each calendar day we owned each vessel, and (iii) a daily vessel management fee of $850 for vessels on time charter or voyage charter, for each calendar day we owned each vessel, (iv) fee of 1.25% on all freight, charter hire, ballast bonus and demurrage for each vessel, (v) a fee of 0.5% based on the contract price of any vessel bought or sold by it on our behalf, excluding newbuilding contracts, and (vi) a flat fee of $725,000 per newbuilding vessel. We believe the fees we pay Danaos Shipping and Danaos Chartering are no more than the rates we would need to pay an unaffiliated third party to provide us with these management services.

We also advance all technical vessel operating expenses with respect to each vessel in our fleet to enable Danaos Shipping to arrange for the payment of such expenses on our behalf. To the extent the amounts advanced are greater or less than the actual vessel operating expenses of our fleet for a quarter, Danaos Shipping or us, as the case may be, will pay the other the difference at the end of such quarter, although Danaos Shipping may instead choose to credit such amount against future vessel operating expenses to be advanced for future quarters.

Term and Termination Rights

The management agreement with Danaos Shipping and brokerage services agreement with Danaos Chartering, which we refer to together as our "management agreements," are each for a term expiring on December 31, 2026. Our management agreements each automatically extend for additional 12-month terms, unless six months' notice of non-renewal is given by either party prior to the end of the then current term. For each subsequent 12-month term, the fees and commissions will be set at a mutually agreed upon rate between us and Danaos Shipping and Danaos Chartering, respectively, no later than 30 days prior to the commencement of the applicable subsequent term.

Termination Rights of our Manager and Danaos Chartering. Danaos Shipping may terminate the management agreement and Danaos Chartering may terminate the brokerage services agreement, prior to the end of their respective terms in the two following circumstances:

- if any moneys payable by us under the management agreement shall not have been paid within 60 business days of payment having been demanded in writing; or

- if at any time we default in the performance of any other of our material obligations under the respective agreement and the matter is unresolved within 60 business days after we are given written notice from Danaos Shipping or Danaos Chartering, as applicable.

Our Termination Rights. We may terminate the management agreement prior to the end of its term in the two following circumstances upon providing the respective notice:

- if at any time our Manager neglects or fails to perform its principal duties and obligations under the management agreement in any material respect and the matter is unresolved within 20 business days after our Manager receives written notice of such neglect or failure from us; or

- if any moneys payable by the Manager under or pursuant to the management agreement are not promptly paid or accounted for in full within 10 business days by the Manager in accordance with the provisions of the management agreement.

We have equivalent termination rights under our brokerage services agreement with Danaos Chartering.

We also may terminate the management agreement immediately under any of the following circumstances:

- if either we or our Manager ceases to conduct business, or all or substantially all of the properties or assets of either such party is sold, seized or appropriated;

- if either we or our Manager files a petition under any bankruptcy law, makes an assignment for the benefit of its creditors, seeks relief under any law for the protection of debtors or adopts a plan of liquidation, or if a petition is filed against us or our Manager seeking to declare us or it an insolvent or bankrupt and such petition is not dismissed or stayed within 40 business days of its filing, or if our Company or the Manager admits in writing its insolvency or its inability to pay its debts as they mature, or if an order is made for the appointment of a liquidator, manager, receiver or trustee of our Company or the Manager of all or a substantial part of its assets, or if an encumbrancer takes possession of or a receiver or trustee is appointed over the whole or any part of the Manager's or our Company's undertaking, property or assets or if an order is made or a resolution is passed for our Manager's or our winding up;

- if a distress, execution, sequestration or other process is levied or enforced upon or sued out against our Manager's property which is not discharged within 20 business days;

- if the Manager ceases or threatens to cease wholly or substantially to carry on its business otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by us; or

- if either our Manager or we are prevented from performing any obligations under the management agreement by any cause whatsoever of any nature or kind beyond the reasonable control of us or our Manager respectively for a period of two consecutive months or more.

We have equivalent termination rights under our brokerage services agreement with Danaos Chartering.

In addition, we may terminate any applicable ship management agreement in any of the following circumstances:

- if we or any subsidiary of ours ceases to be the owner of the vessel covered by such ship management agreement by reason of a sale thereof, or if we or any subsidiary of ours ceases to be registered as the owner of the vessel covered by such ship management agreement;

- if a vessel becomes an actual or constructive or compromised or arranged total loss or an agreement has been reached with the insurance underwriters in respect of the vessel's constructive, compromised or arranged total loss or if such agreement with the insurance underwriters is not reached or it is adjudged by a competent tribunal that a constructive loss of the vessel has occurred;

- if the vessel covered by such ship management agreement is requisitioned for title or any other compulsory acquisition of the vessel occurs, otherwise than by requisition by hire; or

- if the vessel covered by such ship management agreement is captured, seized, detained or confiscated by any government or persons acting or purporting to act on behalf of any government and is not released from such capture, seizure, detention or confiscation within 20 business days.

Non-competition

Our Manager has agreed that, during the term of the management agreement and for a period of one year following termination of the management agreement, and Danaos Chartering has agreed that, during the term of the brokerage services agreement and for a period of one year following termination of the brokerage services agreement, they will not provide any management services to any other entity without our prior written approval, other than with respect to entities controlled by Dr. Coustas, our Chief Executive Officer, which do not operate within the containership (larger than 2,500 twenty foot equivalent units, or TEUs) or drybulk sectors of the shipping industry or in the circumstances described below. Dr. Coustas has also personally agreed to the same restrictions on the provision, directly or indirectly, of management services during this period pursuant to a restrictive covenant agreement with us. In addition, our Chief Executive Officer (other than in his capacities with us) and our Manager have separately agreed not, during the term of our management agreement and for one year thereafter, to engage, directly or indirectly, in (i) the ownership or operation of containerships of larger than 2,500 TEUs or (ii) the ownership or operation of any drybulk carriers or (iii) the acquisition of or investment in any business involved in the ownership or operation of containerships larger than 2,500 TEUs or drybulk carriers. Danaos Chartering has agreed to the same restrictions during the term of the brokerage services agreement and for one year thereafter. Notwithstanding these restrictions, if our independent directors decline the opportunity to acquire any such containerships or drybulk carriers or to acquire or invest in any such business, our Chief Executive Officer will have the right to make, directly or indirectly, any such acquisition or investment during the four-month period following such decision by our independent directors, so long as such acquisition or investment is made on terms no more favorable than those offered to us. In this case, our Chief Executive Officer, our Manager and Danaos Chartering will be permitted to provide management services to such vessels.

The restrictions described above on our Manager, under the management agreement, and on Danaos Chartering, under the brokerage services agreement, and Dr. Coustas, under the restrictive covenant agreement, will cease to apply upon the occurrence of certain transactions constituting a "Change of Control" of the Company, which are not within the control of Dr. Coustas or DIL, including where Dr. Coustas ceases to be both the Chief Executive Officer of the Company and a director of the Company without his consent in connection with a hostile takeover of the Company by a third party, as set out in the restrictive covenant agreement.

Sale of Our Manager or Danaos Chartering

Our Manager and Danaos Chartering have each agreed that it will not transfer, assign, sell or dispose of all or a significant portion of its business that is necessary for the services it performs for us without the prior written consent of our Board of Directors. Furthermore, in the event of any proposed sale of our Manager or Danaos Chartering, we have a right of first refusal to purchase our Manager and Danaos Chartering, respectively. This prohibition and right of first refusal is in effect throughout the term of the management agreement and brokerage services agreement, respectively, and for a period of one year following the expiry or termination of such agreement. Our Chief Executive Officer, Dr. John Coustas, or any trust established for the Coustas family (under which Dr. Coustas and/or a member of his family is a beneficiary), is required, unless we expressly permit otherwise, to directly or indirectly, own (i) 80% of the outstanding capital stock of our Manager and Danaos Chartering during the term of the management agreement and brokerage services agreement, respectively, and (ii) 80% of the voting power of our the outstanding capital stock of our Manager and Danaos Chartering. In the event of any breach of these requirements, we would be entitled to purchase the capital stock of our Manager and Danaos Chartering, as applicable, owned by Dr. Coustas or any trust established for the Coustas family (under which Dr. Coustas and/or a member of his family is a beneficiary). Under the terms of certain of our financing agreements, a change in control of our Manager, a breach by our Manager of its undertaking to our lenders or our management agreement would constitute an event of default under such financing agreements.

The Swedish Club

Dr. John Coustas, our Chief Executive Officer, is a Deputy Chairman of the Board of Directors of The Swedish Club, our primary provider of insurance, including a substantial portion of our hull & machinery, war risk and protection and indemnity insurance. During the years ended December 31, 2025, 2024 and 2023, we paid premiums of $12.1 million, $9.3 million and $8.7 million, respectively, to The Swedish Club under these insurance policies.

Danaos Management Consultants

Our Chief Executive Officer, Dr. John Coustas, co-founded and until February 2023 had a 50.0% ownership interest in Danaos Management Consultants, which provides the ship management software deployed on the vessels in our fleet to our Manager. Dr. Coustas has not participated in the day-to-day management of Danaos Management Consultants in recent years.

Offices

We occupy office space that is owned by our Manager and which is provided to us as part of the services we receive under our management agreement.

Acquisition of Marketable Securities

In June 2023, we acquired marketable securities, comprising 1,552,865 shares of common stock of Eagle Bulk Shipping Inc., for $68.2 million. Of this amount, we acquired 993,529 shares for $43.72 million in open market transactions and 559,336 shares for $24.4 million from Virage International Ltd. ("Virage"), which is wholly-owned by DIL, in a privately negotiated transaction. Virage acquired these shares for $24.48 million (including commissions) in open market purchases in April and May 2023. On December 11, 2023, Star Bulk Carriers Corp. (Ticker: SBLK), a NASDAQ-listed owner and operator of drybulk vessels and EGLE announced that both companies had entered into a definitive agreement to combine in an all-stock merger, which was completed on April 9, 2024. Under the terms of the agreement, EGLE shareholders received 2.6211 shares of SBLK common stock in exchange for each share of EGLE common stock owned. As a result, together with our subsequent open market purchases of 2,185,967 shares in 2025, as of December 31, 2025, we own 6,256,181 shares of common stock of Star Bulk Carriers Corp.

CTTC

In 2024 and 2025, we provided debt funding of $2.1 million to CTTC, in which we have a 49% ownership interest, which bore interest at a rate of SOFR plus a margin of 2.0% and had a maturity date of December 31, 2025. On October 3 2025, we entered into an amended and restated facility agreement to provide CTTC with additional funding of $0.4 million, resulting in total debt funding of $2.5 million in the form of a loan bearing interest at a rate of SOFR plus a margin of 2.0%, with a maturity date of December 31, 2026. See "Note 3, Investments in Affiliates", to our audited financial statements included elsewhere in this annual report.

Major Stockholders

The following table sets forth certain information regarding the beneficial ownership of our outstanding common stock as of February 25, 2026 held by:

- each person or entity that we know beneficially owns 5% or more of our common stock;
- each of our officers and directors; and
- all our directors and officers as a group.

Our major stockholders have the same voting rights as our other stockholders. Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power or investment power with respect to securities is treated as a beneficial owner of those securities.

Beneficial ownership does not necessarily imply that the named person has the economic or other benefits of ownership. For purposes of this table, shares subject to options, warrants or rights or shares exercisable within 60 days of February 25, 2026 are considered as beneficially owned by the person holding those options, warrants or rights. Each stockholder is entitled to one vote for each share held. The applicable percentage of ownership of each stockholder is based on 18,203,475 shares of common stock outstanding as of February 25, 2026. Information for certain holders is based on their latest filings with the SEC or information delivered to us.

	Number of Shares of Common Stock Owned	Percentage of Common Stock
Executive Officers and Directors:		
John Coustas(1)		
Chairman, President and Chief Executive Officer	9,538,502	52.4 %
Iraklis Prokopakis		
Vice Chairman of the Board of Directors	195,000	1.1 %
Evangelos Chatzis		
Chief Financial Officer, Treasurer and Secretary	50,000	*
Dimitris Vastarouchas		
Chief Operating Officer	—	—
Filippos Prokopakis		
Chief Commercial Officer	4,001	*
Myles R. Itkin		
Director	4,000	*
Charalampos Pampoukis		
Director	—	—
Petros Christodoulou		
Director	—	—
Richard Sadler		
Director	—	—
All executive officers and directors as a group (9 persons)	9,791,503	53.8 %
5% Beneficial Owners:		
Danaos Investment Limited as Trustee of the 883 Trust(2)	9,538,502	52.4 %

* Less than 1%.

(1) By virtue of shares owned indirectly through Danaos Investment Limited as Trustee of the 883 Trust, which is our largest stockholder. Please see footnote (2) below for further detail regarding DIL and the 883 Trust.

(2) According to a Schedule 13D/A jointly filed with the SEC on November 19, 2025 by DIL and John Coustas, DIL owns and has sole voting power and sole dispositive power with respect to all such shares. The beneficiaries of the 883 Trust are Dr. Coustas and members of his family. The board of directors of DIL consists of five members, none of whom are beneficiaries of the 883 Trust or members of the Coustas family, and has voting and dispositive control over the shares held by the 883 Trust. Dr. Coustas has certain powers to remove and replace DIL as trustee of the 883 Trust. This does not necessarily imply economic ownership of the securities.

As of February 25, 2026, we had approximately 36 stockholders of record, one of which was located in the United States and held an aggregate of 18,058,841 shares of common stock. The United States stockholders of record is CEDEFAST, a nominee of The Depository Trust Company. Accordingly, we believe that the shares held by CEDEFAST include shares of common stock beneficially owned by both holders in the United States and non-United States beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

DIL owns approximately 52.4% of our outstanding common stock, as of February 25, 2026. This stockholder is able to control the outcome of matters on which our stockholders are entitled to vote, including the election of our board of directors and other significant corporate actions.

A "Change of Control", as defined in our senior secured facilities, will give rise to the lenders thereunder having the right to require the mandatory prepayment in full of such facilities and a cancellation of any undrawn commitments, including the revolving credit facility. See "Item 5. Operating and Financial Review and Prospects— Credit Facilities." In addition, the terms of our 2028 Senior Notes and 2032 Senior Notes require us to offer to repurchase all of our outstanding 2028 Senior and 2032 Senior Notes, respectively, if there is a "change of control" as defined in the indenture for our 2028 Senior Notes and 2032 Senior Notes, respectively. See "Item 5. Operating and Financial Review and Prospects—Senior Notes."

Item 8. Financial Information

See "Item 18. Financial Statements" below.

Significant Changes. No significant change has occurred since the date of the annual financial statements included in this annual report on Form 20-F.

Legal Proceedings. We are not involved in any legal proceedings that we believe would have a significant effect on our business, financial position, results of operations or liquidity, and we are not aware of any proceedings that are pending or threatened that may have a material effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. However, those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. See "Note 16. Commitments and Contingencies" to our audited consolidated financial statements included elsewhere in this annual report.

Dividend Policy. We reinstated quarterly cash dividend payments in 2021. We declared and paid dividends of $63.6 million to our stockholders from our retained earnings in 2025, paying a dividend of $0.85 per share of common stock in March, June and August and $0.90 per share of common stock in December. On February 9, 2026, we declared a dividend of $0.90 per share of common stock, which is payable on March 4, 2026 to shareholders of record as of February 23, 2026.

Under our credit facilities we are permitted to pay dividends so long as no event of default has occurred or would occur as a result of the payment of such dividends, and we remain in compliance with the financial and other covenants thereunder, including the collateral coverage requirements. Our Senior Notes Indentures contain limitations on the amount we can pay as dividends on our capital stock. The timing and amount of dividend payments will be dependent upon our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our financing arrangements, the provisions of Marshall Islands law affecting the payment of distributions to stockholders and other factors. Declaration and payment of any future dividend is subject to the discretion of our board of directors. We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make any dividend payments. See "Item 3. Key Information—Risk Factors—Risks relating to our common stock" for a discussion of the risks related to dividend payments.

Item 9. The Offer and Listing

Since our initial public offering in the United States in October 2006, our common stock has been listed on the New York Stock Exchange under the symbol "DAC."

Item 10. Additional Information

Share Capital

Under our articles of incorporation, our authorized capital stock consists of 750,000,000 shares of common stock, $0.01 par value per share, and 100,000,000 shares of blank check preferred stock, $0.01 par value per share. In June 2022, we announced a share repurchase program of up to $100 million of our common stock, and increases of $100 million in November 2023 and April 2025, for a total repurchase program amount of $300 million. We have repurchased a total of 3,247,444 shares of our common stock in the open market for $235.1 million under the repurchase program, including 927,527 shares in 2025 for $76.1 million, and 60,819 shares for $5.9 million in the period from January 1, 2026 to February 25, 2026. As of December 31, 2025, 25,790,190 shares of common stock were issued and 18,264,294 shares of common stock were outstanding, and as of February 25, 2026, 25,790,190 shares of common stock were issued and 18,203,475 shares of common stock were outstanding, reflecting the repurchase of 60,819 shares from January 1, 2026 to February 25, 2026. No shares of preferred stock were issued or outstanding as of December 31, 2025 and February 25, 2026. All of our shares of stock are in registered form.

Common Stock

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. All outstanding shares of common stock are fully paid and nonassessable. The rights, preferences and privileges of holders of shares of common stock are subject to the rights of the holders of any shares of preferred stock which we may issue in the future.

Blank Check Preferred Stock

Under the terms of our articles of incorporation, our board of directors has authority, without any further vote or action by our stockholders, to issue up to 100,000,000 shares of blank check preferred stock.

Articles of Incorporation and Bylaws

Our purpose is to engage in any lawful act or activity relating to the business of chartering, rechartering or operating containerships, drybulk carriers or other vessels or any other lawful act or activity customarily conducted in conjunction with shipping, and any other lawful act or activity approved by the board of directors. Our articles of incorporation and bylaws do not impose any limitations on the ownership rights of our stockholders.

Under our bylaws, annual stockholder meetings will be held at a time and place selected by our board of directors. The meetings may be held in or outside of the Marshall Islands. Special meetings may be called by the board of directors. Our board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the stockholders that will be eligible to receive notice and vote at the meeting.

Directors

Our directors are elected by a plurality of the votes cast at each annual meeting of the stockholders by the holders of shares entitled to vote in the election. There is no provision for cumulative voting.

The board of directors may change the number of directors to not less than two, nor more than 15, by a vote of a majority of the entire board. Each director shall be elected to serve until the third succeeding annual meeting of stockholders and until his or her successor shall have been duly elected and qualified, except in the event of death, resignation or removal. A vacancy on the board created by death, resignation, removal (which may only be for cause), or failure of the stockholders to elect the entire class of directors to be elected at any election of directors or for any other reason, may be filled only by an affirmative vote of a majority of the remaining directors then in office, even if less than a quorum, at any special meeting called for that purpose or at any regular meeting of the board of directors. The board of directors has the authority to fix the amounts which shall be payable to the members of our board of directors for attendance at any meeting or for services rendered to us.

Dissenters' Rights of Appraisal and Payment

Under the Marshall Islands Business Corporations Act, or the BCA, our stockholders have the right to dissent from various corporate actions, including any merger or sale of all or substantially all of our assets not made in the usual course of our business, and to receive payment of the fair value of their shares. However, the right of a dissenting stockholder under the BCA to receive payment of the fair value of such stockholder's shares is not available for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of the stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. The right of a dissenting stockholder to receive payment of the fair value of his or her shares shall not be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation. In the event of any further amendment of our articles of incorporation, a stockholder also has the right to dissent and receive payment for his or her shares if the amendment alters certain rights in respect of those shares. The dissenting stockholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting stockholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in the high court of the Republic of The Marshall Islands in which our Marshall Islands office is situated or in any appropriate jurisdiction outside the Marshall Islands in which our shares are primarily traded on a local or national securities exchange. The value of the shares of the dissenting stockholder is fixed by the court after reference, if the court so elects, to the recommendations of a court-appointed appraiser.

Stockholders' Derivative Actions

Under the BCA, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of common stock both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Anti-takeover Provisions of our Charter Documents

Several provisions of our articles of incorporation and bylaws may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) the merger or acquisition of our company by means of a tender offer, a proxy contest or otherwise, that a stockholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Blank Check Preferred Stock

Under the terms of our articles of incorporation, our board of directors has authority, without any further vote or action by our stockholders, to issue up to 100,000,000 shares of blank check preferred stock. Our board of directors may issue shares of preferred stock on terms calculated to discourage, delay or prevent a change of control of our company or the removal of our management.

Classified Board of Directors

Our articles of incorporation provide for a board of directors serving staggered, three-year terms. Approximately one-third of our board of directors will be elected each year. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of our company. It could also delay stockholders who do not agree with the policies of the board of directors from removing a majority of the board of directors for two years.

Election and Removal of Directors

Our articles of incorporation and bylaws prohibit cumulative voting in the election of directors. Our bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our bylaws also provide that our directors may be removed only for cause and only upon the affirmative vote of the holders of at least $66^2/_3\%$ of the outstanding shares of our capital stock entitled to vote for those directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of our stockholders may be called by our board of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our bylaws provide that stockholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary.

Generally, to be timely, a stockholder's notice must be received at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary date of the previous year's annual meeting. If, however, the date of our annual meeting is more than 30 days before or 30 days after the first anniversary date of the previous year's annual meeting, a stockholder's notice must be received at our principal executive offices by the later of (i) the close of business on the 90th day prior to such annual meeting date or (ii) the close of business on the tenth day following the date on which such annual meeting date is first publicly announced or disclosed by us. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may impede stockholders' ability to bring matters before an annual meeting of stockholders or to make nominations for directors at an annual meeting of stockholders.

Business Combinations

Although the BCA does not contain specific provisions regarding "business combinations" between companies organized under the laws of the Marshall Islands and "interested stockholders," we have included these provisions in our articles of incorporation. Specifically, our articles of incorporation prohibit us from engaging in a "business combination" with certain persons for three years following the date the person becomes an interested stockholder. Interested stockholders generally include:

- any person who is the beneficial owner of 15% or more of our outstanding voting stock; or
- any person who is our affiliate or associate and who held 15% or more of our outstanding voting stock at any time within three years before the date on which the person's status as an interested stockholder is determined, and the affiliates and associates of such person.

Subject to certain exceptions, a business combination includes, among other things:

- certain mergers or consolidations of us or any direct or indirect majority-owned subsidiary of ours;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all our assets, determined on a consolidated basis, or the aggregate value of all our outstanding stock;
- certain transactions that result in the issuance or transfer by us of any stock of the Company or any direct or indirect majority-owned subsidiary of the Company to the interested stockholder;
- any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested stockholder or any affiliate or associate of the interested stockholder; and
- any receipt by the interested stockholder of the benefit directly or indirectly (except proportionately as a stockholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.

These provisions of our articles of incorporation do not apply to a business combination if:

- before a person became an interested stockholder, our board of directors approved either the business combination or the transaction in which the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, other than certain excluded shares;
- at or following the transaction in which the person became an interested stockholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of the holders of at least $66^2/_3\%$ of our outstanding voting stock that is not owned by the interested stockholder;
- the stockholder was or became an interested stockholder prior to the consummation of our initial public offering of common stock under the Securities Act;
- a stockholder became an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder; and (ii) would not, at any time within the three-year period immediately prior to a business combination between our company and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership; or
- the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required under our articles of incorporation which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the board; and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to:

  (i) a merger or consolidation of our company (except for a merger in respect of which, pursuant to the BCA, no vote of the stockholders of our company is required);

  (ii) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of our company or of any direct or indirect majority-owned subsidiary of our company (other than to any direct or indirect wholly-owned subsidiary or to our company) having an aggregate market value equal to 50% or more of either that aggregate market value of all of the assets of our company determined on a consolidated basis or the aggregate market value of all the outstanding shares; or

  (iii) a proposed tender or exchange offer for 50% or more of our outstanding voting stock.

