

## **Danaos Corporation Reports Third Quarter and Nine Months Results for the Period Ended September 30, 2022**

**Athens, Greece, November 7, 2022** – Danaos Corporation (“Danaos”) (NYSE: DAC), one of the world’s largest independent owners of containerships, today reported unaudited results for the period ended September 30, 2022.

### **Highlights for the Third Quarter and Nine Months Ended September 30, 2022:**

- **Adjusted net income<sup>1</sup> of \$176.9 million, or \$8.71 per share, for the three months ended September 30, 2022 compared to \$109.5 million, or \$5.32 per share, for the three months ended September 30, 2021, an increase of 61.6%. Adjusted net income<sup>1</sup> of \$569.3 million, or \$27.67 per share, for the nine months ended September 30, 2022 compared to \$236.4 million, or \$11.49 per share, for the nine months ended September 30, 2021, an increase of 140.8%.**
- **In September 2022, we sold all of our remaining 5,686,950 ZIM ordinary shares resulting in proceeds to us of \$161.3 million.**
- **Cash and cash equivalents amounted to \$556.3 million as of September 30, 2022.**
- **Operating revenues of \$260.