Material Contracts

For a summary of the following agreements, please see the specified section of this Annual Report on Form 20-F. Such summaries are not intended to be complete and reference is made to the contracts themselves, which are exhibits to this Annual Report on Form 20-F.

Amended and Restated Management Agreement. For a description of the Amended and Restated Management Agreement, dated August 1, 2025, between Danaos Shipping Company Limited and Danaos Corporation, please see "Item 7. Major Shareholders and Related Party Transactions—Management Agreements."

Brokerage Services Agreement. For a description of the Amended and Restated Brokerage Services Agreement, dated August 1, 2025, between Danaos Chartering Services Inc. and Danaos Corporation, please see "Item 7. Major Shareholders and Related Party Transactions—Management Agreements."

Amended and Restated Restrictive Covenant Agreement. For a description of the Amended and Restated Restrictive Covenant Agreement, dated February 3, 2025, between Danaos Corporation, DIL and Dr. John Coustas, please see "Item 7. Major Shareholders and Related Party Transactions—Non-competition."

Senior Notes Indentures. For a description of the Indenture, dated as of February 11, 2021, between Danaos Corporation and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent, please see "Item 5. Operating and Financial Review and Prospects - Senior Notes."

For a description of the Indenture, dated as of October 16, 2025, between Danaos Corporation and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent, please see "Item 5. Operating and Financial Review and Prospects—Senior Notes".

Senior Secured Credit Facilities. For a description of the Facility Agreement for $382.5 million Senior Secured Revolving Credit Facility, dated December 1, 2022, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and Citibank N.A. as lender please see "Item 5. Operating and Financial Review and Prospects-Credit Facilities".

For a description of the Facility Agreement for $450 million Senior Secured Credit Facility, dated March 19, 2024, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and Citibank N.A. London Branch, as Coordinator, Citibank N.A. London Branch, BNP Paribas and KFW IPEX-Bank GMBH, as Mandated Lead Arrangers and Bookrunners ALPHA BANK S.A., as Mandated Lead Arranger, with Citibank Europe plc, UK Branch, As Agent, Citibank, N.A., London Branch, as security agent, and the financial institutions listed on Schedule I thereto, as lenders, please see "Item 5. Operating and Financial Review and Prospects-Credit Facilities".

For a description of the Syndicated Facility Agreement for $850 million Senior Secured Credit Facility, dated February 7, 2025, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and the financial institutions party thereto, please see "Item 5. Operating and Financial Review and Prospects-Credit Facilities".

Exchange Controls and Other Limitations Affecting Stockholders

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our common stock.

We are not aware of any limitations on the rights to own our common stock, including rights of non-resident or foreign stockholders to hold or exercise voting rights on our common stock, imposed by foreign law or by our articles of incorporation or bylaws.

Tax Considerations

Marshall Islands Tax Considerations

We are a Marshall Islands corporation. Because we do not, and we do not expect that we will, conduct business or operations in the Marshall Islands, under current Marshall Islands law we are not subject to tax on income or capital gains and our stockholders will not be subject to Marshall Islands taxation or withholding on dividends and other distributions, including upon a return of capital, we make to our stockholders. In addition, our stockholders, who do not reside in, maintain offices in or engage in business in the Marshall Islands, will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of common stock, and such stockholders will not be required by the Republic of The Marshall Islands to file a tax return relating to the common stock.

Each stockholder is urged to consult their tax counsel or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including the Marshall Islands, of their investment in us. Further, it is the responsibility of each stockholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of them.

Liberian Tax Considerations

The Republic of Liberia enacted a new income tax act effective as of January 1, 2001 (the "New Act"). In contrast to the income tax law previously in effect since 1977, the New Act does not distinguish between the taxation of "non-resident" Liberian corporations, such as our Liberian subsidiaries, which conduct no business in Liberia and were wholly exempt from taxation under the prior law, and "resident" Liberian corporations which conduct business in Liberia and are (and were under the prior law) subject to taxation.

The New Act was amended by the Consolidated Tax Amendments Act of 2011, which was published and became effective on November 1, 2011 (the "Amended Act"). The Amended Act specifically exempts from taxation non-resident Liberian corporations such as our Liberian subsidiaries that engage in international shipping (and are not engaged in shipping exclusively within Liberia) and that do not engage in other business or activities in Liberia other than those specifically enumerated in the Amended Act. In addition, the Amended Act made such exemption from taxation retroactive to the effective date of the New Act.

If, however, our Liberian subsidiaries were subject to Liberian income tax under the Amended Act, they would be subject to tax at a rate of 35% on their worldwide income. As a result, their, and subsequently our, net income and cash flow would be materially reduced. In addition, as the ultimate shareholder of the Liberian subsidiaries we would be subject to Liberian withholding tax on dividends paid by our Liberian subsidiaries at rates ranging from 15% to 20%.

United States Federal Income Tax Considerations

The following discussion of United States federal income tax matters is based on the Internal Revenue Code of 1986, or the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the United States Department of the Treasury, all of which are in effect and available and subject to change, possibly with retroactive effect. Except as otherwise noted, this discussion is based on the assumption that we will not maintain an office or other fixed place of business within the United States. We have no current intention of maintaining such an office. References in this discussion to "we" and "us" are to Danaos Corporation and its subsidiaries on a consolidated basis, unless the context otherwise requires.

This section does not purport to be a comprehensive description of all of the tax considerations that may be relevant to us or each investor. This section does not address all aspects of U.S. federal income taxation that may be relevant to any particular investor based on such investor's individual circumstances. In particular, this section considers only investors that will own common shares as capital assets and does not address the potential application of the alternative minimum tax or the U.S. federal income tax consequences to investors that are subject to special treatment, including broker-dealers, insurance companies, taxpayers who have elected mark-to-market accounting, tax-exempt organizations, regulated investment companies, real estate investment trusts, financial institutions or "financial services entities", taxpayers who hold common shares as part of a straddle, hedge, conversion transaction or other integrated transaction, taxpayers required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an "applicable financial statement", taxpayers that own 10% or more, directly or constructively, of the common shares, certain expatriates or former long-term residents of the United States, taxpayers that are subject to the "base erosion and anti-avoidance" tax", and United States Holders (as defined herein) whose functional currency is not the U.S. dollar. We have not sought, nor do we intend to seek, a ruling from the Internal Revenue Service (the "IRS") as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court.

The following does not address any aspect of U.S. federal gift or estate tax laws, or state or local tax laws. Additionally, the section does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our common shares through such entities. Shareholders should consult their tax advisors regarding the specific tax consequences to them of the acquisition, holding or disposition of our common shares, in light of their particular circumstances.

United States Federal Income Taxation of Our Company

Taxation of Operating Income: In General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, operating or bareboat charter basis, from the participation in a pool, partnership, strategic alliance, joint operating agreement or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as "shipping income," to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States constitutes income from sources within the United States, which we refer to as "United States-source shipping income."

Shipping income attributable to transportation that both begins and ends in the United States is generally considered to be 100% from sources within the United States. We do not expect to engage in transportation that produces income which is considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-United States ports is generally considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

In the absence of exemption from tax under Section 883 of the Code, our gross United States-source shipping income and that of our vessel-owning or vessel-operating subsidiaries, unless determined to be effectively connected with the conduct of a United States trade or business, as described below, would be subject to a 4% tax imposed without allowance for deductions as described below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code, we and our vessel-owning or vessel-operating subsidiaries will be exempt from United States federal income taxation on United States-source shipping income if:

(1) we and such subsidiaries are organized in foreign countries (our "countries of organization") that grant an "equivalent exemption" to corporations organized in the United States; and

(2) either

(A) more than 50% of the value of our stock is owned, directly or indirectly, by individuals who are "residents" of our country of organization or of another foreign country that grants an "equivalent exemption" to corporations organized in the United States, which we refer to as the "50% Ownership Test"; or

(B) our stock is "primarily and regularly traded on an established securities market" in our country of organization, in another country that grants an "equivalent exemption" to United States corporations, or in the United States, which we refer to as the "Publicly-Traded Test."

We believe, based on Revenue Ruling 2008-17, 2008-12 IRB 626, and, in the case of the Marshall Islands, an exchange of notes between the United States and the Marshall Islands, 1990-2 C.B. 321, and, in the case of Liberia, an exchange of notes between the United States and Liberia, 1988-1 C.B. 463 (each an "Exchange of Notes"), that the Marshall Islands and Liberia, the jurisdictions in which we and our vessel-owning and vessel-operating subsidiaries are incorporated, grant an "equivalent exemption" to United States corporations. Therefore, we believe that we and our vessel-owning and vessel-operating subsidiaries will be exempt from United States federal income taxation with respect to United States-source shipping income if either the 50% Ownership Test or the Publicly-Traded Test is met. While the 883 Trust currently owns more than 50% of our shares, this may not continue to be the case in the future. Therefore, while we believe that we currently satisfy the 50% Ownership Test, we expect that, if the 883 Trust were to own 50% or less of our shares, it may be difficult for us to satisfy the 50% Ownership Test due to the public trading of our stock. Our ability to satisfy the Publicly-Traded Test is discussed below.

The Section 883 regulations provide, in pertinent part, that stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a particular country if the number of shares of each class of stock that are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. For 2025, our common stock, which is the sole class of our issued and outstanding stock, was "primarily traded" on the New York Stock Exchange. We expect that that will also be the case for subsequent taxable years, but no assurance can be given that this will be the case, or that we otherwise will be eligible for the Publicly-Traded Test.

Under the regulations, our common stock will be considered to be "regularly traded" on an established securities market if one or more classes of our stock representing more than 50% of our outstanding shares, by total combined voting power of all classes of stock entitled to vote and total value, is listed on the market. We refer to this as the "listing threshold". Since our common stock is our sole class of stock, we satisfied the listing threshold for 2025 and expect to continue to do so for subsequent taxable years.

It is further required that with respect to each class of stock relied upon to meet the listing threshold (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or $^1/_6$ of the days in a short taxable year; and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year or as appropriately adjusted in the case of a short taxable year. We believe that we satisfied the trading frequency and trading volume tests for 2025. We expect to continue to satisfy these requirements for subsequent taxable years, but no assurance can be given that this will be the case. Even if this were not the case, the regulations provide that the trading frequency and trading volume tests will be deemed satisfied if, as was the case for 2025 and may be the case with our common stock for subsequent taxable years, such class of stock is traded on an established market in the United States and such stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of our stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of such class of our outstanding shares of the stock is owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of our outstanding stock, which we refer to as the "5 Percent Override Rule."

For purposes of being able to determine the persons who own 5% or more of our stock, or "5% Stockholders," the regulations permit us to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the United States Securities and Exchange Commission, or the "SEC," as having a 5% or more beneficial interest in our common stock. The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Stockholder for such purposes.

More than 50% of our shares of common stock may be owned by 5% stockholders. For any period that this is the case, we will be subject to the 5% Override Rule unless we can establish that among the shares included in the closely-held block of our shares of common stock there are a sufficient number of shares of common stock that are owned or treated as owned by "qualified stockholders" such that the shares of common stock included in such block that are not so treated could not constitute 50% or more of the shares of our common stock for more than half the number of days during the taxable year. In order to establish this, such qualified stockholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified stockholders. For these purposes, a "qualified stockholder" includes (i) an individual that owns or is treated as owning shares of our common stock and is a resident of a jurisdiction that provides an exemption that is equivalent to that provided by Section 883 of the Code and (ii) certain other persons. There can be no assurance that we will not be subject to the 5 Percent Override Rule with respect to any taxable year.

Approximately 52.4% of our outstanding shares of common stock, as of February 25, 2026, will be treated, under applicable attribution rules, as owned by the 883 Trust whose ownership of our shares will be attributed, during his lifetime, to John Coustas, our chief executive officer, for purposes of Section 883. Dr. Coustas has entered into an agreement with us regarding his compliance, and the compliance of certain entities that he controls and through which he owns our shares, with the certification requirements designed to substantiate status as qualified stockholders. In certain circumstances, including circumstances where Dr. Coustas ceases to be a "qualified stockholder" or where the 883 Trust transfers some or all of our shares that it holds, Dr. Coustas' compliance, and the compliance of certain entities that he controls or through which he owns our shares, with the terms of the agreement with us will not enable us to satisfy the requirements for the benefits of Section 883. Following Dr. Coustas' death, there can be no assurance that our shares that are treated, under applicable attribution rules, as owned by the 883 Trust will be treated as owned by a "qualified stockholder" or that any "qualified stockholder" to whom ownership of all or a portion of such ownership is attributed will comply with the ownership certification requirements under Section 883.

Accordingly, there can be no assurance that we or any of our vessel-owning or vessel-operating subsidiaries will qualify for the benefits of Section 883 for any taxable year.

To the extent the benefits of Section 883 are unavailable, our U.S.-source shipping income, to the extent not considered to be "effectively connected" with the conduct of a United States trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions. Since, under the sourcing rules described above, we expect that no more than 50% of our shipping income would be treated as being derived from United States sources, we expect that the maximum effective rate of United States federal income tax on our gross shipping income would never exceed 2% under the 4% gross basis tax regime. Many of our charters contain provisions obligating the charterer to reimburse us for amounts paid in respect of the 4% tax with respect to the activities of the vessel subject to the charter.

To the extent the benefits of the Section 883 exemption are unavailable and our United States-source shipping income is considered to be "effectively connected" with the conduct of a United States trade or business, as described below, any such "effectively connected" U.S.-source shipping income, net of applicable deductions, would be subject to the United States federal corporate income tax currently imposed at rates of up to 21%. In addition, we may be subject to the 30% "branch profits" taxes on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our United States trade or business.

Our U.S.-source shipping income, other than leasing income, will be considered "effectively connected" with the conduct of a United States trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and

- substantially all (at least 90%) of our U.S.-source shipping income, other than leasing income, is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

Our U.S.-source shipping income from leasing will be considered "effectively connected" with the conduct of a U.S. trade or business only if:

- we have, or are considered to have a fixed place of business in the United States that is involved in the earning of such leasing income; and

- substantially all (at least 90%) of our U.S.-source shipping income from leasing is attributable to such fixed place of business.

For these purposes, leasing income is treated as attributable to a fixed place of business where such place of business is a material factor in the realization of such income and such income is realized in the ordinary course of business carried on through such fixed place of business. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our U.S.-source shipping income will be "effectively connected" with the conduct of a U.S. trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883, we will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel will be so structured that it will be considered to occur outside of the United States unless any gain from such sale is expected to qualify for exemption under Section 883.

United States Federal Income Taxation of United States Holders

As used herein, the term "United States Holder" means a beneficial owner of common stock that is a United States citizen or resident, United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. The discussion that follows deals only with common stock that are held by a United States Holder as capital assets and does not address the treatment of United States Holders that are subject to special tax rules.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners in a partnership holding our common stock are encouraged to consult their tax advisor.

Distributions with Respect to Common Stock

Subject to the discussion of passive foreign investment companies, or PFICs, below, any distributions made by us with respect to our common stock to a United States Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of the United States Holder's tax basis in his or her or its common stock on a dollar for dollar basis and thereafter as capital gain. Because we are not a United States corporation, United States Holders that are corporations will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. Dividends paid with respect to our common stock will generally be treated as passive category income or, in the case of certain types of United States Holders, general category income for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes. Dividends paid on our common stock to a United States Holder who is an individual, trust or estate (a "United States Individual Holder") should be treated as "qualified dividend income" that is taxable to such United States Individual Holders at preferential tax rates provided that (1) the common stock is readily tradable on an established securities market in the United States (such as the New York Stock Exchange); (2) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (see the discussion below under "— PFIC Status and Material U.S. Federal Tax Consequences"); and (3) the United States Individual Holder owns the common stock for more than 60 days in the 121 - day period beginning 60 days before the date on which the common stock becomes ex-dividend. Special rules may apply to any "extraordinary dividend". Generally, an extraordinary dividend is a dividend in an amount which is equal to or in excess of ten percent of a stockholder's adjusted basis (or fair market value in certain circumstances) in the share of common stock with respect to which such dividend was paid or dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a stockholder's adjusted tax basis (or fair market value upon the shareholder's election) in our stock with respect to which the dividend was paid. If we pay an "extraordinary dividend" on our common stock that is treated as "qualified dividend income," then any loss derived by a United States Individual Holder from the sale or exchange of such common stock will be treated as long-term capital loss to the extent of such dividend.

There is no assurance that any dividends paid on our common stock will be eligible for these preferential rates in the hands of a United States Individual Holder. Any dividends paid by us which are not eligible for these preferential rates will be taxed to a United States Individual Holder at the standard ordinary income rates.

Legislation has been previously introduced that would deny the preferential rate of federal income tax currently imposed on qualified dividend income with respect to dividends received from a non-U.S. corporation, unless the non-U.S. corporation either is eligible for the benefits of a comprehensive income tax treaty with the United States or is created or organized under the laws of a foreign country which has a comprehensive income tax system. Because the Marshall Islands has not entered into a comprehensive income tax treaty with the United States and imposes only limited taxes on corporations organized under its laws, it is unlikely that we could satisfy either of these requirements. Consequently, if this legislation were enacted in its current form the preferential rate of federal income tax described above may no longer be applicable to dividends received from us. As of the date hereof, it is not possible to predict with certainty whether or in what form legislation of this sort might be proposed, or enacted.

Sale, Exchange or other Disposition of Common Stock

Assuming we do not constitute a PFIC for any taxable year, a United States Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common stock in an amount equal to the difference between the amount realized by the United States Holder from such sale, exchange or other disposition and the United States Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the United States Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as United States-source income or loss, as applicable, for United States foreign tax credit purposes. A United States Holder's ability to deduct capital losses is subject to certain limitations.

PFIC Status and Material U.S. Federal Tax Consequences

Special United States federal income tax rules apply to a United States Holder that holds stock in a foreign corporation classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. In general, we will be treated as a PFIC in any taxable year in which, after applying certain look-through rules, either:

- at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or

- at least 50% of the average value of our assets during such taxable year produce, or are held for the production of, passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by us in connection with the performance of services will not constitute passive income. By contrast, rental income will generally constitute "passive income" unless we are treated under specific rules as deriving our rental income in the active conduct of a trade or business.

We may hold, directly or indirectly, interests in other entities that are PFICs ("Subsidiary PFICs"). If we are a PFIC, each United States Holder will be treated as owning its pro-rata share by value of the stock of any such Subsidiary PFICs.

While there are legal uncertainties involved in this determination, we believe that we should not be treated as a PFIC for the taxable year ended December 31, 2025. We believe that, although there is no legal authority directly on point, the gross income that we derive from time chartering activities of our subsidiaries should constitute services income rather than rental income. Consequently, such income should not constitute passive income and the vessels that we or our subsidiaries operate in connection with the production of such income should not constitute passive assets for purposes of determining whether we are a PFIC. The characterization of income from time charters, however, is uncertain. Although there is older legal authority supporting this position consisting of case law and Internal Revenue Service, or IRS, pronouncements concerning the characterization of income derived from time charters as services income for other tax purposes, the United States Court of Appeals for the Fifth Circuit held in *Tidewater Inc. and Subsidiaries v. United States*, 565 F.3d 299; (5th Cir. 2009), that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of the "foreign sales corporation" rules under the Code. The IRS has stated that it disagrees with and will not acquiesce to the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. However, the IRS's statement with respect to the *Tidewater* decision was an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would disagree with the *Tidewater* decision. If the principles of the *Tidewater* decision were applicable to our time charters, we would likely be treated as a PFIC. Moreover, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC, we cannot assure you that the nature of our assets, income and operations will not change, including if we increase our cash on hand, or that we can avoid being treated as a PFIC for any taxable year.

If we were to be treated as a PFIC for any taxable year, a United States Holder would be required to file an annual report with the IRS for that year with respect to such holder's common stock. In addition, as discussed more fully below, if we were to be treated as a PFIC for any taxable year, a United States Holder of our common stock would be subject to different taxation rules depending on whether the United States Holder makes an election to treat us as a "Qualified Electing Fund," which election we refer to as a "QEF election." As an alternative to making a QEF election, a United States Holder should be able to make a "mark-to-market" election with respect to our common stock, as discussed below.

Taxation of United States Holders Making a Timely QEF Election

If a United States Holder makes a timely QEF election with respect to our common stock, which United States Holder we refer to as an "Electing Holder," for United States federal income tax purposes each year the Electing Holder must report his, her or its pro-rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. Generally, a QEF election should be made on or before the due date for filing the electing United States Holder's U.S. federal income tax return for the first taxable year in which our common stock is held by such United States Holder and we are classified as a PFIC. The Electing Holder's adjusted tax basis in the common stock would be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed would result in a corresponding reduction in the adjusted tax basis in the common stock and would not be taxed again when distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common stock. A United States Holder would make a QEF election with respect to any year that our company and any Subsidiary PFIC are treated as PFICs by filing one copy of IRS Form 8621 with his, her or its United States federal income tax return and a second copy in accordance with the instructions to such form. If we were to become aware that we were to be treated as a PFIC for any taxable year, we would notify all United States Holders of such treatment and would provide all necessary information to any United States Holder who requests such information in order to make the QEF election described above with respect to our common stock and the stock of any Subsidiary PFIC. We may elect to provide such information on our website.

Taxation of United States Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we anticipate, our common stock is treated as "marketable stock," a United States Holder of our common stock would be allowed to make a "mark-to- market" election with respect to our common stock, provided the United States Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the United States Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the common stock at the end of the taxable year over such holder's adjusted tax basis in the common stock. The United States Holder also would be permitted an ordinary loss in respect of the excess, if any, of the United States Holder's adjusted tax basis in the common stock over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A United States Holder's tax basis in his, her or its common stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our common stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the United States Holder. A mark-to-market election under the PFIC rules with respect to our common stock would not apply to a Subsidiary PFIC, and a United States Holder would not be able to make such a mark-to-market election in respect of its indirect ownership interest in that Subsidiary PFIC. Consequently, United States Holders of our common stock could be subject to the PFIC rules with respect to income of the Subsidiary PFIC, the value of which already had been taken into account indirectly via mark-to-market adjustments.

Taxation of United States Holders Not Making a Timely QEF or Mark- to-Market Election

Finally, if we were treated as a PFIC for any taxable year, a United States Holder who does not make either a QEF election or a "mark-to-market" election for that year, whom we refer to as a "Non-Electing Holder," would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on our common stock in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common stock) and (2) any gain realized on the sale, exchange or other disposition of our common stock. Under these special rules:

- the excess distribution or gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common stock;

- the amount allocated to the current taxable year or to any portion of the United States Holder's holding period prior to the first taxable year for which we were a PFIC would be taxed as ordinary income; and

- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

If we were treated as a PFIC for any taxable year, a U.S. Holder that owns our shares would be required to file an annual information return with the IRS reflecting such ownership, regardless of whether a QEF election or a mark-to-market election had been made.

If a United States Holder held our common stock during a period when we were treated as a PFIC but the United States Holder did not have a QEF election in effect with respect to us, then in the event that we failed to qualify as a PFIC for a subsequent taxable year, the United States Holder could elect to cease to be subject to the rules described above with respect to those shares by making a "deemed sale" or, in certain circumstances, a "deemed dividend" election with respect to our common stock. If the United States Holder makes a deemed sale election, the United States Holder will be treated, for purposes of applying the rules described in the preceding paragraph, as having disposed of our common stock for their fair market value on the last day of the last taxable year for which we qualified as a PFIC (the "termination date"). The United States Holder would increase his, her or its basis in such common stock by the amount of the gain on the deemed sale described in the preceding sentence. Following a deemed sale election, the United States Holder would not be treated, for purposes of the PFIC rules, as having owned the common stock during a period prior to the termination date when we qualified as a PFIC.

If we were treated as a "controlled foreign corporation" for United States tax purposes for the taxable year that included the termination date, then a United States Holder could make a deemed dividend election with respect to our common stock. If a deemed dividend election is made, the United States Holder is required to include in income as a dividend his, her or its pro-rata share (based on all of our stock held by the United States Holder, directly or under applicable attribution rules, on the termination date) of our post-1986 earnings and profits as of the close of the taxable year that includes the termination date (taking only earnings and profits accumulated in taxable years in which we were a PFIC into account). The deemed dividend described in the preceding sentence is treated as an excess distribution for purposes of the rules described in the second preceding paragraph. The United States Holder would increase his, her or its basis in our common stock by the amount of the deemed dividend. Following a deemed dividend election, the United States Holder would not be treated, for purposes of the PFIC rules, as having owned the common stock during a period prior to the termination date when we qualified as a PFIC. For purposes of determining whether the deemed dividend election is available, we will generally be treated as a controlled foreign corporation for a taxable year when, at any time during that year, United States persons, each of whom owns, directly or under applicable attribution rules, common stock having 10% or more of the total voting power of our common stock, in the aggregate own, directly or under applicable attribution rules, shares representing more than 50% of the voting power or value of our common stock.

A deemed sale or deemed dividend election must be made on the United States Holder's original or amended return for the shareholder's taxable year that includes the termination date and, if made on an amended return, such amended return must be filed not later than the date that is three years after the due date of the original return for such taxable year. Special rules apply where a person is treated, for purposes of the PFIC rules, as indirectly owning our common stock.

United States Federal Income Taxation of "Non-United States Holders"

A beneficial owner of common stock that is not a United States Holder and is not treated as a partnership for United States federal income tax purposes is referred to herein as a "Non-United States Holder."

Dividends on Common Stock

Non-United States Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from us with respect to our common stock, unless that income is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States. To the extent that the dividends are effectively connected income, if the Non-United States Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, that income generally is taxable only if it is attributable to a permanent establishment maintained by the Non-United States Holder in the United States.

Sale, Exchange or Other Disposition of Common Stock

Non-United States Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common stock unless:

- the gain is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States. If the Non- United States Holder is entitled to the benefits of an income tax treaty with respect to that gain, that gain generally is taxable only if it is attributable to a permanent establishment maintained by the Non-United States Holder in the United States; or

- the Non-United States Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If the Non-United States Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common stock, including dividends (with respect to the common stock) and the gain from the sale, exchange or other disposition of the stock that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of United States Holders. In addition, in the case of a corporate Non-United States Holder, such holder's earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to a noncorporate United States holder will be subject to information reporting requirements and backup withholding tax if such holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that it has failed to report all interest or dividends required to be shown on its federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-United States Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on IRS Form W-8BEN, W-8ECI or W-8IMY, as applicable.

If a holder sells our common stock to or through a United States office or broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the holder certifies that it is a non-United States person, under penalties of perjury, or the holder otherwise establishes an exemption. If a holder sells our common stock through a non-United States office of a non-United States broker and the sales proceeds are paid outside the United States, information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a holder sells our common stock through a non-United States office of a broker that is a United States person or has some other contacts with the United States.

Backup withholding tax is not an additional tax. Rather, a holder generally may obtain a refund of any amounts withheld under backup withholding rules that exceed such stockholder's income tax liability by filing a refund claim with the IRS.

Dividends and Paying Agents

Not applicable.

Statement by Experts

Not applicable.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. You may access our public filings and reports and other information regarding registrants, including us, that file electronically with the SEC without charge at a web site maintained by the SEC at *http://www.sec.gov*.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We currently have no outstanding interest rate swaps agreements. However, in past years, we entered into interest rate swap agreements designed to manage our floating rate exposure on our credit facilities. We have not held or issued derivative financial instruments for trading or other speculative purposes.

Assuming no changes to our borrowings or hedging instruments after December 31, 2025, a 10 basis points increase in interest rates on our floating rate debt outstanding on December 31, 2025 would result in a $0.5 million increase in interest expense in 2026. These amounts are determined by calculating the effect of a hypothetical interest rate change on our floating rate debt. These amounts do not include the effects of certain potential results of changing interest rates, such as a different level of overall economic activity, or other actions management may take to mitigate this risk. Furthermore, this sensitivity analysis does not assume alterations in our gross debt or other changes in our financial position.

Foreign Currency Exchange Risk

We generate all of our revenues in U.S. dollars, but for the year ended December 31, 2025 we incurred approximately 24.4% of our operating expenses in currencies other than U.S. dollars (mainly in Euros). A hypothetical 10% increase in U.S. dollars/Euro exchange rate would have increased our operating expenses by approximately $4.1 million for the year ended December 31, 2025. As of December 31, 2025, approximately 35.6% of our outstanding accounts payable were denominated in currencies other than the U.S. dollar (mainly in Euro). We have not entered into derivative instruments to hedge the foreign currency translation of assets or liabilities or foreign currency transactions.

Item 12. Description of Securities Other than Equity Securities

Not Applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not Applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not Applicable.

Item 15. Controls and Procedures

15A. Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of December 31, 2025. Disclosure controls and procedures are defined under SEC rules as controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on our evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2025.

15B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, and for the assessment of the effectiveness of internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States ("GAAP").

A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In making its assessment of our internal control over financial reporting as of December 31, 2025, management, including the Chief Executive Officer and Chief Financial Officer, used the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management concluded that, as of December 31, 2025, our internal control over financial reporting was effective. Deloitte Certified Public Accountants S.A., our independent registered public accounting firm, has audited the financial statements included herein and our internal control over financial reporting and has issued an attestation report on the effectiveness of our internal control over financial reporting as of December 31, 2025, which is included in Item 15C. below.

15C. Attestation Report of the Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Danaos Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Danaos Corporation and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 27, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte Certified Public Accountants S.A.

Athens, Greece
February 27, 2026

15D. Change in Internal Control over Financial Reporting

During the period covered by this Annual Report on Form 20-F, we have made no changes to our internal control over financial reporting that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert

Our Audit Committee consists of three independent directors, Myles R. Itkin, who is the chairman of the committee. Petros Christodoulou and Charalampos Pampoukis. Our board of directors has determined that Myles R. Itkin, whose biographical details are included in "Item 6. Directors, Senior Management and Employees," qualifies as an audit committee financial expert as defined under current SEC regulations. Mr. Itkin is independent in accordance with the listing standards of the New York Stock Exchange and SEC rules.

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics for officers and employees of our company and a Code of Conduct and Ethics for Corporate Officers and Directors, copies of which are posted on our website, and may be viewed at *http://www.danaos.com*. We will also provide a paper copy of these documents free of charge upon written request by our stockholders. Stockholders may direct their requests to the attention of Mr. Evangelos Chatzis, Danaos Corporation, c/o Danaos Shipping Co. Ltd., 14 Akti Kondyli, 185 45 Piraeus, Greece. No waivers of the Code of Business Conduct and Ethics or the Code of Conduct and Ethics have been granted to any person during the year ended December 31, 2025.

Item 16C. Principal Accountant Fees and Services

Deloitte Certified Public Accountants S.A. (PCAOB ID 1163) ("Deloitte"), an independent registered public accounting firm, has audited our annual financial statements acting as our independent auditor for the fiscal years ended December 31, 2025, 2024 and 2023.

The chart below sets forth the total amount billed and accrued for Deloitte's services performed for 2025 and 2024 and breaks down these amounts by the category of service.

	2025	2024
	(in thousands of dollars)	
Audit fees	$ 529.8	$ 396.4
Tax fees	26.9	—
Total fees	$ 556.7	$ 396.4

Audit Fees

Audit fees paid were compensation for professional services rendered for the audits of our consolidated financial statements, the reviews of our interim consolidated financial statements included in our quarterly reports, and in connection with the review of the registration statements and related consents required for SEC or other regulatory filings and the issuance of comfort letters.

Tax Fees

Tax fees represent professional tax advisory services rendered for the year ended December 31, 2025. There were no such fees in 2024.

Audit-related Fees; Other Fees

No audit-related, or other services were provided for the years ended December 31, 2025 and 2024.

Pre-approval Policies and Procedures

The audit committee charter sets forth our policy regarding retention of the independent auditors, requiring the audit committee to review and approve in advance the retention of the independent auditors for the performance of all audit and lawfully permitted non-audit services and the fees related thereto. The chairman of the audit committee or in the absence of the chairman, any member of the audit committee designated by the chairman, has authority to approve in advance any lawfully permitted non-audit services and fees. The audit committee is authorized to establish other policies and procedures for the pre-approval of such services and fees. Where non-audit services and fees are approved under delegated authority, the action must be reported to the full audit committee at its next regularly scheduled meeting.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not Applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On June 14, 2022, we announced that our Board of Directors had authorized the repurchase of up to $100.0 million of shares of our common stock. Our Board of Directors subsequently approved increases to the program of $100.0 million on November 10, 2023 and $100.0 million on April 14, 2025, resulting in a total authorized repurchase amount of $300.0 million. Shares may be purchased from time to time in open market or privately negotiated transactions, which may include derivative transactions, at times and prices that are considered to be appropriate by the Company and the program may be discontinued at any time.

We repurchased 60,819 shares of our common stock in the open market for $5.9 million for the period January 1, 2026 to February 25, 2026; 927,527 shares for $76.1 million in the year ended December 31, 2025; 661,103 shares for $53.9 million in the year ended December 31, 2024; 1,131,040 shares for $70.6 million in the year ended December 31, 2023 and 466,955 shares for $28.6 million in the year ended December 31, 2022.

The below table presents information about our stock repurchases in the period from January 1, 2026 through February 25, 2026 and the year ended December 31, 2025. All purchases have been made on the open market within the safe harbor provisions of Regulation 10b-18 under the Exchange Act.

Period	Total number of shares purchased	Average price paid per share (in US$)	Total number of shares purchased as part of publicly announced program	Maximum approximate Dollar value of shares that may yet be purchased under the program (in US$ million)
January 2 to January 31, 2025	158,876	$ 79.09	2,417,974	$ 34.4
February 1 to February 28, 2025	164,030	$ 81.91	2,582,004	$ 20.9
March 3 to March 20, 2025	90,549	$ 79.68	2,672,553	$ 13.7
April 3 to April 30, 2025	264,605	$ 73.46	2,937,158	$ 94.3
November 3 to November 24, 2025	127,359	$ 93.42	3,064,517	$ 82.4
December 10 to December 31, 2025	122,108	$ 94.23	3,186,625	$ 70.9
Total	**927,527**	**$ 82.00**	**3,186,625**	**$ 70.9**
Period				
January 2 to January 31, 2026	60,559	$ 97.76	3,247,184	$ 65.0
February 1 to February 5, 2026	260	$ 100.0	3,247,444	$ 64.9
Total	**60,819**	**$ 97.77**	**3,247,444**	**$ 64.9**

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

Statement of Significant Differences between our Corporate Governance Practices and the New York Stock Exchange Corporate Governance Standards for U.S. Domestic Issuers

Pursuant to certain exceptions for foreign private issuers, we are not required to comply with certain of the corporate governance practices followed by domestic U.S. companies under the New York Stock Exchange listing standards. However, pursuant to Section 303.A.11 of the New York Stock Exchange Listed Company Manual and the requirements of Form 20-F, we are required to state any significant differences between our corporate governance practices and the practices required by the New York Stock Exchange. We believe that our established practices in the area of corporate governance are in line with the spirit of the New York Stock Exchange standards and provide adequate protection to our stockholders. The significant differences between our corporate governance practices and the New York Stock Exchange standards applicable to listed U.S. companies are set forth below.

As a foreign private issuer we are permitted to follow the corporate governance rules of our home country in lieu of complying with NYSE shareholder approval requirements applicable to certain share issuances and the adoption or amendment of equity compensation plans, specifically NYSE Rules 303A.08, 312.03(a), 312.03(b) and 312.03(c). We comply with the provisions of the Marshall Islands Business Corporations Act which provide that the Board of Directors approve share issuances, including equity compensation arrangements, without the need for stockholder approval, in lieu of the NYSE rules.

Item 16H. Mine Safety Disclosure

Not Applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

Item 16J. Insider Trading Policies

We have adopted a Policy Statement on Inside Information and Insider Trading setting forth policies and procedures governing the purchase, sale, and other dispositions of the Company's securities by directors, senior management and employees, as well as employees of the Manager and certain other service providers, that are designed to promote compliance with applicable insider trading laws, rules and regulations, and NYSE and other listing standards applicable to us. The Company also observes applicable insider trading laws, rules and regulations, and NYSE and other applicable exchange standards applicable to us, in connection with any trading activity. The Company's Policy Statement on Inside Information and Insider Trading is filed herewith as Exhibit 11.3 to this annual report.

Item 16K. Cybersecurity

Risk Management and Strategy

We recognize the importance of safeguarding the security of our computer systems, software, networks, and other technology assets. Accordingly, we have implemented processes for identifying, assessing, and mitigating cybersecurity risks as part of our Enterprise Risk Management (ERM) process. In line with recognized industry standards - including, but not limited to, the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the General Data Protection Regulation (GDPR), and the Network & Information Systems Directive 2022 (NIS2) - we maintain a cybersecurity risk management program designed to identify, assess, and mitigate material cybersecurity risks. Our IT infrastructure and information security management systems have also been ISO 27001:2022 certified, underscoring our commitment to integrity, transparency, and data safety.

Our cybersecurity program integrates several key components, including information security policies and operating procedures, periodic risk assessments and other vulnerability analyses, and ongoing monitoring of critical cybersecurity risks using automated tools. In addition, all employees undergo cybersecurity training both during onboarding and periodically throughout the year. We also conduct regular phishing simulations to heighten employees' awareness of spoofed or manipulated electronic communications and other cyber threats.

We maintain a Cybersecurity Incident Response Plan ("CIRP") designed to guide the Company's response to cybersecurity incidents, including procedures to identify, escalate, contain, mitigate, and recover from events that could adversely affect our information systems, networks, or data. The CIRP defines roles and responsibilities for incident response, including escalation and internal reporting processes, and is periodically reviewed and tested to support operational readiness.

To support the effectiveness of our incident response and cybersecurity controls, we engage independent third-party cybersecurity specialists to conduct regular security testing and exercises. These activities include, but are not limited to, penetration testing, vulnerability assessments, and social engineering assessments, and are designed to evaluate the resilience of our technical controls, processes, and personnel against evolving threat scenarios.

We also perform regular assessments of our cybersecurity program to evaluate alignment with recognized frameworks and guidance, including the NIST Cybersecurity Framework and the International Maritime Organization's Guidelines on Maritime Cyber Risk Management, as revised, as well as applicable international standards. These assessments inform the ongoing development and continuous improvement of our cybersecurity risk management practices, including updates to policies, controls, and incident response procedures, as appropriate.

To date, risks from cybersecurity threats have not materially affected us, and we do not believe they are reasonably likely to have a material effect on our business strategy, results of operations, or financial condition. Nevertheless, we may occasionally experience threats to, and security incidents affecting, our data and systems. We will promptly disclose any material cybersecurity incident in accordance with applicable SEC requirements. For more information, please see the risk factor entitled "We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed." under "Item 3—Key Information—Risk Factors" in this annual report.

Governance

To oversee our cybersecurity risk management program and policies, the role and responsibilities of the Chief Information Security Officer are performed by an external IT advisory company. The Chief Information Security Officer has primary responsibility for strategy, governance, and risk oversight of our cybersecurity measures, working in cooperation with our Head of IT and under the guidance of our Chief Operating Officer. The IT Department, led by the Head of IT—who has over 30 years of experience in information technology and cybersecurity risk management—implements the technical controls and processes designed to mitigate cybersecurity risks, as well as regularly monitoring and updating these measures to adapt to evolving threats. In addition, the IT Department oversees a Security Operations Center (SOC) that is operated by an external provider, employing specialized technology professionals who continuously monitor our systems for potential cybersecurity risks.

We also maintain processes to oversee and identify material cybersecurity risks arising from our use of third-party service providers. These processes include comprehensive vendor evaluations prior to engagement, ongoing audits and testing to verify adherence to our security policies, and contractual provisions requiring vendors to meet our cybersecurity standards. By proactively assessing potential vulnerabilities within our supply chain and continuously monitoring vendor performance, we seek to mitigate any cybersecurity threats that could significantly impact our operations.

As part of our Board of Directors' ERM process, the Board has ultimate responsibility for overseeing cybersecurity risk management. The Audit Committee, which receives updates on cybersecurity at least quarterly (and more frequently if circumstances warrant), oversees our cybersecurity program. Pursuant to its charter, the Audit Committee reviews our cybersecurity and other information technology risks, controls, and procedures, including our plans for cybersecurity risk mitigation and incident response. The Compliance Officer, alongside the Chief Operating Officer, provides periodic reports to the Audit Committee on cybersecurity and other IT risks. In the event of a cybersecurity incident that presents a critical risk to the Company, the Chief Operating Officer (and/or the Compliance Officer) would promptly report such incident to our Board of Directors, consistent with our escalation process.

PART III

Item 17. Financial Statements

Not Applicable.

Item 18. Financial Statements

Reference is made to pages F-1 through F-43 included herein by reference.

Item 19. Exhibits

Number	Description
1.1	Restated Articles of Incorporation of Danaos Corporation, as amended by Articles of Amendment dated August 10, 2018 and Articles of Amendment dated May 1, 2019 (incorporated by reference to Exhibit 1.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2019 filed with the SEC on February 27, 2020)
1.2	Amended and Restated Bylaws of Danaos Corporation (incorporated by reference to the Company's Form 6-K filed with the SEC on September 23, 2009)
2.1	Description of Securities (incorporated by reference to Exhibit 2.1 to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on March 3, 2022)
2.2	Indenture, dated as of February 11, 2021, between Danaos Corporation and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent, including form of Danaos Corporation 8.500% Senior Notes due 2028 (incorporated by reference to the Company's Report on Form 6-K filed with the SEC on February 17, 2021)
2.3	Indenture, dated as of October 16, 2025, between Danaos Corporation and Citibank, N.A., London Branch, as trustee, paying agent, registrar and transfer agent, including form of Danaos Corporation 6.875% Senior Notes due 2032 (incorporated by reference to Exhibit 99.1 to the Company's Report on Form 6-K filed with the SEC on October 16, 2025)
4.1	Amended and Restated Management Agreement, dated August 1, 2025, between Danaos Corporation and Danaos Shipping Company Limited (incorporated by reference to Exhibit 99.2 to the Company's Report on Form 6-K filed with the SEC on August 5, 2025)
4.2	Amended and Restated Brokerage Services Agreement, dated August 1, 2025, between Danaos Corporation and Danaos Chartering Services Inc. (incorporated by reference to Exhibit 99.3 to the Company's Report on Form 6-K filed with the SEC on August 5, 2025)
4.3	Amended and Restated Restrictive Covenant Agreement, dated February 3, 2025, among Danaos Corporation, Dr. John Coustas and Danaos Investment Limited as the Trustee of the 883 Trust (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 20-F for the year ended December 31, 2024 filed with the SEC on March 5, 2025)
4.4	Amended and Restated Danaos Corporation 2006 Equity Compensation Plan (incorporated by reference to Exhibit 99.2 to the Company's Form 6-K filed on August 6, 2019)
4.5	Amended and Restated Directors' Share Payment Plan
4.6	2006 Equity Compensation Plan (incorporated by reference to the Company's Registration Statement on Form F-1 (Reg. No. 333-137459) filed with the SEC September 19, 2006) and Amendment No. 1 to 2006 Equity Compensation Plan (incorporated by reference to the Company's Annual Report on Form 20-F for the year ended December 31, 2016 filed with the SEC on March 6, 2017)
4.7	Facility Agreement for $382.5 million Senior Secured Revolving Credit Facility, dated December 1, 2022, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and Citibank N.A. as lender (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 20 - F for the year ended December 31, 2022 filed with the SEC on March 9, 2023)

4.8	Facility Agreement for $450 million Senior Secured Credit Facility, dated March 19, 2024, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and Citibank N.A. London Branch, as Coordinator, Citibank N.A. London Branch, BNP Paribas and KFW IPEX-Bank GMBH, as Mandated Lead Arrangers and Bookrunners ALPHA BANK S.A., as Mandated Lead Arranger, with Citibank Europe plc, UK Branch, As Agent, Citibank, N.A., London Branch, as security agent, and the financial institutional listed on Schedule I thereto, as lenders (incorporated by reference to Exhibit 99.2 to the Company's Report on Form 6-K filed with the SEC on May 28, 2024)
4.9	Facility Agreement for $850 million Senior Secured Credit Facility, dated February 7, 2025, between Danaos Corporation, as a borrower, certain of its subsidiaries as guarantors, and the financial institutions named therein (incorporated by reference to Exhibit 4.9 to the Company's Annual Report on Form 20-F for the year ended December 31, 2024 filed with the SEC on March 5, 2025)
8	Subsidiaries
11.1	Code of Business Conduct and Ethics (incorporated by reference to the Company's Annual Report on Form 20-F for the year ended December 31, 2018 and filed with the SEC on March 5, 2019)
11.2	Code of Conduct and Ethics for Corporate Officers and Directors (incorporated by reference to the Company's Annual Report on Form 20-F for the year ended December 31, 2018 and filed with the SEC on March 5, 2019)
11.3	Policy Statement on Inside Information and Insider Trading (incorporated by reference to Exhibit 11.3 to the Company's Annual Report on Form 20-F for the year ended December 31, 2024 filed with the SEC on March 5, 2025)
12.1	Certification of Chief Executive Officer pursuant to Rule 13a- 14(a) of the Securities Exchange Act of 1934, as amended
12.2	Certification of Chief Financial Officer pursuant to Rule 13a- 14(a) of the Securities Exchange Act of 1934, as amended
13.1	Certification of Chief Executive Officer pursuant to Rule 13a- 14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of Chief Financial Officer pursuant to Rule 13a- 14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of Deloitte Certified Public Accountants S.A., Independent Registered Public Accounting Firm
97	Compensation Recovery Policy (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 20-F for the year ended December 31, 2023 filed with the SEC on February 29, 2024)
101	Attached as Exhibit 101 to this report are the following Interactive Data Files, formatted in eXtensible Business Reporting Language (XBRL):
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

DANAOS CORPORATION

/s/ Evangelos Chatzis
Name: Evangelos Chatzis
Title: *Chief Financial Officer*

Date: February 27, 2026

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Danaos Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Danaos Corporation and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of long-lived assets – Future Charter Rates for certain container vessels with impairment indicators– Refer to Note 2 of the consolidated financial statements.

Critical Audit Matter Description

The Company's evaluation of vessels held for use by the Company for impairment involves an initial assessment of each vessel to determine whether events or changes in circumstances indicate that the carrying amount of the vessel assets may not be recoverable. As of December 31, 2025, 6 out of 75 container vessels had impairment indicators.

If impairment indicators exist, the Company compares the undiscounted projected net operating cash flows to the carrying value of the respective container vessel with impairment indicators to determine if the vessel is required to be impaired. When the Company's estimate of undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use and eventual disposition of the vessel is less than its carrying amount, the Company records an impairment loss equal to the difference between the vessel's carrying value and fair market value.

The Company makes various assumptions and judgments to determine the undiscounted projected net operating cash flows expected to be generated over the remaining useful life of the container vessel asset, including estimates and assumptions related to the future charter rates. Future charter rates are the most significant and subjective assumption that the Company uses for its impairment analysis. For periods of time where the container vessels are not fixed under time charter contracts, the Company estimates the future daily time charter equivalent rate (the "future charter rate") for the vessels' unfixed days based on the most recent 5 to 15 years historical average time charter rates of similar size container vessels depending on the remaining economic useful life of the respective vessel, as such averages take into account the volatility and cyclicality of the market.

We identified future charter rates used in the undiscounted projected net operating cash flows for container vessels with impairment indicators as a critical audit matter because of the complex judgements made by management to estimate them and the significant impact they have on undiscounted cash flows expected to be generated over the remaining useful life of the vessel.

This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's future charter rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future charter rates utilized in the undiscounted projected net operating cash flows for container vessels with impairment indicators included the following, among others:

- We tested the effectiveness of controls over management's review of the impairment analysis, including the future charter rates used within the undiscounted projected net operating cash flows.

- We evaluated the reasonableness of the Company's estimate of future charter rates through the performance of the following procedures:

    1. Evaluating the Company's methodology for estimating the future charter rates of container vessels utilized in the undiscounted projected net operating cash flows to 1) the Company's historical rates 2) historical rate information of similar size container vessels published by third party broker and 3) other external market sources, including reports on prospective market outlook.

    2. Considering the consistency of the assumptions used in the future charter rates with evidence obtained in other areas of the audit. This included 1) internal communications by management to the board of directors, and 2) external communications by management to analysts and investors.

    3. Evaluating management's ability to accurately forecast by comparing actual results to management's historical forecasts.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
February 27, 2026

We have served as the Company's auditor since 2022.

DANAOS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of United States dollars, except share amounts)

	Notes	As of December 31, 2025	As of December 31, 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 1,037,292	$ 453,384
Accounts receivable, net	14	38,730	25,578
Inventories		23,417	23,881
Prepaid expenses		2,093	1,902
Due from related parties	11	46,750	52,572
Other current assets	3,7,11,14	171,137	113,650
Total current assets		**1,319,419**	**670,967**
NON-CURRENT ASSETS			
Fixed assets at cost, net of accumulated depreciation of $1,622,344 (2024: $1,458,978)	4	3,269,703	3,290,309
Advances for vessels under construction and vessel acquisition	5,10	428,147	265,838
Deferred charges, net	6	54,356	58,759
Other non-current assets	7	42,305	57,781
Total non-current assets		**3,794,511**	**3,672,687**
Total assets		**$ 5,113,930**	**$ 4,343,654**
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable		$ 17,274	$ 29,039
Accrued liabilities	8	28,772	23,644
Current portion of long-term debt, net	10	283,015	35,220
Unearned revenue	14	36,625	49,665
Other current liabilities		35,990	31,386
Total current liabilities		**401,676**	**168,954**
LONG-TERM LIABILITIES			
Long-term debt, net	10	872,076	699,563
Unearned revenue, net of current portion	14	2,618	22,901
Other long-term liabilities	11	41,983	27,436
Total long-term liabilities		**916,677**	**749,900**
Total liabilities		**1,318,353**	**918,854**
Commitments and Contingencies	16		
STOCKHOLDERS' EQUITY			
Preferred stock (par value $0.01, 100,000,000 preferred shares authorized and not issued as of December 31, 2025 and December 31, 2024)	18	—	—
Common stock (par value $0.01, 750,000,000 common shares authorized as of December 31, 2025 and December 31, 2024. 25,790,190 and 25,585,985 shares issued; and 18,264,294 and 18,987,616 shares outstanding as of December 31, 2025 and December 31, 2024, respectively)	18	183	190
Additional paid-in capital		591,584	650,864
Accumulated other comprehensive loss	13,19	(71,412)	(70,430)
Retained earnings		3,275,222	2,844,176
Total stockholders' equity		**3,795,577**	**3,424,800**
Total liabilities and stockholders' equity		**$ 5,113,930**	**$ 4,343,654**

The accompanying notes are an integral part of these consolidated financial statements

DANAOS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of United States dollars, except share and per share amounts)

	Notes	Years ended December 31, 2025	2024	2023
OPERATING REVENUES	14,15	**$ 1,042,456**	**$ 1,014,110**	**$ 973,583**
OPERATING EXPENSES				
Voyage expenses	11	(63,061)	(64,101)	(41,010)
Vessel operating expenses	11	(208,779)	(185,724)	(162,117)
Depreciation	4	(163,366)	(148,344)	(129,287)
Amortization of deferred drydocking and special survey costs	6	(44,074)	(29,161)	(18,663)
General and administrative expenses	11	(64,410)	(54,228)	(43,484)
Net gain on disposal/sale of vessels	4	—	8,332	1,639
Operating income		**498,766**	**540,884**	**580,661**
OTHER INCOME (EXPENSES):				
Interest income		19,548	12,890	12,133
Interest expense and finance costs	10	(42,842)	(26,185)	(20,463)
Gain/(loss) on investments	7	29,541	(25,179)	17,867
Dividend income	7	1,680	9,276	1,056
Loss on debt extinguishment, net	10	(2,499)	—	(2,254)
Loss on equity investments	3	(1,039)	(1,629)	(3,993)
Other finance expenses		(3,722)	(3,593)	(4,274)
Other (expenses)/income, net	19	(1,197)	2,241	(812)
Loss on derivatives	13	(3,622)	(3,632)	(3,622)
Total Other Income/(Expenses), net		**(4,152)**	**(35,811)**	**(4,362)**
Income before income taxes		**494,614**	**505,073**	**576,299**
Income taxes	7	—	—	—
Net Income		**$ 494,614**	**$ 505,073**	**$ 576,299**
EARNINGS PER SHARE				
Basic earnings per share of common stock (in $ per share)	20	$ 26.83	$ 26.15	$ 28.99
Diluted earnings per share of common stock (in $ per share)	20	$ 26.76	$ 26.05	$ 28.95
Basic weighted average number of common shares (in shares)	20	18,432,153	19,316,453	19,879,161
Diluted weighted average number of common shares (in shares)	20	18,480,301	19,384,879	19,903,655

The accompanying notes are an integral part of these consolidated financial statements

DANAOS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)

	Notes	Year ended December 31, 2025	2024	2023
Net Income		**$ 494,614**	**$ 505,073**	**$ 576,299**
Other Comprehensive Income/(Loss)				
Prior service cost of defined benefit plan	19	(5,765)	867	(6,277)
Amortization of prior service cost of defined benefit plan	19	1,161	1,050	885
Amortization of deferred realized losses on cash flow hedges	13	3,622	3,632	3,622
Total Other Comprehensive Income/(Loss)		**(982)**	**5,549**	**(1,770)**
Comprehensive Income		**$ 493,632**	**$ 510,622**	**$ 574,529**

The accompanying notes are an integral part of these consolidated financial statements

DANAOS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Expressed in thousands of United States dollars, except number of shares in thousands and per share amounts in United States dollars)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings	Total
	Number of shares	Par value				
As of January 1, 2023	**20,350**	**$ 203**	**$ 748,109**	**$ (74,209)**	**$ 1,886,311**	**$ 2,560,414**
Net income	—	—	—	—	576,299	576,299
Dividends ($3.05 per share)	—	—	—	—	(60,698)	(60,698)
Repurchase of common stock	(1,131)	(11)	(70,599)	—	—	(70,610)
Stock based compensation	200	2	12,678	—	—	12,680
Issuance of common stock	—	—	2	—	—	2
Net movement in other comprehensive loss	—	—	—	(1,770)	—	(1,770)
As of December 31, 2023	**19,419**	**194**	**$ 690,190**	**$ (75,979)**	**$ 2,401,912**	**$ 3,016,317**
Net income	—	—	—	—	505,073	505,073
Dividends ($3.25 per share)	—	—	—	—	(62,809)	(62,809)
Repurchase of common stock	(661)	(6)	(53,884)	—	—	(53,890)
Stock based compensation	230	2	14,556	—	—	14,558
Issuance of common stock	—	—	2	—	—	2
Net movement in other comprehensive loss	—	—	—	5,549	—	5,549
As of December 31, 2024	**18,988**	**190**	**$ 650,864**	**$ (70,430)**	**$ 2,844,176**	**$ 3,424,800**
Net income	—	—	—	—	494,614	494,614
Dividends ($3.45 per share)	—	—	—	—	(63,568)	(63,568)
Repurchase of common stock	(928)	(9)	(76,051)	—	—	(76,060)
Stock based compensation	204	2	16,753	—	—	16,755
Issuance of common stock	—	—	18	—	—	18
Net movement in other comprehensive loss	—	—	—	(982)	—	(982)
As of December 31, 2025	**18,264**	**183**	**591,584**	**(71,412)**	**3,275,222**	**3,795,577**

The accompanying notes are an integral part of these consolidated financial statements

DANAOS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of United States dollars)

	Year ended December 31,		
	2025	**2024**	**2023**
Cash flows from operating activities			
Net income	$ 494,614	$ 505,073	$ 576,299
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	163,366	148,344	129,287
Amortization of deferred drydocking and special survey costs	44,074	29,161	18,663
Amortization of assumed time charters	—	(4,534)	(21,222)
Amortization of finance costs	3,388	2,326	2,201
Debt discount amortization	99	—	—
Prior service cost and periodic cost	4,031	1,426	1,613
(Gain)/Loss on investments	(29,541)	25,179	(17,867)
Loss on equity investments	1,039	1,629	3,993
Loss on debt extinguishment, net	2,499	—	2,254
Net gain on disposal/sale of vessels	—	(8,332)	(1,639)
Payments for drydocking and special survey costs deferred	(39,671)	(50,568)	(31,121)
Stock based compensation	16,755	14,558	12,680
Amortization of deferred realized losses on interest rate swaps	3,622	3,632	3,622
(Increase)/Decrease in:			
Accounts receivable	(3,783)	(5,403)	(4,296)
Inventories	464	630	(8,412)
Prepaid expenses	(191)	13	(603)
Due from related parties	5,822	(1,141)	(17,429)
Other assets, current and non-current	17,298	21,267	7,812
Increase/(Decrease) in:			
Accounts payable	(11,765)	7,060	(390)
Accrued liabilities	5,128	3,186	236
Unearned revenue, current and long-term	(33,323)	(46,857)	(77,534)
Other liabilities, current and long-term	828	(24,899)	(1,855)
Net cash provided by operating activities	**644,753**	**621,750**	**576,292**
Cash flows from investing activities			
Vessels additions and advances for vessels under construction and vessel acquisition	(296,690)	(659,343)	(268,035)
Net proceeds and insurance proceeds from disposal/sale of vessels	1,681	10,196	3,914
Investments in affiliates/marketable securities	(30,687)	(1,642)	(74,407)
Net cash used in investing activities	**(325,696)**	**(650,789)**	**(338,528)**
Cash flows from financing activities			
Proceeds from long-term debt, net	620,675	362,000	—
Payments and prepayments of long-term debt	(190,764)	(27,970)	(27,500)
Payments of leaseback obligation	—	—	(72,925)
Dividends paid	(63,550)	(62,807)	(60,696)
Finance costs	(25,771)	(7,277)	(1,892)
Repurchase of common stock	(75,739)	(53,332)	(70,610)
Net cash provided by/(used in) financing activities	**264,851**	**210,614**	**(233,623)**
Net increase in cash and cash equivalents	583,908	181,575	4,141
Cash and cash equivalents, beginning of year	453,384	271,809	267,668
Cash and cash equivalents, end of year	**$ 1,037,292**	**$ 453,384**	**$ 271,809**
Supplemental cash flow information			
Cash paid for interest, net of amounts capitalized	$ 33,552	$ 21,572	$ 18,076
Repurchase of common stock not settled	$ 878	$ 558	$ —

The accompanying notes are an integral part of these consolidated financial statements

1. Basis of Presentation and General Information

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reporting and functional currency of Danaos Corporation and its subsidiaries (the "Company") is the United States Dollar.

Danaos Corporation, formerly Danaos Holdings Limited, was formed on December 7, 1998 under the laws of Liberia and is presently the sole owner of all outstanding shares of the companies listed below. Danaos Holdings Limited was redomiciled in the Marshall Islands on October 7, 2005. In connection with the redomiciliation, the Company changed its name to Danaos Corporation. On October 14, 2005, the Company filed and the Marshall Islands accepted Amended and Restated Articles of Incorporation. The authorized capital stock of Danaos Corporation is 750,000,000 shares of common stock with a par value of $0.01 and 100,000,000 shares of preferred stock with a par value of $0.01. Refer to Note 18, "Stockholders' Equity".

The Company's vessels operate worldwide, carrying containers and cargo for many established charterers.

The Company's principal business is the acquisition and operation of vessels. Danaos conducts its operations through the vessel owning companies whose principal activity is the ownership and operation of vessels (refer to Note 2, "Significant Accounting Policies") that are under the exclusive management of a related party of the Company (refer to Note 11, "Related Party Transactions").

The consolidated financial statements of the Company have been prepared to reflect the consolidation of the companies listed below. The historical balance sheets and results of operations of the companies listed below have been reflected in the Consolidated Balance Sheets and Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Cash Flows and Stockholders' Equity at and for each period since their respective incorporation or acquisition dates.

As of December 31, 2025, the Company owned 75 container vessels aggregating 477,491 TEUs and 25 container vessels under construction aggregating 163,950 TEUs. The Company has also invested in the dry bulk sector with the acquisition of 11 capesize drybulk carrier vessels on a fully delivered basis, aggregating approximately 1,943,286 DWT. Our container vessel fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Our drybulk carrier vessel fleet is chartered on a short-term basis to major dry bulk charterers.

1. Basis of Presentation and General Information (Continued)

The vessel-owning companies (the "Danaos Subsidiaries") for both container and drybulk vessels are listed below:

Container vessels as of December 31, 2025:

Company	Date of Incorporation	Vessel Name	Year Built	TEU[1]
Megacarrier (No. 1) Corp.	September 10, 2007	Kota Peony	2012	13,100
Megacarrier (No. 2) Corp.	September 10, 2007	Kota Primrose	2012	13,100
Megacarrier (No. 3) Corp.	September 10, 2007	Kota Plumbago	2012	13,100
Megacarrier (No. 4) Corp.	September 10, 2007	Speed	2012	13,100
Megacarrier (No. 5) Corp.	September 10, 2007	Ambition	2012	13,100
CellContainer (No. 6) Corp.	October 31, 2007	Express Berlin	2011	10,100
CellContainer (No. 7) Corp.	October 31, 2007	Express Rome	2011	10,100
CellContainer (No. 8) Corp.	October 31, 2007	Express Athens	2011	10,100
Karlita Shipping Co. Ltd.	February 27, 2003	Pusan C	2006	9,580
Ramona Marine Co. Ltd.	February 27, 2003	Le Havre	2006	9,580
Oceancarrier (No. 2) Corp.	October 15, 2020	Bremen	2009	9,012
Oceancarrier (No. 3) Corp.	October 15, 2020	C Hamburg	2009	9,012
Blackwell Seaways Inc.	January 9, 2020	Niledutch Lion	2008	8,626
Oceancarrier (No. 1) Corp.	February 19, 2020	Kota Manzanillo	2005	8,533
Springer Shipping Co.	April 29, 2019	Belita	2006	8,533
Teucarrier (No. 1) Corp.	January 31, 2007	CMA CGM Attila	2011	8,530
Teucarrier (No. 2) Corp.	January 31, 2007	CMA CGM Tancredi	2011	8,530
Teucarrier (No. 3) Corp.	January 31, 2007	CMA CGM Bianca	2011	8,530
Teucarrier (No. 4) Corp.	January 31, 2007	CMA CGM Samson	2011	8,530
Teucarrier (No. 5) Corp.	September 17, 2007	CMA CGM Melisande	2012	8,530
Oceanew Shipping Ltd.	January 14, 2002	Europe	2004	8,468
Oceanprize Navigation Ltd.	January 21, 2003	America	2004	8,468
Rewarding International Shipping Inc.	October 1, 2019	Kota Santos	2005	8,463
Teushipper (No 1) Corp.	March 14, 2022	Catherine C	2024	8,010
Teushipper (No 2) Corp.	March 14, 2022	Greenland	2024	8,010
Teushipper (No 3) Corp.	March 14, 2022	Greenville	2024	8,010
Teushipper (No 4) Corp.	March 14, 2022	Greenfield	2024	8,010
Boxsail (No. 1) Corp	March 4, 2022	Interasia Accelerate	2024	7,165
Boxsail (No. 2) Corp	March 4, 2022	Interasia Amplify	2024	7,165
Boxcarrier (No. 1) Corp.	June 27, 2006	CMA CGM Moliere	2009	6,500
Boxcarrier (No. 2) Corp.	June 27, 2006	CMA CGM Musset	2010	6,500
Boxcarrier (No. 3) Corp.	June 27, 2006	CMA CGM Nerval	2010	6,500
Boxcarrier (No. 4) Corp.	June 27, 2006	CMA CGM Rabelais	2010	6,500
Boxcarrier (No. 5) Corp.	June 27, 2006	Racine	2010	6,500
Expresscarrier (No. 1) Corp.	March 5, 2007	YM Mandate	2010	6,500
Expresscarrier (No. 2) Corp.	March 5, 2007	YM Maturity	2010	6,500
Actaea Company Limited	October 14, 2014	Savannah	2002	6,402
Asteria Shipping Company Limited	October 14, 2014	Dimitra C	2002	6,402
Boxsail (No. 3) Corp.	March 4, 2022	Phoebe[2]	2025	6,014
Boxsail (No. 4) Corp.	March 4, 2022	Greenhouse[2]	2025	6,014
Averto Shipping S.A.	June 12, 2015	Suez Canal	2002	5,610
Sinoi Marine Ltd.	June 12, 2015	Kota Lima	2002	5,544
Oceancarrier (No. 4) Corp.	July 6, 2021	Wide Alpha	2014	5,466
Oceancarrier (No. 5) Corp.	July 6, 2021	Stephanie C	2014	5,466
Oceancarrier (No. 6) Corp.	July 6, 2021	Euphrates	2014	5,466
Oceancarrier (No. 7) Corp.	July 6, 2021	Wide Hotel	2015	5,466

1. Basis of Presentation and General Information (Continued)

Container vessels as of December 31, 2025 (Continued):

Company	Date of Incorporation	Vessel Name	Year Built	TEU [1]
Oceancarrier (No. 8) Corp.	July 6, 2021	Wide India	2015	5,466
Oceancarrier (No. 9) Corp.	July 6, 2021	Wide Juliet	2015	5,466
Continent Marine Inc.	March 22, 2006	Monaco	2009	4,253
Medsea Marine Inc.	May 8, 2006	Dalian	2009	4,253
Blacksea Marine Inc.	May 8, 2006	Jamaica (ex Luanda)	2009	4,253
Bayview Shipping Inc.	March 22, 2006	Rio Grande	2008	4,253
Channelview Marine Inc.	March 22, 2006	Merve A (tbr Paolo)	2008	4,253
Balticsea Marine Inc.	March 22, 2006	Kingston	2008	4,253
Seacarriers Services Inc.	June 28, 2005	Seattle C	2007	4,253
Seacarriers Lines Inc.	June 28, 2005	Vancouver	2007	4,253
Containers Services Inc.	May 30, 2002	Tongala	2004	4,253
Containers Lines Inc.	May 30, 2002	Derby D	2004	4,253
Boulevard Shiptrade S.A	September 12, 2013	Dimitris C	2001	3,430
Wellington Marine Inc.	January 27, 2005	Singapore	2004	3,314
Auckland Marine Inc.	January 27, 2005	Colombo	2004	3,314
CellContainer (No. 4) Corp.	March 23, 2007	Express Spain	2011	3,400
CellContainer (No. 5) Corp.	March 23, 2007	Express Black Sea	2011	3,400
CellContainer (No. 1) Corp.	March 23, 2007	Express Argentina	2010	3,400
CellContainer (No. 2) Corp.	March 23, 2007	Express Brazil	2010	3,400
CellContainer (No. 3) Corp.	March 23, 2007	Express France	2010	3,400
Vilos Navigation Company Ltd.	May 30, 2013	Zebra	2001	2,602
Sarond Shipping Inc.	January 18, 2013	Artotina	2001	2,524
Speedcarrier (No. 7) Corp.	December 6, 2007	Highway	1998	2,200
Speedcarrier (No. 6) Corp.	December 6, 2007	Progress C	1998	2,200
Speedcarrier (No. 8) Corp.	December 6, 2007	Bridge	1998	2,200
Speedcarrier (No. 1) Corp.	June 28, 2007	Phoenix D	1997	2,200
Speedcarrier (No. 2) Corp.	June 28, 2007	Advance	1997	2,200
Speedcarrier (No. 5) Corp.	June 28, 2007	Future	1997	2,200
Speedcarrier (No. 4) Corp.	June 28, 2007	Sprinter	1997	2,200
			Total TEU	**477,491**

(1) Twenty-feet equivalent unit, the international standard measure for containers and container vessels capacity.
(2) The vessels *Phoebe* and *Greenhouse* were delivered to the Company in 2025.

1. Basis of Presentation and General Information (Continued)

Container vessels under construction as of December 31, 2025:

Company	Date of Incorporation	Hull No.	Expected Delivery[2]	TEU [1]
Boxline (No. 1) Corp.	June 7, 2023	YZJ2023-1556	Q3 2026	8,258
Boxline (No. 2) Corp.	June 7, 2023	YZJ2023-1557	Q4 2026	8,258
Boxline (No. 3) Corp.	February 2, 2024	YZJ2024-1612	Q4 2026	8,258
Boxsail (No. 5) Corp.	June 13, 2024	C9200-7	Q1 2027	9,200
Boxsail (No. 6) Corp.	June 13, 2024	C9200-8	Q2 2027	9,200
Boxline (No. 8) Corp	June 6, 2025	CV5900-09	Q2 2027	6,014
Boxline (No. 4) Corp.	February 2, 2024	YZJ2024-1613	Q2 2027	8,258
Boxline (No. 5) Corp.	March 8, 2024	YZJ2024-1625	Q2 2027	8,258
Boxline (No. 6) Corp.	March 8, 2024	YZJ2024-1626	Q3 2027	8,258
Boxline (No. 7) Corp.	May 30, 2024	YZJ2024-1668	Q3 2027	8,258
Boxsail (No. 10) Corp.	June 13, 2024	H2596	Q3 2027	9,200
Boxline (No. 9) Corp.	July 25, 2025	C7100-9	Q3 2027	7,165
Boxline (No. 10) Corp.	August 26, 2025	C7100-10	Q3 2027	7,165
Boxsail (No. 7) Corp.	June 13, 2024	C9200-9	Q4 2027	9,200
Boxsail (No. 11) Corp.	June 13, 2024	H2597	Q4 2027	9,200
Boxline (No. 11) Corp.	November 24, 2025	S1162	Q4 2027	1,800
Boxline (No. 12) Corp.	November 24, 2025	S1163	Q1 2028	1,800
Boxsail (No. 8) Corp.	June 13, 2024	C9200-10	Q2 2028	9,200
Boxline (No. 13) Corp.	November 24, 2025	S1164	Q2 2028	1,800
Boxsail (No. 9) Corp.	June 13, 2024	C9200-11	Q3 2028	9,200
Boxline (No. 14) Corp.	November 24, 2025	S1165	Q3 2028	1,800
Boxline (No. 15) Corp.	November 24, 2025	S1166	Q4 2028	1,800
Boxsail (No. 12) Corp.	December 3, 2025	H2638	Q4 2028	5,300
Boxline (No. 16) Corp.	November 24, 2025	S1167	Q1 2029	1,800
Boxsail (No. 13) Corp.	December 3, 2025	H2639	Q1 2029	5,300
			Total TEU	**163,950**

(1) Twenty-feet equivalent unit, the international standard measure for containers and container vessels capacity.
(2) Under construction container vessels' expected delivery dates were sorted based on the upcoming deliveries.

1. Basis of Presentation and General Information (Continued)

Capesize drybulk carrier vessels as of December 31, 2025:

Company	Date of Incorporation	Vessel Name	Year Built [2]	DWT [1]
Bulk No. 4 Corp.	July 14, 2023	Genius	2012	175,580
Bulk No. 2 Corp.	July 14, 2023	Achievement	2011	175,966
Bulk No. 3 Corp.	July 14, 2023	Ingenuity	2011	176,022
Bulk No. 8 Corp.	January 31, 2024	Danaos	2011	176,536
Bulk No. 10 Corp.	February 15, 2024	Valentine	2011	175,125
Bulk No. 1 Corp.	July 14, 2023	Integrity	2010	175,966
Bulk No. 5 Corp.	July 14, 2023	Peace	2010	175,858
Bulk No. 9 Corp.	February 2, 2024	Gouverneur	2010	178,043
Bulk No. 6 Corp.	September 15, 2023	W Trader	2009	175,879
Bulk No. 7 Corp.	September 25, 2023	E Trader	2009	175,886
Bulk No. 11 Corp.	October 6, 2025	Drybulk capesize vessel[3]	2009	182,425
			Total DWT	**1,943,286**

(1) DWT, dead weight tons, the international standard measure for drybulk vessels capacity.
(2) Capesize drybulk carrier vessels are sorted by their year built, from newest to oldest.
(3) On October 17, 2025, the Company entered into an Memorandum of Agreement to purchase a drybulk capesize vessel which is expected to be delivered to the Company by the end of the first quarter of 2026 (Note 4).

2. Significant Accounting Policies

Principles of Consolidation: The accompanying consolidated financial statements represent the consolidation of the accounts of the Company and its wholly-owned subsidiaries. The subsidiaries are fully consolidated from the date on which control is obtained by the Company.

The Company determines whether it has a controlling financial interest in another entity by first assessing whether the entity is a voting interest entity or a variable interest entity ("VIE") in accordance with ASC 810 "Consolidation". The Company consolidates voting interest entities in which it owns all, or a majority (generally greater than 50%), of the voting interests. For all other arrangements, the Company evaluates whether the entity is a VIE and whether the Company is its primary beneficiary, which would require consolidation. A VIE is an entity in which the equity holders lack the characteristics of a controlling financial interest, have not provided sufficient equity to finance the entity's activities, or hold voting rights that are disproportionate to their exposure to expected losses or residual returns. Based on these evaluations, the Company did not identify any VIEs requiring consolidation for the years 2025, 2024, or 2023. Intercompany balances and unrealized gains and losses are eliminated upon consolidation.

Investments in affiliates: The Company's investments in affiliates are accounted for using the equity method of accounting. Under the equity method of accounting, investments are stated at initial cost and are adjusted for subsequent additional investments and the Company's proportionate share of earnings or losses and distributions. The Company evaluates its investments in affiliates for impairment when events or circumstances indicate that the carrying value of such investments may have experienced other than temporary decline in value below their carrying value. If the estimated fair value is less than the carrying value and is considered an other than temporary decline, the carrying value is written down to its estimated fair value and the resulting impairment is recorded in the Consolidated Statements of Income.

2. Significant Accounting Policies (Continued)

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates include, but are not limited to, the useful lives and recoverability of long-lived assets, impairment assessments, expected credit losses, provisions for legal and other contingencies, and assumptions used in employee benefit obligations. Estimates are based on historical experience and other factors considered reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions and/or conditions.

Reclassifications in Other Comprehensive Income/(Loss): The Company had the following reclassifications out of Accumulated Other Comprehensive Loss during the years ended December 31, 2025, 2024 and 2023, respectively (in thousands):

		Year ended December 31,		
	Location of Reclassification into Income:	**2025**	**2024**	**2023**
Amortization of deferred realized losses on cash flow hedges	Loss on derivatives	$ 3,622	$ 3,632	$ 3,622
Reclassification of prior service cost of defined benefit plan	Other income/(expenses), net	1,161	1,050	885
Total Reclassifications		**$ 4,783**	**$ 4,682**	**$ 4,507**

Foreign Currency Translation: The functional currency of the Company is the U.S. dollar. The Company engages in worldwide commerce with a variety of entities. Although its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. Additionally, the Company's wholly-owned vessel subsidiaries transacted a nominal amount of their operations in Euros; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the Consolidated Statements of Income. The foreign currency exchange losses recognized in the accompanying Consolidated Statements of Income for each of the years ended December 31, 2025, 2024 and 2023 were $0.7 million, $0.3 million and $0.5 million, respectively, and are presented under "Vessel operating expenses" in the Consolidated Statements of Income.

Cash and Cash Equivalents: Cash and cash equivalents consist of interest bearing call deposits, where the Company has instant access to its funds and withdrawals and deposits can be made at any time, time deposits with original maturities of three months or less which are not restricted for use or withdrawal, as well as other short-term, highly liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less at the time of purchase that are subject to an insignificant risk of change in value.

Accounts Receivable, Net: The amount shown as Accounts Receivable, net, at each balance sheet date includes estimated recoveries from charterers for hire from operating leases accounted for in accordance with Topic 842 and freight and demurrage billings, net of a provision for doubtful accounts. Amounts receivable from freight and demurrage billings were not material as of December 31, 2025 and December 31, 2024. Accounts receivable are short term in duration as payments are expected to be received within one year. Operating-lease receivables are evaluated for collectibility in accordance with ASC 842, while all other receivables are assessed for expected credit losses under ASC 326. The Company evaluates receivables individually based on historical loss experience, the aging of outstanding balances, current and expected economic conditions, and the financial condition of customers. Receivables are written off when they are deemed uncollectible. Based on the Company's assessment, no allowance for credit losses or impairment of receivables was recognized as of December 31, 2025 or December 31, 2024.

2. Significant Accounting Policies (Continued)

Insurance Claims: Insurance claims represent the claimable expenses, net of deductibles, that are expected to be recovered from the Company's insurance providers and are classified within "Other current assets" in the Consolidated Balance Sheets. Costs incurred to complete and settle insurance claims are accrued within accrued liabilities. Under certain insurance arrangements, the Company may be subject to additional call amounts. Possible additional calls are accounted for in accordance with ASC 450, and are recognized when the obligation is considered probable and estimable based on the Company's historical experience and industry practices.

Prepaid Expenses: Prepaid expenses consist primarily of insurance costs paid in advance and are recognized as expenses over the periods to which the related benefits pertain.

Inventories: Inventories consist of bunkers, lubricants, and provisions remaining on board the vessels at each period end. Inventories are stated at the lower of cost and net realizable value, where net realizable value represents the estimated selling price in the ordinary course of business less reasonably predictable costs of disposal. Inventory costs are determined using the first-in, first-out (FIFO) method. Costs of spare parts are expensed as incurred.

Deferred Financing Costs: Fees paid to lenders, or to third parties on behalf of lenders, for obtaining new loans or senior notes, for refinancing or amending existing loans, or for securing lease financing, are presented on the balance sheet as a direct deduction from the carrying amount of the related debt liability, similar to debt discounts. These costs are amortized using the effective interest rate method over the term of the related debt and the amortization expense is included in "Interest expense and finance costs" in the Consolidated Statements of Income. Any unamortized deferred financing costs related to debt that is repaid or refinanced in a transaction that meets the criteria for a debt extinguishment, as per ASC 470-50, are expensed in the period of the repayment or refinancing and are presented under "Loss on debt extinguishment, net" in the Consolidated Statements of Income. Costs related to refinancings that do not meet the extinguishment criteria are amortized over the term of the refinanced debt. Fees incurred for obtaining loan facilities when no borrowings have been drawn as of the balance sheet date are recorded within "Other non-current assets" or "Other current assets," as applicable, and are reclassified as a direct deduction from the related debt once the borrowings occur.

Fixed Assets: Fixed assets consist of vessels. Vessels are stated at cost, less accumulated depreciation. Vessel cost includes the contract purchase price and any material expenses incurred upon acquisition, such as improvements and delivery expenses. Subsequent expenditures for conversions or major improvements are capitalized when they extend the useful life of the vessel, increase its earning capacity, or improve its efficiency or safety. All other expenditures are expensed as incurred. Interest costs incurred during construction of a vessel are capitalized as part of the vessel's cost.

Evaluation of Purchase Transactions: The Company evaluates if any vessel acquisition in the secondhand market constitutes a business or not. When substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the set is not a business. The Company entered into memorandums of agreement ("MOAs") in the secondhand market for the purchase of one, three and seven dry bulk carrier vessels during the years ended December 31, 2025, 2024 and 2023, respectively, all of which were accounted for as asset acquisitions. The following assets are considered as a single asset for the purposes of the evaluation (i) a tangible asset that is attached to and cannot be physically removed and used separately from another tangible asset (or an intangible asset representing the right to use a tangible asset); (ii) in place lease intangibles, including favorable and unfavorable intangible assets or liabilities, and the related leased assets. Acquisition costs associated with asset acquisitions are capitalized.

Advances for Vessels Under Construction: Advances made to shipyards or sellers of shipbuilding contracts for vessels under construction are classified as "Advances for vessels under construction" until the date of delivery and acceptance of the vessel. At that time, these costs are reclassified to "Fixed assets, net." Advances for vessels under construction also include supervision costs, amounts paid under engineering contracts, and other expenses directly related to the construction of the vessel or the preparation of the vessel for its initial voyage. Interest cost incurred during the construction period of the vessels is also capitalized and included in the vessels' cost.

2. Significant Accounting Policies (Continued)

Impairment of Long-lived Assets: The accounting standard for impairment of long-lived assets requires that long-lived assets and certain identifiable intangible assets held and used or held for disposal be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any such indication exists, the Company performs step one of the impairment test by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. For vessels held and used, if the future undiscounted net cash flows are less than the carrying value, the Company performs step two of the impairment assessment by comparing the vessel's fair value to its carrying value. An impairment loss is recorded equal to the difference between the vessel's carrying value and its fair value.

As of December 31, 2025 and 2024, the Company concluded that events and circumstances indicated potential impairment of certain container vessels. These indicators included volatility in the charter market and the vessels' market values, as well as the potential impact of current market conditions on future operations. Consequently, the Company performed step one of the impairment assessment for vessels with impairment indicators by comparing the undiscounted projected net operating cash flows to their carrying values.

The Company's strategy is to charter its container vessels under multi-year, fixed-rate charters, providing contracted stable cash flows, while its drybulk vessels operate under a combination of time charter and voyage charter arrangements depending on market conditions. In projecting undiscounted net operating cash flows, the Company considered several factors and assumptions, including operating revenues, off-hire revenues, drydocking costs, operating expenses, and management fees. Revenue assumptions were based on contracted time charter rates through the end of each vessel's current charter, as well as estimated time charter equivalent ("TCE") rates for non-contracted revenue days for the remaining life of the vessel. The estimated daily TCE rate for non-contracted revenue days is considered a significant assumption. Recognizing the cyclical and volatile nature of the transportation industry, management believes that historical averages of the most recent 5 to 15 years of time charter rates provide a reasonable benchmark for estimating TCE rates for non-contracted revenue days, as these averages account for market volatility and the remaining economic useful life of each vessel. Additionally, the Company applied an annual operating expenses escalation factor and estimated scheduled and unscheduled off-hire days based on historical experience. All estimates and assumptions were prepared in accordance with the Company's internal budgets and historical industry experience.

Time Charters Assumed on Acquisition of Vessels: The Company recognizes separately identifiable assets and liabilities arising from the market value of time charters assumed at the date of delivery in connection with the acquisition of secondhand vessels. When the present value of the contractual cash flows of an assumed time charter is less than its current fair value, the difference is recorded as unearned revenue. When the present value exceeds fair value, the difference is recognized as accrued charter revenue. Such liabilities or assets are amortized as an increase in revenue and reduction of revenue, respectively, over the period of each time charter assumed. Significant assumptions used in calculation of the fair value of the time charters assumed include daily time charter rate prevailing in the market for a similar size of the vessels available before the acquisition for a similar charter duration (including the estimated time charter expiry date). Other assumptions used are the discount rate based on the Company's weighted average cost of capital close to the acquisition date and the estimated average off-hire rate.

Depreciation: The cost of the Company's vessels is depreciated on a straight-line basis over their remaining economic useful lives, after considering estimated residual value. The residual value of a vessel is calculated as its lightweight tonnage multiplied by an estimated scrap rate of $300 per light weight ton. Management has estimated the useful life of the Company's containerships to be 30 years and drybulk vessels to be 25 years from the year built. These estimates are reviewed periodically and adjusted if circumstances indicate that changes are necessary.

2. Significant Accounting Policies (Continued)

Accounting for Special Survey and Drydocking Costs: The Company follows the accounting guidance for planned major maintenance activities. Drydocking and special survey costs, reported within "Deferred charges, net" on the balance sheet, include planned major maintenance and overhaul activities required for ongoing certification, such as inspection, refurbishment, and replacement of steel, engine components, electrical systems, pipes, valves, and other vessel parts. The Company applies the deferral method, under which actual costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled survey and drydocking which is generally 2.5 years. This amortization period represents the estimated useful economic life of the deferred charge. If a special survey or drydocking is performed prior to the scheduled date, any remaining unamortized balance is immediately written off. Costs incurred during the drydocking period for routine repairs and maintenance are expensed as incurred. For vessels sold, the unamortized portion of special survey and drydocking costs is included in the vessel's carrying amount when determining the gain or loss on vessel disposal.

Dividends: Dividends, if any, are recorded in the Company's financial statements in the period in which they are declared by the Company's board of directors.

Investments in Equity Securities: The Company measures its investments in equity securities in accordance with ASC 321. Equity securities that do not have a readily determinable fair value are initially measured at cost, less impairment, and subsequently adjusted for observable price changes in orderly transactions for the identical or a similar investment. When an equity security has a readily determinable fair value, the Company measures it at fair value at each balance sheet date, with unrealized gains and losses recognized in earnings in the period in which they arise. Realized gains and losses are recognized upon disposition of the securities, based on the difference between the net sale proceeds and the carrying amount of the investment. Realized and unrealized gains and losses are presented within "Gain/(loss) on investments" in the Consolidated Statements of Income. Dividends received on such securities are recorded as "Dividend income" and any taxes withheld on dividend income are included in "Income taxes". As of December 31, 2025 and 2024, the Company holds equity securities consisting of common shares of Star Bulk Carriers Corp., all of which have readily determinable fair values.

Accounting for Revenue and Expenses: The Company derives its revenue from time charters and bareboat charters of its containerships, each of which contains a lease. These charters involve placing the specified vessel at charterers' use for a specified rental period of time in return for the payment of specified daily hire rates. Most of the charters include options for the charterers to extend their terms. Under a time charter, the daily hire rate includes lease component related to the right of use of the vessel and non-lease components primarily related to the operating expenses of the vessel incurred by the Company such as commissions, vessel operating expenses: crew expenses, lubricants, certain insurance expenses, repair and maintenance, spares, stores etc. and vessel management fees. Under a bareboat charter, the daily hire rate includes only lease component related to the right of use of the vessel. The revenue earned based on time charters is not negotiated in separate components. Revenue from the Company's time charters and bareboat charters of vessels is accounted for as operating leases on a straight line basis based on the average fixed rentals over the minimum fixed rental period of the time charter and bareboat charter agreements, as service is performed. Charter hire received in advance is recorded under "Unearned revenue" in the Consolidated Balance Sheets until charter services are rendered. The Company elected the practical expedient which allows the Company to treat the lease and non-lease components as a single lease component for the leases where the timing and pattern of transfer for the nonlease component and the associated lease component to the lessees are the same and the lease component, if accounted for separately, would be classified as an operating lease. The combined component is therefore accounted for as an operating lease, as the lease component is the predominant component in 2025, 2024 and 2023.

2. Significant Accounting Policies (Continued)

Accounting for Revenue and Expenses (Continued): The Company's drybulk vessels generate revenue from short-term time charter agreements and voyage charter agreements. The voyage charter agreements do not contain a lease because the charterer under such contracts does not have the right to control the use of the vessel since the Company retains control over the operations of the vessel and are therefore considered service contracts that fall under the provision of ASC 606 "Revenue from contracts with customers". The Company accounts for a voyage charter when all the following criteria are met: (i) the parties to the contract have approved the contract in the form of a written charter agreement or fixture recap and are committed to perform their respective obligations, (ii) the Company can identify each party's rights regarding the services to be transferred, (iii) the Company can identify the payment terms for the services to be transferred, (iv) the charter agreement has commercial substance (that is, the risk, timing, or amount of the future cash flows is expected to change as a result of the contract) and (v) it is probable that the Company will collect substantially all of the consideration to which it will be entitled in exchange for the services that will be transferred to the charterer. Under voyage charter agreements, the charter party generally specifies a minimum amount of cargo and the charterer is liable for any short loading of cargo or dead-freight. Demurrage income, which represents a form of variable consideration when loading or discharging time exceeds the stipulated time in the voyage charter agreement, is included in voyage revenues and was immaterial in the years ended December 31, 2025, 2024 and 2023. The majority of revenue from voyage charter agreements is usually collected in advance. The Company has determined that there is one single performance obligation for each of its voyage contracts, which is to provide the charterer with an integrated transportation service within a specified time period. In addition, the Company has concluded that a contract for a voyage charter meets the criteria to recognize revenue over time because the charterer simultaneously receives and consumes the benefits of the Company's performance as the Company performs. Therefore, since the Company's performance obligation under each voyage contract is met evenly as the voyage progresses, revenue is recognized on a straight line basis over the voyage days from the loading of cargo to its discharge.

Voyage Expenses: Under voyage charter agreements, all voyage costs are borne and paid by the Company. Voyage expenses consist primarily of port and canal charges, bunker (fuel) expenses, agency fees, address commissions and brokerage commissions related to the voyage. All voyage costs are expensed as incurred with the exception of the contract fulfilment costs that are incurred from the later of the end of the previous vessel employment and the contract date and until the commencement of loading the cargo on the relevant vessel, which are capitalized to the extent the Company, in its reasonable judgement, determines that they (i) are directly related to a contract, (ii) will be recoverable and (iii) enhance the Company's resources by putting the Company's vessel in a location to satisfy its performance obligation under a contract pursuant to the provisions of ASC 340-40 "Other assets and deferred costs". These capitalized contract fulfilment costs are recorded under "Other current assets" and are amortized on a straight-line basis as the related performance obligations are satisfied.

Under multi-year time charters and bareboat charters, such as those on which the Company charters its container vessels and under short-term time charters, the charterers bear the voyage expenses other than brokerage and address commissions. As such, voyage expenses represent a relatively small portion of the overall expenses under time charters and bareboat charters.

Vessel Operating Expenses: Vessel operating expenses are expensed as incurred and include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Aggregate expenses increase as the size of the Company's fleet increases. Under time charters and voyage charter agreements, the Company pays for vessel operating expenses. Under bareboat charters, the Company's charterers bear most vessel operating expenses, including the costs of crewing, insurance, surveys, drydockings, maintenance and repairs.

General and administrative expenses: General and administrative expenses are expensed as incurred and include management fees paid to the vessels' manager (refer to Note 11, "Related Party Transactions"), audit fees, legal fees, board remuneration, service cost, stock based compensation, executive officers compensation, directors & officers insurance and stock exchange fees.

Repairs and Maintenance: All repair and maintenance expenses are expensed as incurred and are included in vessel operating expenses in the Consolidated Statements of Income. These costs include routine maintenance, minor repairs, and other expenditures that do not extend the useful life or improve the efficiency, capacity, or safety of the vessels.

2. Significant Accounting Policies (Continued)

Going Concern: The Company evaluates whether there is substantial doubt about its ability to continue as a going concern by applying the provisions of ASC 205-40. In more detail, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued. As part of such evaluation, the Company did not identify any conditions that raise substantial doubt about the entity's ability to continue as a going concern. Accordingly, the Company continues to adopt the going concern basis in preparing its consolidated financial statements.

Segment Reporting:Following the acquisition of the drybulk vessels in 2023, the Company operates in two separate segments in accordance with ASC 280: (i) a container vessels segment, as a provider of worldwide marine transportation services through time charter and bareboat charter arrangements; and (ii) a drybulk vessels segment, as a provider of drybulk commodity transportation services through time charter and voyage charter arrangements. The Company's management, including its Chief Executive Officer, who is the chief operating decision maker, evaluates performance based on overall revenue per day and fleet operating results for each segment. The accounting policies applied in measuring the operating results of each reportable segment are the same as those used in preparing the Company's consolidated financial statements. Prior to the acquisition of the drybulk vessels in 2023, the Company operated as one reportable segment.

Derivative Instruments: From time to time, the Company enters into interest rate swap contracts to manage its exposure to variable interest rates. Derivative instruments are recorded at fair value on the Consolidated Balance Sheets. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in earnings in the period of the change.

When derivative instruments qualify for hedge accounting under ASC 815, the Company designates them as either fair value hedges or cash flow hedges at inception. For fair value hedges, changes in the fair value of both the derivative and the hedged item attributable to the hedged risk are recognized in earnings. For cash flow hedges, the effective portion of changes in the fair value of the derivative is recorded in other comprehensive income/loss and reclassified to earnings when the hedged item affects earnings. Any ineffective portion is recognized immediately in earnings.

In the past, the Company elected to prospectively dedesignate certain fair value and cash flow interest rate swaps that had previously qualified for hedge accounting, due to the compliance burden associated with maintaining hedge documentation. As a result, all subsequent changes in the fair value of these cash flow interest rate swap agreements were recorded in the Consolidated Income Statements under "Loss on derivatives." The Company evaluated whether the previously hedged forecasted interest payments were probable of occurring within the originally specified time period and concluded that such payments remain probable of occurring. Accordingly, the unamortized loss balance associated with the previously designated cash flow interest rate swaps remains in accumulated other comprehensive loss and is reclassified into earnings on an annual basis as the underlying hedged interest payments are recognized. If such interest payments were determined to be probable of not occurring, the related unamortized balance remaining in accumulated other comprehensive loss would be immediately reclassified to earnings.

The Company does not enter into derivative transactions for trading or speculative purposes.

Earnings Per Share: The Company presents basic and diluted earnings per share in accordance with ASC 260. Basic earnings per share is computed by dividing net earnings attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted. Diluted earnings per share is computed by dividing net earnings attributable to common shareholders by the weighted average number of common shares outstanding plus the dilutive effect of potential common shares, including unvested restricted stock, calculated using the treasury stock method when applicable. The Company applies the two-class method when participating securities, such as unvested restricted stock that receive nonforfeitable dividends or dividend equivalents, are outstanding and the two-class method is more dilutive than the treasury stock method. Unvested shares of restricted stock are included in diluted earnings per share unless their effect is antidilutive.

2. Significant Accounting Policies (Continued)

Treasury Stock and Share Repurchases: The Company recognizes treasury stock based on the price paid to repurchase its shares, including direct costs to acquire treasury stock and records the repurchase of its common shares at cost. Until their retirement these common shares are classified as treasury stock, which is a reduction to shareholders' equity. Treasury stock is recorded as a reduction from common stock at its par value and the price paid in excess of par value and direct costs, if any, as a reduction from additional paid-in capital. Treasury stock is included in authorized and issued shares but excluded from outstanding shares and are excluded from average common shares outstanding for basic and diluted earnings per share.

Income taxes: Income taxes comprise of taxes, if any, withheld on dividend income earned on the Company's investments. We recorded income taxes of nil in each the years ended December 31, 2025, 2024 and 2023.

Equity Compensation Plan: The Company has adopted an equity compensation plan (the "2006 Equity Compensation Plan") in 2006 (as amended on August 2, 2019), which is generally administered by the compensation committee of the Board of Directors. The Plan allows the plan administrator to grant awards of shares of common stock or the right to receive or purchase shares of common stock to employees, directors or other persons or entities providing significant services to the Company or its subsidiaries. The actual terms of an award will be determined by the plan administrator and set forth in written award agreement with the participant. Any options granted under the Plan are accounted for in accordance with the accounting guidance for share-based compensation arrangements.

Share based compensation represents the cost of shares and share options granted to employees of Danaos Shipping Company Limited (the "Manager"), the Company's executive officers and to directors, for their services, and is included under "General and administrative expenses" in the Consolidated Statements of Income. The shares are measured at their fair value equal to the market value of the Company's common shares on the grant date. The shares that do not contain any future service vesting conditions are considered vested shares and the total fair value of such shares is expensed on the grant date. The shares that contain a time-based service vesting condition are considered non-vested shares on the grant date and the total fair value of such shares is recognized using the accelerated attribution method for share-based payment arrangements with employees, which treats an award with multiple vesting dates as multiple awards and results in a front-loading of the costs of the award. Further, the Company accounts for restricted share award forfeitures upon occurrence. The Company recognizes the cost of nonemployee awards during the nonemployee's vesting period as services are received.

Executive Retirement Plan: The Company established a defined benefit retirement plan for its executive officers in December 2022. The actuarial determination of the projected benefit obligation was determined by calculating the present value of the projected benefit at retirement based on service completed at the valuation date, which incorporates management's best estimate of the discount rate, salary escalation rate and retirement ages of executive officers. The discount rate used to value the defined benefit obligation is derived based on high quality income investments with duration similar to the duration of the obligation. Prior service cost arising from the retrospective recognition of past service was recognized in the other comprehensive income/loss. Prior service cost reclassification and other gains or losses (including foreign exchange gain/loss) are recognized under "Other income/(expenses), net" in the Consolidated Statements of Income. The actuarially determined expense for current service is recognized under "General and administrative expenses" in the Consolidated Statements of Income. The actuarially determined net interest costs on the defined benefit plan obligation are recognized under "Other finance expenses" in the Consolidated Statements of Income. All actuarial remeasurements arising from defined benefit plan are recognized in full in the period in which they arise in the other comprehensive income/loss.

Fair Value Measurements: The Company follows the provisions of ASC 820, "Fair Value Measurements and Disclosures" that define and provide guidance as to the measurement of fair value. ASC 820 creates a hierarchy of measurement and indicates that, when possible, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets and the lowest priority (Level 3) to unobservable data, for example, the reporting entity's own data. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy (Note 13).

2. Significant Accounting Policies (Continued)

Sale and Lease Back Transactions: Sale and lease back transactions which involve a purchase obligation (or a purchase option that is reasonably certain, at inception, that will be exercised) and are therefore treated as a failed sale or merely a financing arrangement, are not within the scope of sale and leaseback accounting under ASC 842. In such cases the Company does not derecognize the corresponding leased vessels and continues to present these at their net book values within "Fixed assets, net" on its Consolidated Balance Sheets, while the financing liability is presented in "Long-term debt" and in "Current portion of long - term debt, net" in the Company's Consolidated Balance Sheets. Depreciation attributable to the vessels that are subject to financing under sale and lease back transactions is included within "Depreciation and amortization" in the Consolidated Income Statements while the corresponding interest expense on the lease financing arrangement is included within "Interest expense and finance costs" in the Consolidated Income Statements. The Company's sale and lease back financing agreement as of December 31, 2025 was of this type. Please refer to Note 10 for the description of the nature of the Company's lease financing agreement, general terms, covenants included, any variable payments, if any, as well as the purchase options and/or obligations they provide for.

Recent Accounting Pronouncements (not yet adopted):

In November 2024, the FASB issued ASU 2024-03, "Income Statement – Reporting Comprehensive Income – Expenses Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". The standard is intended to require more detailed disclosure about specified categories of expenses (including employee compensation, depreciation and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact this standard will have on its financial statements.

In December 2025, the FASB issued ASU No. 2025-12 to clarify, correct errors in or make other improvements to a broad range of topics in the Accounting Standards Codification ("ASC"), including ASC 260, Earnings Per Share; ASC 325, Investments — Other; and ASC 958, Not-for-Profit Entities. The guidance is effective for all entities for annual reporting periods beginning after 15 December 2026, and interim periods within those annual periods. Early adoption is permitted. Entities are required to apply the amendments to ASC 260 retrospectively to each prior reporting period presented in the period of adoption. Entities can apply all other amendments in the period of adoption either (1) prospectively to all new transactions recognized on or after the date that the entity first applies the amendments or (2) retrospectively to the beginning of the earliest comparative period presented, with an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) as of the beginning of the earliest comparative period presented. An entity may elect the transition method on an issue-by-issue basis (except for the ASC 260 amendments). The Company evaluated the impact of this ASU on its consolidated financial statements and determined that there is no effect on its results of operations.

3. Investments in Affiliates

In March 2023, the Company invested $4.3 million in the common shares of a newly established company Carbon Termination Technologies Corporation ("CTTC"), incorporated in the Republic of the Marshall Islands, which represents the Company's 49% ownership interest. CTTC currently engages in research and development of decarbonization technologies for the shipping industry. Equity method of accounting is used for this investment. In 2024 and 2025, the Company provided an additional funding of $2.1 million to CTTC which bears interest at a rate of SOFR plus a margin of 2.0% and had a maturity date of December 31, 2025. On October 3 2025, an amended and restated facility agreements was executed to provide additional funding to CTTC. Under the amended agreements, the Company provided CTTC with an additional funding of $0.4 million, resulting in total funding of $2.5 million in the form of a loan bearing interest at a rate of SOFR plus a margin of 2.0%, with a maturity date of December 31, 2026. For the years ended December 31, 2025, 2024 and 2023, the Company's share of CTTC's initial expenses amounted to $1.0 million, $1.6 million and $4.0 million, respectively, and are presented under "Loss on equity investments" in the Consolidated Statements of Income.

4. Fixed Assets, net

Fixed assets, net consisted of the following (in thousands of US$):

	Vessel Costs	Accumulated Depreciation	Net Book Value
As of January 1, 2023	**$ 3,903,896**	**$ (1,182,402)**	**$ 2,721,494**
Additions	154,334	—	154,334
Depreciation	—	(129,287)	(129,287)
As of December 31, 2023	**$ 4,058,230**	**$ (1,311,689)**	**$ 2,746,541**
Additions and transfers from vessels under construction	694,997	—	694,997
Disposals	(3,940)	1,055	(2,885)
Depreciation	—	(148,344)	(148,344)
As of December 31, 2024	**$ 4,749,287**	**$ (1,458,978)**	**$ 3,290,309**
Additions and transfers from vessels under construction	142,760	—	142,760
Depreciation	—	(163,366)	(163,366)
As of December 31, 2025	**$ 4,892,047**	**$ (1,622,344)**	**$ 3,269,703**

Deliveries of newbuilding container vessels & Capesize drybulk carrier vessels acquisitions:

In 2025, the Company took delivery of two 6,014 TEU newbuild container vessels, *Phoebe* and *Greenhouse*, both of which commenced long-term charters upon delivery and which were transferred from "Advances for vessels under construction" to "Fixed assets, net" at an aggregate cost of approximately $129.4 million. In addition, during 2025, the Company entered into a Memorandum of Agreement to acquire a drybulk capesize vessel for a purchase price of $25.0 million, which is expected to be delivered in the first quarter of 2026. For this acquisition, the Company deposited $3.8 million into an escrow account in 2025, which as of December 31, 2025 is recorded under "Advances for vessels under construction and vessel acquisition" (Note 5).

In 2024, the Company took delivery of four 8,010 TEU newbuild container vessels named *Catherine C, Greenland, Greenville* and *Greenfield* and two 7,165 TEU newbuild container vessels named *Interasia Accelerate* and *Interasia Amplify*, of which all six vessels commenced a long-term charter upon delivery. Additionally, following the acquisition of the seven drybulk capsize vessels in 2023, during 2024 the Company acquired the three Capesize bulk carrier vessels *Danaos, Gouverneur* and *Valentine*.

Container vessels disposal/sale:

In March 2024, the Company sold the vessel *Stride* for scrap. The vessel had been off-hire since January 8, 2024 due to damage from a fire in the engine room that was subsequently contained. The Company recognized $11.9 million of net insurance proceeds for the total loss of the vessel and recorded a gain on disposal of $8.3 million for the year ended December 31, 2024, which is separately presented under "Net gain on disposal/sale of vessels" in the Consolidated Statements of Income.

In 2022, the Company entered into an agreement to opportunistically sell the vessel *Amalia C*, which was classified as held for sale as of December 31, 2022. Upon delivery of the vessel to its buyer in January 2023, the Company recognized a gain of $1.6 million,which is separately presented under "Net gain on disposal/sale of vessels" in the Consolidated Statements of Income.

See Note 10 "Long-Term Debt, net" for information about the vessels, which are subject to first preferred mortgages as collateral to the Company's credit facilities.

As of December 31, 2025 and 2024, the Company concluded that events and circumstances triggered the existence of potential impairment for some of the Company's container vessels. These indicators included volatility in the charter market and the vessels' market values, as well as the potential impact the current marketplace may have on its future operations. As a result, the Company performed step one of the impairment assessment for the Company's vessels with impairment indicators by comparing the undiscounted projected net operating cash flows for each of these vessels to its carrying values. As of December 31, 2025 and 2024, the Company's assessment concluded that step two of the impairment analysis was not required for any vessel, as the undiscounted projected net operating cash flows of all vessels exceeded the carrying value of the respective vessels. As of December 31, 2025 and 2024, no impairment loss was identified.

4. Fixed Assets, net (Continued)

The residual value (estimated scrap value at the end of the vessels' useful lives) of the fleet was estimated at $616.3 million and $603.7 million as of December 31, 2025 and December 31, 2024, respectively. The Company has calculated the residual value of the vessels taking into consideration the 10 year average and the 5 year average of the scrap. The Company has applied uniformly the scrap value of $300 per ton for all vessels. The Company believes that $300 per ton is a reasonable estimate of future scrap prices, taking into consideration the cyclical nature of future demand for scrap steel. Although the Company believes that the assumptions used to determine the scrap rate are reasonable and appropriate, such assumptions are highly subjective, in part, because of the cyclical nature of future demand for scrap steel.

5. Advances for Vessels under Construction and Vessel Acquisition

Advances for vessels under construction:

In 2025, the Company added one 6,014 TEU, two 7,165 TEU, two 5,300 TEU and six 1,800 TEU newbuilding containerships to its orderbook. As of December 31, 2025, the Company has a total of 25 container vessels under construction, with scheduled deliveries between 2026 and 2029, as summarized below:

- Seven 9,200 TEU vessels, contracted between June 2024 and December 2024 of which five are expected to be delivered in 2027 and two in 2028.
- Seven 8,258 TEU vessels, contracted between June 2023 and July 2024 of which one is expected to be delivered in the third quarter of 2026, two in the fourth quarter of 2026, and the remaining four in 2027.
- Two 7,165 TEU vessels, contracted in September 2025 and both are expected to be delivered in the third quarter of 2027.
- One 6,014 TEU vessel, contracted in June 2025, which is expected to be delivered in 2027.
- Two 5,300 TEU vessels, contracted in December 2025, which are expected to be delivered in 2028.
- Six 1,800 TEU vessels, contracted in December 2025, of which one is expected to be delivered in 2027, four in 2028 and one in 2029.

Furthermore, pursuant to the shipbuilding contracts for the six 1,800 TEU container vessels and the shipbuilding contracts for the two 5,300 TEU container vessels described above, the respective shipyard has agreed to grant the Company the option to purchase two additional 1,800 TEU and two additional 5,300 TEU newbuilding containerships (the "Option Agreements"), respectively, all of which may be exercised by the Company by March 2026. The Company had not exercised any of these purchase options as of December 31, 2025.

As of December 31, 2025, the aggregate contracted purchase price of the 25 container vessels under construction amounts to $1,940.9 million, out of which $190.0 million, $174.5 million and $28.3 million was paid in the years ended December 31, 2025, 2024 and 2023, respectively. Subsequent to December 31, 2025, the remaining contractual commitments for the 25 vessels under construction, are as follows (in thousands of US$):

Payments due by twelve month period ending:	**in '000s of US$**
December 31, 2026	$ 502,414
December 31, 2027	763,695
December 31, 2028	239,456
December 31, 2029	42,550
Total contractual commitments	**$ 1,548,115**

5. Advances for Vessels under Construction and Vessel Acquisition (Continued)

Advances for vessels under construction (Continued):

Additionally, a supervision fee of $850 thousand per newbuilding vessel (refer to Note 11, "Related Parties Transactions") is payable to Danaos Shipping Company Limited (the "Manager") over the construction period. Supervision fees totaling $1.9 million in the year ended December 31, 2025 and $3.0 million in each of the years ended December 31, 2024 and 2023, were charged by the Manager and capitalized to the vessels under construction. Interest expense amounting to $21.6 million, $21.5 million and $17.4 million was capitalized to the vessels under construction in the years ended December 31, 2025, 2024 and 2023, respectively.

Advance for vessel acquisition:

In addition, during 2025, the Company entered into a Memorandum of Agreement to acquire a drybulk capesize vessel for a purchase price of $25.0 million and deposited $3.8 million into an escrow account in 2025, with the remaining $21.2 million payable upon delivery of the vessel, which is expected in the first quarter of 2026.

6. Deferred Charges, net

Deferred charges, net consisted of the following (in thousands of US$):

	Drydocking and Special Survey Costs
As of January 1, 2023	**$ 25,554**
Additions	31,121
Amortization	(18,663)
As of December 31, 2023	**$ 38,012**
Additions	50,568
Write-off	(660)
Amortization	(29,161)
As of December 31, 2024	**$ 58,759**
Additions	39,671
Amortization	(44,074)
As of December 31, 2025	**$ 54,356**

In March 2024, the Company sold for scrap vessel *Stride* (as described to Note 4. "Fixed Assets, net") and wrote-off $0.7 million of drydocking deferred charges. These write-offs were reflected under the "Net gain on disposal/sale of vessels" in the Consolidated Statement of Income.

The Company follows the deferral method of accounting for drydocking and special survey costs in accordance with accounting for planned major maintenance activities, whereby actual costs incurred are deferred and amortized on a straight-line basis over the period until the next scheduled survey, which is two and a half years. If special survey or drydocking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off. Furthermore, when a vessel is drydocked in more than one reporting periods, the respective costs are identified and recorded in the period in which they are incurred.

7. Other Current and Non-current Assets

Other current and non-current assets consisted of the following (in thousands of US$):

Other Current Assets	As of December 31, 2025	As of December 31, 2024
Marketable securities	$ 120,244	$ 60,850
Straight-lining of revenue	24,828	22,170
Claims receivable	9,978	14,387
Other current assets	16,087	16,243
Total other current assets	**$ 171,137**	**$ 113,650**
Straight-lining of revenue	$ 30,144	$ 47,423
Other non-current assets	12,161	10,358
Total other non-current assets	**$ 42,305**	**$ 57,781**

Marketable securities in Star Bulk Carriers Corp. (Ticker: SBLK)

In 2023, the Company acquired marketable securities of Eagle Bulk Shipping Inc., an owner of bulk carriers, which was listed on the New York Stock Exchange (Ticker: EGLE). On December 11, 2023, Star Bulk Carriers Corp. (Ticker: SBLK), a NASDAQ-listed owner and operator of drybulk vessels, and EGLE, announced that both companies had entered into a definitive agreement to combine in an all-stock merger, which was completed on April 9, 2024. Under the terms of the agreement, EGLE shareholders received 2.6211 shares of SBLK common stock in exchange for each share of EGLE common stock owned and as of December 31, 2024 the Company owned 4,070,214 shares of common stock of SBLK. During the year ended December 31, 2025, the Company purchased an additional 2,185,967 shares of common stock of "SBLK" in the open market for $29.9 million. As a result, as of December 31, 2025, the Company owned 6,256,181 shares of SBLK common stock.

As of December 31, 2025 and 2024, these marketable securities were fair valued at $120.2 million and $60.9 million, respectively. Furthermore, for the years ended December 31, 2025, 2024 and 2023, the Company recognized a $29.5 million gain, a $25.2 million loss and a $17.9 million gain, respectively, on these marketable securities, which are reflected under "Gain/(Loss) on investments" in the Consolidated Statements of Income. Additionally, the Company recognized dividend income on these securities amounting to $1.7 million, $9.3 million and $1.0 million for the years ended December 31, 2025, 2024 and 2023, respectively, which is reflected under "Dividend income" in the Consolidated Statements of Income.

8. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands of US$):

	As of December 31, 2025	As of December 31, 2024
Accrued interest	$ 16,402	$ 10,599
Accrued dry-docking expenses	2,594	5,334
Accrued expenses	9,776	7,711
Total	**$ 28,772**	**$ 23,644**

Accrued expenses mainly consisted of accruals related to the operation of the Company's fleet as of December 31, 2025 and 2024, respectively.

9. Lease Arrangements

Charters-out

As of December 31, 2025, the Company generated operating revenues from its 75 container vessels on time charters or bareboat charter agreements, with remaining terms ranging from less than one year to 2032. Additionally, the Company contracted 5-year, 7-year and and 10 - year time charter agreements for the 21 out of 25 container vessels under construction as of December 31, 2025. Under the terms of the charter party agreements, most charterers have options to extend the duration of contracts ranging from less than one year to four years after the expiration of the contract. The Company determines fair value of its vessels at the lease commencement date and at the end of lease term for lease classification with the assistance from valuations obtained by third party independent shipbrokers. The Company manages its risk associated with the residual value of its vessels after the expiration of the charter party agreements by seeking multi-year charter arrangements for its vessels.

In May 2022, the Company received $238.9 million of charter hire prepayment related to charter contracts for 15 of the Company's vessels, representing partial prepayment of charter hire payable up to January 2027. This charter hire prepayment is recognized in revenue through the remaining period of each charter party agreement, in addition to the contracted future minimum payments reflected in the below table. As of December 31, 2025, the outstanding balances of the current and non - current portion of unearned revenue in relation to this prepayment amounted to $20.3 million and $2.6 million, respectively. As of December 31, 2024, the outstanding balances of the current and non - current portion of unearned revenue in relation to this prepayment amounted to $37.2 million and $22.9 million, respectively.

The future minimum payments, expected to be received on non-cancellable time charters and bareboat charters classified as operating leases consisted of the following as of December 31, 2025 (in thousands of US$):

Year ending December 31,	in '000s of US$
2026	$ 945,823
2027	900,755
2028	701,253
2029	543,790
2030	370,926
2031 and thereafter	690,938
Total future rentals	**$ 4,153,485**

Rentals from time charters are not generally received when a vessel is off-hire, including time required for normal periodic maintenance of the vessel. In arriving at the future minimum rentals, an estimated time off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future.

10. Long-Term Debt, net

Long-term debt consisted of the following (in thousands of US$):

Credit Facility	Balance as of December 31, 2025	Balance as of December 31, 2024
BNP Paribas/Credit Agricole $130 mil. Facility	$ —	$ 86,200
Alpha Bank $55.25 mil. Facility	—	40,250
Syndicated $450.0 mil. Facility	335,210	355,330
Citibank $382.5 mil. Revolving Credit Facility	—	—
Syndicated $850.0 mil. Facility	—	—
JOLCO Phoebe Facility	79,806	—
JOLCO Greenhouse Facility	—	—
Senior unsecured notes	762,766	262,766
Total long-term debt	**$ 1,177,782**	**$ 744,546**
Less: Deferred finance costs (long term portion)	(17,032)	(9,763)
Less: Unamortized debt discount	(3,226)	—
Less: Current portion, gross of deferred finance costs	(285,448)	(35,220)
Total long-term debt net of current portion and long term portion of deferred finance costs	**$ 872,076**	**$ 699,563**

Secured Credit Facilities:

Syndicated $850.0 mil. Facility

In February 2025, the Company entered into a syndicated loan facility agreement for a maximum principal amount of up to $850.0 million (the "Syndicated $850.0 mil. Facility"), to finance a portion of the purchase price of 14 newbuilding container vessels. The facility is expected to be drawn upon delivery of each vessel in separate tranches. Each vessel tranche is repayable in 20 equal quarterly instalments of approximately $0.8 million per tranche followed by a final payment on the fifth anniversary of each vessel's tranche of between $42.4 million and $46.7 million per tranche up to December 2033. The facility bears interest at SOFR plus a margin of 1.65% and commitment fee of 0.50%.

JOLCO Phoebe Facility

In October 2025, the Company entered into a Japanese Operating Lease with Call Option ("JOLCO Phoebe Facility") structure to finance the container vessel *Phoebe* (previously financed and mortgaged under the Syndicated $450.0 million Facility). Although legal title to the vessel was transferred to the lessor as part of the arrangement, the transaction did not qualify as a sale under the sale-leaseback guidance in ASC 842 (which incorporates the sale criteria in ASC 606) and is therefore accounted for as a financing arrangement in accordance with ASC 470. The facility provides total funding of up to $80.0 million and has an eight-year term. The facility includes a call option that allows the Company to repurchase the vessel at specified dates during the term of the arrangement. On October 30, 2025, the Company received the full $80.0 million in proceeds, which was recognized as a financing liability. The vessel continues to be recognized under "Fixed assets, net" on the Company's consolidated balance sheets and to be depreciated over its remaining useful life.

10. Long-Term Debt, net (Continued)

Secured Credit Facilities (Continued):

JOLCO Greenhouse Facility

In December 2025, the Company entered into a Japanese operating lease agreement (the "JOLCO Greenhouse Facility") with a call option for a total facility of up to $80.0 million, with the purpose of financing the container vessel *Greenhouse*. Although legal title to the vessel was transferred to the lessor as part of the arrangement, the transaction did not qualify as a sale under the sale-leaseback guidance in ASC 842 (which incorporates the sale criteria in ASC 606) and is therefore accounted for as a financing arrangement in accordance with ASC 470. The facility provides total funding of up to $80.0 million and has an eight-year term. The facility includes a call option that allows the Company to repurchase the vessel at specified dates during the term of the arrangement. On January 15, 2026, the Company drew down the full amount of $80.0 million (Note 21). The vessel will continue to be recognized under "Fixed assets, net" on the Company's consolidated balance sheets and to be depreciated over its remaining useful life.

Syndicated $450.0 mil. Facility

In March 2024, the Company entered into a syndicated secured loan facility agreement providing for a maximum principal amount of up to $450.0 million (the "Syndicated $450.0 mil. Facility"). The facility was initially secured by eight of the Company's container vessels, including the vessel *Greenhouse*, which was under construction and delivered to the Company in the fourth quarter of 2025. In September 2025, the Company submitted a cancellation notice to the bank related to the undrawn $44.0 million tranche for this vessel. In connection with this cancellation, the Company recorded a loss on debt extinguishment of $1.1 million, representing the write-off of unamortized deferred financing costs and commitment fee charges associated with the undrawn portion of the facility.

The facility was structured in separate vessel tranches, each drawn upon delivery of the respective vessel. As of December 31, 2025, all seven remaining vessel tranches had been fully utilized. Each drawn vessel tranche is repayable in 20 equal quarterly instalments ranging from $0.6 million to $0.9 million per tranche, followed by a balloon payment due on the fifth anniversary of each tranche, ranging from $31.8 million to $45.5 million, with final maturities extending through September 2030. Borrowings under the facility bear interest at SOFR plus a margin of 1.85% and are subject to a commitment fee of 0.74% on undrawn amounts. On October 1, 2025, the Company prepaid the outstanding principal amount of $42.78 million related to the newbuilding vessel *Phoebe*, which had been drawn in January 2025. In connection with this prepayment, unamortized deferred financing costs of $0.7 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income. In February 2026, the Company notified the bank that, on March 2, 2026, together with the quarterly installments for the tranches relating to the vessels *Catherine C. Greenland, Interasia Accelerate, and Interasia Amplify*, it would also prepay in full the outstanding principal amounts of these tranches (Note 21).

BNP Paribas/Credit Agricole $130 mil. Facility

In June 2022, the Company put in place a $130.0 million senior secured term loan facility with BNP Paribas and Credit Agricole (the "BNP Paribas/Credit Agricole $130 mil. Facility"), which is secured by six 5,466 TEU sister vessels acquired in 2021. The facility is repayable in eight quarterly instalments of $5.0 million followed by twelve quarterly instalments of $1.9 million, together with a balloon payment of $67.2 million payable at maturity of the facility's five year term in June 2027. The facility bears interest at SOFR plus a margin of 2.16% as adjusted by the sustainability margin adjustment. On December 1, 2025, the Company early prepaid the outstanding principal amount of $78.6 million under the BNP Paribas/Credit Agricole $130.0 million Facility. In connection with this prepayment, unamortized deferred financing costs of $0.6 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income.

Citibank $382.5 mil. Revolving Credit Facility

In December 2022, the Company early extinguished the remaining $437.75 million outstanding under the Citibank/NatWest $815.0 million facility and replaced it with a $382.5 mil. Revolving Credit Facility with Citibank (the "Citibank $382.5 mil. Revolving Credit Facility") and with Alpha Bank $55.25 mil. Facility (as defined below). As of December 31, 2025, no amounts were drawn down under Citibank $382.5 mil. Revolving Credit Facility. The Citibank $382.5 million Revolving Credit Facility is a reducing facility and is repayable over five years through 20 quarterly commitment reductions of $11.25 million each, followed by a final reduction of $157.5 million at maturity in December 2027. Borrowings under this facility bear interest at SOFR plus a margin of 2.0%, and a commitment fee of 0.8% is payable on the undrawn portion. The facility is secured by sixteen of the Company's vessels.

10. Long-Term Debt, net (Continued)

Secured Credit Facilities (Continued):

Alpha Bank $55.25 mil. Facility

In December 2022, the Company entered into a $55.25 million secured credit facility with Alpha Bank, which was fully utilized (the "Alpha Bank $55.25 mil. Facility"). The Alpha Bank $55.25 mil. Facility was repayable over five years in 20 consecutive quarterly installments of $1.875 million each, with a balloon payment of $17.75 million due at maturity in December 2027. This facility bore interest at SOFR plus a margin of 2.3% and was secured by two of the Company's vessels. On December 1, 2025, the Company early prepaid the outstanding principal amount of $32.8 million under the Alpha Bank $55.25 mil. Facility. In connection with this prepayment, unamortized deferred financing costs of $0.1 million were written off and recognized as "Loss on debt extinguishment, net" in the Consolidated Statements of Income.

The Citibank $382.5 mil. Revolving Credit Facility and Syndicated $450.0 million Facility contain a requirement to maintain minimum fair market value of collateral vessels to loan value coverage of 120%. Additionally, the Citibank $382.5 mil. Revolving Credit Facility, Syndicated $450.0 million Facility and JOLCO facilities require the Company to maintain the following financial covenants:

(i) minimum liquidity of $30.0 million;
(ii) maximum consolidated debt (less cash and cash equivalents) to consolidated EBITDA ratio of 6.5x; and
(iii) minimum consolidated EBITDA to net interest expense ratio of 2.5x.

Each of the secured credit facilities are collateralized by first preferred mortgages over the vessels financed, general assignment of all hire freights, income and earnings, the assignment of their insurance policies, as well as any proceeds from the sale of mortgaged vessels, stock pledges and benefits from corporate guarantees (as noted below, the Company's senior unsecured notes are not collateralized). The Company was in compliance with the financial covenants contained in the credit facilities agreements as of December 31, 2025 and 2024, respectively. Twenty - four of the Company's vessels having a net carrying value of $1,736.3 million as of December 31, 2025, were subject to first preferred mortgages as collateral to the Company's credit facilities.

As of December 31, 2025, there was a $247.5 million remaining borrowing availability under the Company's Citibank $382.5 million Revolving Credit Facility, $850.0 million under the Syndicated $850.0 mil. Facility and $80.0 million under the JOLCO Greenhouse Facility.

Unsecured Credit Facilities:

6.875% Senior Unsecured Notes Due 2032

On October 16, 2025, the Company issued in a private placement, $500.0 million aggregate principal amount of 6.875% senior unsecured notes due 2032 (the "6.875% Senior Notes"). The 6.875% Senior Notes were issued at a price of 99.335% of par, resulting in gross proceeds of $496.7 million. The 6.875% Senior Notes mature on October 15, 2032 and bear interest at a rate of 6.875% per annum, payable semiannually in arrears March 1 and September 1, beginning March 1, 2026. The Notes were recorded at their initial carrying amount, which consisted of the cash proceeds received, net of the original issue discount. The Company is amortizing the original issue discount over the term of the 6.875% Senior Notes using the effective interest method. The amount of $12.8 million of bond issuance costs were deferred over the life of the bond and recognized through the effective interest method. Interest expense related to the 6.875% Senior Notes for the year ended December 31, 2025 was approximately $7.1 million, which includes amortization of the original issue discount and amortization of debt issuance costs.

The Company may redeem some or all of the 6.875% Senior Notes at any time or from time to time for cash: (i) prior to October 15, 2028, at 100.000% of the principal amount of such notes, plus an applicable make-whole premium and accrued and unpaid interest; (ii) on or after October 15, 2028 and prior to October 15, 2029, at 103.438% of the principal amount, plus accrued and unpaid interest; (iii) on or after October 15, 2029 and prior to October 15, 2030, at 101.719% of the principal amount, plus accrued and unpaid interest; and (iv) on or after October 15, 2030 and prior to maturity, at 100.000% of the principal amount, in each case plus accrued and unpaid interest to, but not including, the redemption date.

10. Long-Term Debt, net (Continued)

Unsecured Credit Facilities (Continued):

6.875% Senior Unsecured Notes Due 2032 (Continued)

Subject to certain conditions, at any time and from time to time prior to October 15, 2028, the Company may redeem up to 40% of the original aggregate principal amount of the 6.875% Senior Notes with the net cash proceeds of public equity offerings of the Company and certain equity contributions at a redemption price of 106.875% of the principal amount, plus accrued and unpaid interest, if any, to but excluding the redemption date; provided that at least 60% of the original aggregate principal amount of the 6.875% Senior Notes remains outstanding.

8.500% Senior Unsecured Notes Due 2028

On February 11, 2021, the Company issued in a private placement, $300.0 million aggregate principal amount of senior unsecured notes, which bear interest at a fixed rate of 8.500% per annum and mature on March 1, 2028 (the "8.500% Senior Notes"). At any time on or after March 1, 2026 the Company may elect to redeem all or any portion of the notes, respectively, at a price equal to 100%, of the principal amount being redeemed. In December 2022, the Company repurchased $37.2 million aggregate principal amount of its unsecured senior notes in a privately negotiated transaction. Interest payments on the notes are payable semi-annually commencing on September 1, 2021. In addition, $9.0 million of bond issuance costs were deferred and are recognized over the life of the bond through the effective interest method. Interest expense related to the 8.500% Senior Notes for the year ended December 31, 2025 was approximately $22.3 million, which includes amortization of debt issuance costs. The Company will redeem the 8.500% Senior Notes on March 2, 2026 (Note 21) and the remaining outstanding principal balance of $262.8 million and the unamortized deferred issuance costs of $2.4 million, were classified as "Current portion of long - term debt, net" in the Consolidated Balance Sheet as of December 31, 2025.

Principal Payments of Secured and Unsecured Credit Facilities:

The scheduled debt maturities of long-term debt subsequent to December 31, 2025, are as follows (in thousands of US$):

Payments due by year ending:	**Principal repayments**
December 31, 2026	$ 285,448
December 31, 2027	23,362
December 31, 2028	23,535
December 31, 2029	278,467
December 31, 2030	3,821
December 31, 2031 and thereafter	563,149
Total long-term debt	**$ 1,177,782**

Interest and finance costs:

The amounts of "Interest and finance costs" included in the Consolidated Income Statements are analyzed as follows in thousands of US$):

	Years ended December 31,		
	2025	**2024**	**2023**
Interest on secured and unsecured credit facilities	$ 60,919	$ 45,350	$ 35,664
Less: Interest capitalized	(21,564)	(21,491)	(17,402)
Amortization of debt issuance costs & debt discount	3,487	2,326	2,201
Interest and finance costs	**$ 42,842**	**$ 26,185**	**$ 20,463**

10. Long-Term Debt, net (Continued)

Interest and finance costs (Continued):

In May 2023, the Company early repaid in full the outstanding leaseback obligation to Oriental Fleet related to the vessels *Hyundai Honour* and *Hyundai Respect*. In connection with the described prepayments and the refinancing of certain credit facilities, the Company recognized $2.5 million, nil, and $2.3 million under "Loss on debt extinguishment, net" in the Consolidated Statements of Income for the years ended December 31, 2025, 2024, and 2023, respectively. These amounts relate to the write-off of unamortized debt issuance costs, commitment fees and other expenses incurred in connection with the aforementioned prepayments.

The weighted-average interest rate on long-term borrowings was 6.9%, 7.7% and 7.8% for the years ended December 31, 2025, 2024, and 2023, respectively.

11. Related Party Transactions

Pursuant to a ship management agreement between each of the vessel owning companies and Danaos Shipping Company Limited (the "Manager"), the Manager acts as the fleet's technical manager responsible for (i) recruiting qualified officers and crews, (ii) managing day to day vessel operations and relationships with charterers, (iii) purchasing of stores, supplies and new equipment for the vessels, (iv) performing general vessel maintenance, reconditioning and repair, including commissioning and supervision of shipyards and subcontractors of drydock facilities required for such work, (v) ensuring regulatory and classification society compliance, (vi) performing operational budgeting and evaluation, (vii) arranging financing for vessels, (viii) providing accounting, treasury and finance services and (ix) providing information technology software and hardware in the support of the Company's processes. The Company's largest shareholder controls the Manager.

Prior to 2024, the Company operated under a management agreement amended on August 10, 2018 and further amended on November 10, 2023, which extended the term through December 31, 2025 and which commenced in 2024, an annual management fee of $2.0 million and 100,000 shares of the Company's common stock payable annually, together with daily vessel management fees of $475 for vessels on bareboat charter and $950 for vessels on time or voyage charter, a 1.25% commission on gross freight, charter hire, ballast bonus and demurrage, a 1.0% commission on vessel acquisitions and disposals, and a flat supervision fee of $850 thousand per newbuilding vessel.

On February 3, 2025, the Company entered into an amended and restated management agreement with the Manager, effective as of January 1, 2025 until December 31, 2025, removing the provision of certain commercial services to the Company by Danaos Shipping and the related fees payable by the Company. Under this agreement the Company pays to the Manager the following fees:

(i) an annual management fee of $2.0 million and 100,000 shares of the Company's common stock, payable annually,
(ii) a daily vessel management fee of $475 for vessels on bareboat charter, pro - rated for the number of calendar days the Company owns each vessel,
(iii) a daily vessel management fee of $950 for vessels on time charter and voyage charter, pro - rated for the number of calendar days the Company owns each vessel,
(iv) a flat fee of $850 thousand per newbuilding vessel, which is capitalized to the newbuilding cost, for the on premises supervision of any newbuilding contracts by selected engineers and others of its staff, and
(v) a fee of $1 per Emission Allowance required to be surrendered by the Responsible entity under the EU ETS or any other applicable emission scheme in any calendar year.

On August 1, 2025, the Company further amended the management agreement with the Manager to extend the termination date to December 31, 2026, and under which the Company will pay the following fees:

(i) an annual management fee of (a) $2.0 million for the remainder of 2025 and (b) $2.5 million effective as of January 1, 2026,
(ii) 100,000 shares of the Company's common stock, payable annually in the fourth quarter of each year,
(iii) a daily vessel management fee of (a) $475 for vessels on bareboat charter for the remainder of 2025 and (b) $550 for vessels on bareboat charter for 2026, effective as of January 1, 2026, each pro-rated for the number of calendar days the Company owns each vessel,

11. Related Party Transactions (Continued)

(iv) a daily vessel management fee (a) of $950 for vessels on time charter or voyage charter for the remainder of 2025 and (b) of $1,100 for vessels on time charter or voyage charter for 2026, effective as of January 1, 2026, each pro-rated for the number of calendar days the Company owns each vessel,
(v) a flat fee of $850 thousand per newbuilding vessel, which is capitalized to the newbuilding cost, for the on premises supervision of any newbuilding contracts by selected engineers and others of its staff, and
(vi) a fee of $1 per Emission Allowance required to be surrendered by the Responsible entity under the EU ETS or any other applicable emission scheme in any calendar year.

On February 3, 2025, the Company entered into a brokerage services agreement with Danaos Chartering Services Inc. ("Danaos Chartering"), effective as of January 1, 2025 until December 31, 2025, for the provision of commercial services at the same fees previously payable to Danaos Shipping Company Limited. Danaos Chartering, a newly-formed affiliate of Danaos Shipping, is ultimately owned by Danaos Investment Limited ("DIL"), the Company's largest stockholder. On August 1, 2025, the Company amended the brokerage services agreement with Danaos Chartering to extend the termination date to December 31, 2026. Except for this change in the termination time, all other terms and fee structures of the agreement remain unchanged, under which the Company will pay:

(i) a management fee of 1.25%
(ii) on all freight, charter hire, ballast bonus and demurrage for each vessel, and
(iii) a fee of 1.0% based on the contract price of any vessel bought or sold by it on the Company's behalf, including newbuilding contracts.

For the years ended December 31, 2025, 2024 and 2023, management fees to Danaos Shipping amounted to $31.1 million, $29.1 million and $21.5 million, respectively, and are presented under "General and administrative expenses" in the Consolidated Statements of Income. For the years ended December 31, 2025, 2024 and 2023, commissions for commercial services to Danaos Chartering and Danaos Shipping amounted to $13.1 million, $12.4 million and $11.7 million, respectively, and are presented under "Voyage expenses" in the Consolidated Statements of Income. Commissions on the contract price of vessels sold in the years ended December 31, 2025, 2024 and 2023 amounted to nil, nil and $25.6 thousand, respectively, and are presented under "Net gain on disposal/sale of vessels." Commissions on the contract price of newly acquired vessels charged by Danaos Chartering and Danaos Shipping totaled $1.2 million, $6.0 million and $0.7 million in 2025, 2024 and 2023, respectively, and were capitalized to the cost of the newly acquired vessels. Additionally, supervision fees for vessels under construction charged by Danaos Shipping and capitalized to vessels under construction totaled $1.9 million, $3.0 million and $3.0 million in 2025, 2024 and 2023, respectively.

The Company pays advances on account of the vessels' operating expenses. These prepaid amounts are presented in the Consolidated Balance Sheets under "Due from related parties" totaling $46.8 million and $52.6 million as of December 31, 2025 and 2024, respectively.

The Company employs its executive officers. The executive officers received aggregate cash salaries of $2.6 million (€2.3 million), $2.5 million (€2.3 million) and $2.2 million (€2.0 million) for the years ended December 31, 2025, 2024 and 2023, respectively. In addition, for the year ended December 31, 2025, the Company distributed an additional $4.8 million as a one - off discretionary cash bonus to executive officers.

The Company established defined benefit retirement plan for its executive officers in December 2022 and prior service costs related to the defined benefit plan of $14.2 million were recognized in the other comprehensive loss in the year ended December 31, 2022. Advances related to this plan amounting to $7.8 million were exercised in the period ended December 31, 2022 (refer to Note 19 "Executive Retirement Plan"), out of which $6.8 million remained unpaid and were presented under "Other current liabilities" as of December 31, 2022. These advances were paid in 2023 and nil is outstanding as of December 31, 2025 and 2024, respectively. The Company recognized non-cash share-based compensation expense in respect of awards to executive officers of $9.8 million, $8.2 million, and $6.3 million in the years ended December 31, 2025, 2024, and 2023, respectively.

11. Related Party Transactions (Continued)

Dr. John Coustas, the Chief Executive Officer of the Company, is a member of the Board of Directors of The Swedish Club, the primary provider of insurance for the Company, including a substantial portion of its hull & machinery, war risk and protection and indemnity insurance. During the years ended December 31, 2025, 2024 and 2023 the Company paid premiums to The Swedish Club of $12.1 million, $9.3 million and $8.7 million, respectively, which are presented under "Vessel operating expenses" in the Consolidated Statements of Income. As of December 31, 2025 and 2024, the Company had payable balance to The Swedish Club amounting to $0.3 million and $0.4 million, respectively.

See Note 3 "Investments in Affiliates" for the loan provided to the Company's affiliate CTTC.

12. Taxes

Under the laws of the countries of the Company's ship owning subsidiaries' incorporation and/or vessels' registration, the Company's ship operating subsidiaries are not subject to tax on international shipping income, however, they are subject to registration and tonnage taxes, which have been included under "Vessel operating expenses" in the accompanying Consolidated Statements of Income. Pursuant to the U.S. Internal Revenue Code (the "Code"), U.S.-source income from the international operation of ships is generally exempt from U.S. tax if the company operating the ships meets certain requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country which grants an equivalent exemption from income taxes to U.S. corporations.

All of the Company's ship-operating subsidiaries satisfy these initial criteria. In addition, these companies must be more than 50% owned by individuals who are residents, as defined, in the countries of incorporation or another foreign country that grants an equivalent exemption to U.S. corporations. These companies satisfied the more than 50% beneficial ownership requirement for 2025. In addition, should the beneficial ownership requirement not be met, the management of the Company believes that by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company like the Company, the more than 50% beneficial ownership requirement can also be satisfied based on the trading volume, the Company's shareholder composition and the anticipated widely-held ownership of the Company's shares, but no assurance can be given that this will be the case or remain so in the future, since continued compliance with this rule is subject to factors outside of the Company's control. Income taxes were nil in each of the years ended December 31, 2025, 2024 and 2023.

13. Financial Instruments

The following is a summary of the Company's risk management strategies and the effect of these strategies on the Company's consolidated financial statements.

Interest Rate Risk: Interest rate risk arises on bank borrowings. The Company monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favorable rates. The interest rates relating to the long-term loans are disclosed in Note 10, "Long-term Debt, net".

Concentration of Credit Risk: Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, cash equivalents and trade accounts receivable. The Company places its temporary cash investments, consisting mostly of deposits, with established financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company is exposed to credit risk in the event of non-performance by counterparties, however, the Company limits this exposure by diversifying among counterparties with high credit ratings. The Company depends upon a limited number of customers for a large part of its revenues. Refer to Note 14, "Operating Revenue", for further details on revenue from significant clients. Credit risk with respect to trade accounts receivable is generally managed by the selection of customers among the major liner companies in the world and their dispersion across many geographic areas.

13. Financial Instruments (Continued)

Fair Value: The carrying amounts reflected in the Consolidated Balance Sheets of financial assets and liabilities (excluding long-term bank loans and certain other non-current assets) approximate their respective fair values due to the short maturity of these instruments. The fair values of long-term floating rate bank loans approximate the recorded values, generally due to their variable interest rates. The fair value of senior unsecured notes is measured based on quoted market prices. The fair value of marketable securities is measured based on the closing price of the securities on a stock exchange.

Interest Rate Swaps: The Company currently has no outstanding interest rate swaps agreements. However, in the past years, the Company entered into interest rate swap agreements with its lenders in order to manage its floating rate exposure. Certain variable-rate interests on specific borrowings were associated with vessels under construction and were capitalized as a cost of the specific vessels. In accordance with the accounting guidance on derivatives and hedging, the amounts related to realized gains or losses on cash flow hedges that have been entered into and qualified for hedge accounting, in order to hedge the variability of that interest, were recognized in accumulated other comprehensive loss and are reclassified into earnings over the depreciable life of the constructed asset, since that depreciable life coincides with the amortization period for the capitalized interest cost on the debt. An amount of $3.6 million was reclassified into earnings for each of the years ended December 31, 2025, 2024 and 2023, respectively, representing amortization over the depreciable life of the vessels. An amount of $3.6 million is expected to be reclassified into earnings within the next 12 months.

Fair Value of Financial Instruments

The Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs used in the valuation techniques to derive fair values are classified based on a three - level hierarchy.

Level I: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level 3 inputs as of December 31, 2025 and 2024.

The estimated fair values of the Company's financial instruments are as follows (in thousands of US$):

		As of December 31, 2025		As of December 31, 2024	
	Balance Sheet Location	Book Value	Fair Value	Book Value	Fair Value
		(in '000s of US$)			
ASSETS					
Cash and cash equivalents	Cash and cash equivalents	$ 1,037,292	$ 1,037,292	$ 453,384	$ 453,384
Marketable securities	Other current assets	$ 120,244	$ 120,244	$ 60,850	$ 60,850
LIABILITIES					
Secured long-term debt, including current portion [1]	Current portion of long-term debt, net & Long-term debt, net	$ 415,016	$ 415,016	$ 481,780	$ 481,780
Unsecured long-term debt [1]	Current portion of long-term debt, net & Long-term debt, net	$ 762,766	$ 782,269	$ 262,766	$ 259,834

The estimated fair value of the financial instruments that are measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows as of December 31, 2025 (in thousands of US$):

		Fair Value Measurements as of December 31, 2025			
	Balance Sheet Location	Total	(Level I)	(Level II)	(Level III)
			(in '000s of US$)		
ASSETS					
Marketable securities	Other current assets	$ 120,244	$ 120,244	$ —	$ —

13. Financial Instruments (Continued)

Fair Value of Financial Instruments (Continued)

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows as of December 31, 2025 (in thousands of US$):

		Fair Value Measurements as of December 31, 2025			
	Balance Sheet Location	Total	(Level I)	(Level II)	(Level III)
			(in '000s of US$)		
ASSETS					
Cash and cash equivalents	Cash and cash equivalents	$ 1,037,292	$ 1,037,292	$ —	$ —
LIABILITIES					
Secured long-term debt, including current portion [(1)]	Current portion of long-term debt, net & Long-term debt, net	$ 415,016	$ —	$ 415,016	$ —
Unsecured long-term debt [(1)]	Current portion of long-term debt, net & Long-term debt, net	$ 782,269	$ 782,269	$ —	$ —

The estimated fair value of the financial instruments that are measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows as of December 31, 2024 (in thousands of US$):

		Fair Value Measurements as of December 31, 2024			
	Balance Sheet Location	Total	(Level I)	(Level II)	(Level III)
			(in '000s of US$)		
ASSETS					
Marketable securities	Other current assets	$ 60,850	$ 60,850	$ —	$ —

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows as of December 31, 2024 (in thousands of US$):

		Fair Value Measurements as of December 31, 2024			
	Balance Sheet Location	Total	(Level I)	(Level II)	(Level III)
			(in '000s of US$)		
ASSETS					
Cash and cash equivalents	Cash and cash equivalents	$ 453,384	$ 453,384	$ —	$ —
LIABILITIES					
Secured long-term debt, including current portion [(1)]	Current portion of long-term debt, net & Long-term debt, net	$ 481,780	$ —	$ 481,780	$ —
Unsecured long-term debt [(1)]	Long-term debt, net	$ 259,834	$ 259,834	$ —	$ —

(1) Secured and unsecured long-term debt, including current portion is presented gross of deferred finance costs of $22.7 million (current and non current portions) and $9.8 million as of December 31, 2025 and 2024, respectively. The fair value of the Company's secured debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities.

14. Operating Revenue

Operating revenue from time charters and bareboat charters and voyage charters for the years ended December 31, 2025, 2024 and 2023, were as follows (in thousands of US$):

	Years ended December 31,		
	2025	2024	2023
Time charters and bareboat charters	$ 995,852	$ 967,095	$ 963,192
Voyage charters	46,604	47,015	10,391
Total Operating Revenue	**$ 1,042,456**	**$ 1,014,110**	**$ 973,583**

As of December 31, 2025 and 2024, the Company had accounts receivable from voyage charter agreements amounting to $3.1 million and $0.4 million, respectively, and are presented under "Accounts receivable, net" in the Consolidated Balance Sheets.

The operating revenues received in advance from voyage charter agreements amounting to nil and $1.7 million is presented under current "Unearned revenue" in the Consolidated Balance Sheets as of December 31, 2025 and 2024, respectively. Unearned revenue as of December 31, 2024 was recognized in earnings in the year ended December 31, 2025 as the performance obligations were satisfied in that period. Unearned revenue related to voyage charter agreements in progress as of December 31, 2025 will be recognized in earnings as performance obligations will be satisfied in the year ending December 31, 2026. The Company assumed time charter liabilities in connection with its acquisition of certain vessels in 2021. Amortization of the assumed time charters amounted to nil, $4.5 million and $21.2 million for the years ended December 31, 2025, 2024, and 2023, respectively, and is presented within "Operating revenues" in the Consolidated Statements of Income. The remaining unamortized balance was nil as of December 31, 2025 and 2024.

Further, as of December 31, 2025, capitalized contract fulfilment costs, which are recorded under "Other current assets" in the Consolidated Balance Sheets, increased by $1.1 million compared to December 31, 2024, to $1.5 million from $0.4 million. The outstanding balance is mainly affected by the timing of commencement of revenue recognition.

In July 2016, the Company recognized unearned revenue of $75.6 million representing compensation to the Company for the future reductions in the daily charter rates payable by the charterer HMM under the time charter agreements. The amortization of unearned revenue was recognized in the Consolidated Statement of Income under "Operating revenues" over the remaining life of the respective charters. In each of the years ended December 31, 2025, 2024 and 2023, the Company recognized nil, $2.6 million and $8.2 million of unearned revenue amortization. As of December 31, 2025 and 2024, the outstanding current portion of unearned revenue in relation to HMM amounted to nil.

Operating revenue from significant container vessels customers (constituting more than 10% of total revenue) for the years ended December 31, 2025, 2024 and 2023, were as follows:

	Years ended December 31,		
Charterer	**2025**	**2024**	**2023**
CMA CGM	21 %	20 %	23 %
MSC	16 %	13 %	11 %
HMM Korea	— %	— %	12 %

14. Operating Revenue (Continued)

Operating revenue by geographic location of the customers for the years ended December 31, 2025, 2024 and 2023 were as follows (in thousands of US$):

	Years ended December 31,		
Continent	**2025**	**2024**	**2023**
Australia—Asia	$ 503,628	$ 532,800	$ 519,759
Europe	537,969	481,310	453,824
America	859	—	—
Total Operating Revenue	**$ 1,042,456**	**$ 1,014,110**	**$ 973,583**

Operating revenue by geographic location of the container vessels customers for the years ended December 31, 2025, 2024 and 2023 were as follows (in thousands of US$):

	Years ended December 31,		
Continent	**2025**	**2024**	**2023**
Australia—Asia	$ 430,689	$ 465,176	$ 511,021
Europe	524,744	471,901	452,171
Total Operating Revenue	**$ 955,433**	**$ 937,077**	**$ 963,192**

Operating revenue by geographic location of the drubulk vessels customers for the years ended December 31, 2025, 2024 and 2023 were as follows (in thousands of US$):

	Years ended December 31,		
Continent	**2025**	**2024**	**2023**
Australia—Asia	$ 72,939	$ 67,624	$ 8,738
Europe	13,225	9,409	1,653
America	859	—	—
Total Operating Revenue	**$ 87,023**	**$ 77,033**	**$ 10,391**

15. Segments

Until the acquisition of the drybulk vessels in 2023, the Company reported financial information and evaluated its operations by total charter revenues. Since 2023, for management purposes, the Company has been organized based on operating revenues generated from container and drybulk vessels and has two reporting segments: (1) the container vessels segment and (2) the drybulk vessels segment. The container vessels segment owns and operates container vessels, which are primarily chartered on multi-year, fixed-rate time charter and bareboat charter agreements. The drybulk vessels segment owns and operates drybulk vessels to provide transportation services for drybulk commodities.

The Company's Chief Operating Decision Maker, the Chief Executive Officer, monitors and assesses the performance of the container vessels segment and the drybulk vessels segment based on net income. Items included in each segment's net income are allocated directly to the extent they are directly or indirectly attributable to that segment. For items allocated through indirect calculations, the allocation is based on the utilization of key resources. Investments in marketable securities and investments in affiliates accounted for using the equity method are not allocated to any of the Company's reportable segments.

15. Segments (Continued)

The following table summarizes our selected financial information for the year ended December 31, 2025, by segment (in thousands of US$):

Income Statement Metrics for the year ended December 31, 2025	**Container vessels segment**	**Dry bulk vessels segment**	**Total**
		(in '000s of US$)	
Operating revenues	$ 955,433	$ 87,023	$ 1,042,456
Voyage expenses	(35,741)	(27,320)	(63,061)
Vessel operating expenses	(180,847)	(27,932)	(208,779)
Depreciation	(150,075)	(13,291)	(163,366)
Amortization of deferred drydocking and special survey costs	(35,114)	(8,960)	(44,074)
Interest income (excluding interest income from investments in affiliates)	19,413	2	19,415
Interest expense	(42,842)	—	(42,842)
Other segment items [1]	(69,281)	(6,169)	(75,450)
Net Income per segment	**$ 460,946**	**$ 3,353**	**$ 464,299**
Gain on investments, dividend income, interest income from investments in affiliates and loss on equity investments			30,315
Net Income			**$ 494,614**

(1) Other segment items for each reportable segment include general and administrative expenses, other finance expenses, other (expenses)/income, net, and loss on derivatives.

Balance Sheet Metrics as of December 31, 2025	**Container vessels segment**	**Dry bulk vessels segment**	**Total**
		(in '000s of US$)	
Total Assets per segment	$ 4,717,465	$ 275,965	$ 4,993,430
Marketable Securities [1]	—	—	120,244
Receivable from affiliates [1]	—	—	256
Total Assets	—	—	**$ 5,113,930**

(1) Reflected under "Other current assets" in the Consolidated Balance Sheet.

15. Segments (Continued)

The following table summarizes our selected financial information for the year ended December 31, 2024, by segment (in thousands of US$):

Income Statement Metrics for the year ended December 31, 2024	Container vessels segment	Dry bulk vessels segment	Total
		(in '000s of US$)	
Operating revenues	$ 937,077	$ 77,033	$ 1,014,110
Voyage expenses	(32,481)	(31,620)	(64,101)
Vessel operating expenses	(162,192)	(23,532)	(185,724)
Depreciation	(137,823)	(10,521)	(148,344)
Amortization of deferred drydocking and special survey costs	(27,167)	(1,994)	(29,161)
Net gain on disposal/sale of vessels	8,332	—	8,332
Interest income (excluding interest income from investments in affiliates)	12,843	—	12,843
Interest expense	(26,185)	—	(26,185)
Other segment items [1]	(54,275)	(4,937)	(59,212)
Net Income per segment	**$ 518,129**	**$ 4,429**	**$ 522,558**
Loss on investments, dividend income, interest income from investments in affiliates and loss on equity investments			(17,485)
Net Income			**$ 505,073**

(1) Other segment items for each reportable segment include general and administrative expenses, other finance expenses, other (expenses)/income, net, and loss on derivatives.

Balance Sheet Metrics as of December 31, 2024	Container vessels segment	Dry bulk vessels segment	Total
		(in '000s of US$)	
Total Assets per segment	$ 4,006,268	$ 276,207	$ 4,282,475
Marketable Securities [1]	—	—	60,850
Receivable from affiliates [1]	—	—	329
Total Assets	**—**	**—**	**$ 4,343,654**

(1) Reflected under "Other current assets" in the Consolidated Balance Sheet.

16. Commitments and Contingencies

On September 1, 2016, Hanjin Shipping, a charterer of eight of the Company's vessels, referred to the Seoul Central District Court, which issued an order to commence the rehabilitation proceedings of Hanjin Shipping. Hanjin Shipping has cancelled all eight charter party agreements with the Company. On February 17, 2017, the Seoul Central District Court (Bankruptcy Division), declared the bankruptcy of Hanjin Shipping, converting the rehabilitation proceeding to a bankruptcy proceeding. The Seoul Central District Court (Bankruptcy Division) appointed a bankruptcy trustee to dispose of Hanjin Shipping's remaining assets and distribute the proceeds from the sale of such assets to Hanjin Shipping's creditors according to their priorities. The Company ceased recognizing revenue from Hanjin Shipping effective from July 1, 2016 onwards. The Company has a total unsecured claim submitted to the Seoul Central District Court for unpaid charter hire, charges, expenses and loss of profit against Hanjin Shipping totaling $597.9 million, which was not recognized in the accompanying Consolidated Balance Sheets as of December 31, 2025 and 2024. In December 2024 and January 2021 the Company received $2.1 million and $3.9 million from the bankruptcy trustee of Hanjin Shipping as a partial payment of a common benefit claim plus interest, respectively, which were presented under "Other (expenses)/income, net" in the Company's Consolidated Statements of Income. In January 2025, the bankruptcy proceedings related to Hanjin Shipping were closed and no other amounts are expected to be recovered.

16. Commitments and Contingencies (Continued)

There are no other material legal proceedings to which the Company is a party or to which any of its properties are the subject, or other contingencies that the Company is aware of, other than routine litigation incidental to the Company's business.

As of December 31, 2025, the Company has outstanding commitments under vessel construction contracts and a vessel acquisition agreement, see Note 5 "Advances for Vessels under Construction and Vessel Acquisition".

17. Stock Based Compensation

On April 18, 2008, the Board of Directors and the Compensation Committee approved incentive compensation of the Manager's employees with the Company's shares from time to time, after specific for each such time, decision by the compensation committee and the Board of Directors in order to provide a means of compensation in the form of free shares to certain employees of the Manager of the Company's common stock. The plan was effective as of December 31, 2008. Pursuant to the terms of the plan, employees of the Manager may receive (from time to time) shares of the Company's common stock as additional compensation for their services offered during the preceding period. The total amount of stock to be granted to employees of the Manager will be at the Company's Board of Directors' discretion only and there will be no contractual obligation for any stock to be granted as part of the employees' compensation package in future periods. In August 2025, the Company granted 100,000 shares to the Manager for the year ending December 31, 2026 under the amended and restated management agreement with the Manager as described in Note 11 "Related Party Transactions". In November 2023, the Company granted 100,000 shares to the Manager for each of the years ended December 31, 2025, 2024 and 2023 under the then existing management agreement with the Manager (Note 11 "Related Party Transactions"). The fair value of shares granted was calculated based on the closing trading price of the Company's shares at the grant date.

In December 2024, the Company granted 30,000 shares of restricted stock to certain employees of the Manager, out of which 2,000 shares vested in December 2025 and 4,000 shares, 8,000 shares and 16,000 shares will be vested in December 2026, December 2027 and December 2028, respectively. As of December 31, 2025, 28,000 shares remained unvested and will remain restricted until they vest. The vesting of these shares is subject to satisfaction of the vesting terms, under the Company's 2006 Equity Compensation Plan, as amended. The 30,000 restricted shares were issued and outstanding as of December 31, 2024, with aggregate compensation expense of $2.3 million related thereto expected to be recognized as the shares vest over a four-year period. In relation to the vesting of these restricted shares to certain employees of the Manager and the 100,000 shares vested to the Manager in 2025, an amount of $6.9 million was expensed in the year ended December 31, 2025. As of December 31, 2025, the weighted-average remaining term of the Manager's compensation stock relating to non-vested restricted shares not yet recognized was $10.8 million, and is expected to be recognized over the weighted average period of 1.3 years.

In addition, in the fourth quarter of each of the years ended December 31, 2025, 2024 and 2023, the Company granted 104,000, 100,000 and 100,000, respectively of fully vested shares to executive officers.

In the years ended December 31, 2025, 2024 and 2023, stock based compensation expenses of $16.8 million, $14.6 million and $12.7 million, respectively, were recorded under "General and administrative expenses" in the Consolidated Income Statements. The average price of issued shares was $94.61 per share, $80.80 per share and $63.40 per share in the years ended December 31, 2025, 2024 and 2023, respectively.

The aggregate number of shares of common stock for which awards may be granted under the 2006 Equity Compensation Plan shall not exceed 1,000,000 shares plus the number of unvested shares granted before August 2, 2019. The equity awards may be granted by the Company's Compensation Committee or Board of Directors under its amended and restated 2006 Equity Compensation Plan. Awards made under the Plan that have been forfeited, cancelled or have expired, will not be treated as having been granted for purposes of the preceding sentence.

The Company has also established the Directors Share Payment Plan under its 2006 Equity Compensation Plan. The purpose of the plan is to provide a means of payment of all or a portion of compensation payable to directors of the Company in the form of Company's Common Stock. The plan was effective as of April 18, 2008, and amended effective August 26, 2025. Each member of the Board of Directors of the Company may participate in the plan. Pursuant to the terms of the plan, directors may elect to receive in Common Stock all or a portion of their compensation. Following the last of each calendar quarter, the Company delivers to each Director the number of shares represented by the rights credited to their Share Payment Account during the preceding calendar quarter. During the years ended December 31, 2025, 2024 and 2023, none of the directors elected to receive shares as compensation.

18. Stockholders' Equity

In the year ended December 31, 2025, the Company declared and paid a dividend of $0.85 per share of common stock in each of March, June, August and $0.90 per share in December amounting to $63.6 million.

In the year ended December 31, 2024, the Company declared and paid a dividend of $0.80 per share of common stock in each of March, June, August and $0.85 per share in November amounting to $62.8 million. In the year ended December 31, 2023, the Company declared and paid a dividend of $0.75 per share of common stock in each of February, May and August and $0.80 per share of common stock in November amounting to $60.7 million. The Company issued 205, 23 and 34 shares of common stock at par value of $0.01 pursuant to its dividends reinvestment plan in the years ended December 31, 2025 and 2024, 2023, respectively, at an average price of $87.83, $80.62 and $60.63 per share, respectively.

In June 2022, the Company announced a share repurchase program of up to $100.0 million of its common stock. A $100.0 million increase to the existing share repurchase program, for a total aggregate amount of $200.0 million, was approved by the Company's Board of Directors on November 10, 2023 and on April 14, 2025, following Board approval, the Company announced the upsizing of its common stock repurchase program by an additional $100.0 million to a total of $300.0 million. The Company repurchased 927,527 shares of its common stock in the open market for $76.1 million in the year ended December 31, 2025; 661,103 shares for $53.9 million in the year ended December 31, 2024; 1,131,040 shares for $70.6 million in the year ended December 31, 2023 and 466,955 shares for $28.6 million in the year ended December 31, 2022.

Refer to Note 17 "Stock Based Compensation" for information on the Company's compensation plans.

As of December 31, 2025, 25,790,190 shares were issued and 18,264,294 shares were outstanding; and 25,585,985 shares were issued and 18,987,616 shares were outstanding as of December 31, 2024. As of December 31, 2025 and December 31, 2024, 7,525,896 and 6,598,369 shares were held as Treasury shares, respectively. Under the Articles of Incorporation as amended on September 18, 2009, the Company's authorized capital stock consists of 750,000,000 shares of common stock with a par value of $0.01 and 100,000,000 shares of preferred stock with a par value of $0.01.

19. Executive Retirement Plan

Effective December 14, 2022, the Company maintains a defined benefit retirement plan for its executive officers. The actuarial determination of the projected benefit obligation was made by calculating the present value of the projected benefit at retirement based on service completed as of the valuation date. This calculation incorporates management's best estimates of the discount rate of 3.3% (2024: 3.0%), salary escalation of up to 5.0% per annum (2024: 4.5%), and assumed retirement ages for the executive officers ranging from 65 to 74 years old.

The projected benefit obligation was as $21.5 million, $12.9 million, $13.3 million and $6.5 million as of December 31, 2025, 2024, 2023 and as of December 1, 2023, respectively.

Projected periodic benefit cost amounting to $0.8 million, $0.7 million and $0.6 million was recognized in "General and administrative expenses" for the years ended December 31, 2025, 2024 and 2023, respectively, and $1.1 million is expected to be recognized in the year ending December 31, 2026. Interest cost of $0.4 million, $0.4 million and $0.2 million was recognized in "Other finance expenses" for the years ended December 31, 2025, 2024 and 2023, respectively. A net curtailment gain of nil, nil and $0.2 million was recognized under "Other (expense)/income, net" for the years ended December 31, 2025, 2024 and 2023, respectively. Foreign exchange loss/gain of a $1.7 million loss, a $0.7 million gain and a $0.2 million loss was recognized under "Other (expense)/income, net" for the years ended December 31, 2025, 2024 and 2023, respectively.

Actuarial loss from changes in assumptions amounted to $0.4 million loss in 2025, nil in 2024 and $1.1 million loss in 2023. Actuarial loss/gain from experience adjustments amounted to $5.4 million loss in 2025, $0.9 million gain in 2024. Prior service cost arising from the retrospective recognition of past service and experience adjustments amounting to $5.2 million was recognized in 2023.

19. Executive Retirement Plan (Continued)

The defined benefit obligation of $21.5 million, $12.9 million is presented under "Other long-term liabilities" as of December 31, 2025 and 2024, respectively. The accumulated benefit obligation as of December 31, 2025, 2024, and 2023 was $14.6 million, $8.1 million, and $7.7 million respectively.

Prior service cost arising from the retrospective recognition of past service, amounting to $14.2 million as of December 14, 2022, was recognized in other comprehensive loss, of which advances totaling $7.8 million were exercised during the period ended December 31, 2022. In 2023, one additional executive officer was added to the plan and another was appointed to a new position, and as of December 31, 2023, balance of other comprehensive loss was $11.2 million. As of December 31, 2025 and 2024 other comprehensive loss balance, related to prior service cost, amounted to $14.5 million and $9.9 million, respectively.

An actuarial loss due to changes in assumptions and experience adjustments amounting to $5.8 million and was recognized in other comprehensive loss in 2025. An actuarial gain due to experience amounting to $0.9 million was recognized in other comprehensive loss in 2024. An actuarial loss due to changes in assumptions and experience adjustments amounting to $6.3 million, were recognized in other comprehensive loss in 2023.

Prior service cost related to this defined benefit obligation amounting to $1.2 million, $1.1 million and $0.7 million, was reclassified from the other comprehensive loss to "Other (expense)/income, net" for the years ended December 31, 2025, 2024, and 2023, respectively. In addition, $2.2 million of amortization of prior service cost and net loss is expected to be reclassified in the year ending December 31, 2026.

The assumptions used represent management's best estimates selected from a range of possible actuarial assumptions, which may not necessarily occur in practice. The average remaining working lifetime of the active participants in the defined benefit obligation is 7.8 years as of December 31, 2025. Benefits of $12.7 million are expected to be paid by 2030, based on the assumptions used by the actuaries in measuring the benefit obligations as of December 31, 2025.

20. Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2025, 2024 and 2023:

	Years ended December 31,		
	2025	**2024**	**2023**
Numerator:			
Net income *(in thousands of US$)*	$ 494,614	$ 505,073	$ 576,299
Denominator (number of shares in thousands):			
Basic weighted average common shares outstanding	18,432	19,316	19,879
Effect of dilutive securities:			
Dilutive effect of non-vested shares	48	69	25
Diluted weighted average common shares outstanding	18,480	19,385	19,904
Basic earnings per share *(in US$ per share)*	$ 26.83	$ 26.15	$ 28.99
Diluted earnings per share *(in US$ per share)*	$ 26.76	$ 26.05	$ 28.95

21. Subsequent Events

On January 15, 2026, the Company drew down the full amount of the $80.0 million JOLCO Greenhouse Facility (as described in Note 10).

On January 20, 2026, the Company delivered a notice of redemption to the holders of its 8.500% Senior Notes, pursuant to the terms of the indenture governing the notes. The Company elected to redeem all of the outstanding 8.500% Senior Notes on March 2, 2026 (the "Redemption Date"). The record date for determining holders entitled to receive the redemption payment is February 27, 2026. The Notes will be redeemed at a price equal to 100.00% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest from (and including) September 1, 2025 to (but not including) the Redemption Date, and any Additional Amounts, if applicable. The aggregate redemption price is expected to be approximately $273.9 million, consisting of $262.8 million of outstanding principal and approximately $11.2 million of accrued but unpaid interest, assuming a Redemption Date of March 2, 2026.

On January 20, 2026, the Company announced a strategic partnership with an unrelated third party, Glenfarne Group LLC, to advance the Alaska LNG project. In connection with this partnership, the Company committed to a $50.0 million equity investment in the project and was designated as a preferred provider for at least six liquefied natural gas ("LNG") carriers.

In January and February 2026, the Company reached agreements with chinese shipyards for the construction of four Newcastlemax drybulk carriers of approximately 211,000 DWT each, with an aggregate purchase price of $297.3 million and expected delivery dates in 2028.

On February 9, 2026, the Company declared a dividend of $0.90 per share of common stock payable on March 4, 2026, to holders of record on February 23, 2026.

In February 2026, the Company exercised its option to enter into shipbuilding contracts for the construction of two additional 5,300 TEU newbuilding containerships (see Note 4) at an aggregate purchase price of $126.0 million, with expected delivery dates in 2029.

In February 2026, the Company notified the bank that on March 2, 2026 together with the quarterly instalments under the Syndicated $450.0 million Facility for the tranches relating to the vessels *Catherine C, Greenland, Interasia Accelerate*, and *Interasia Amplify*, amounting to $3.3 million, the Company would also prepay in full the outstanding principal amount of $213.8 million, resulting in a total cash outflow of $217.1 million.

Pursuant to the $300.0 million authorized share repurchase program, as described in Note 18, subsequently to December 31, 2025, the Company repurchased 60,819 shares in open market transactions. As of the date of this report, under the $300.0 million authorized share repurchase program, the Company has repurchased a total of 3,247,444 shares of its common stock in the open market for $235.1 million


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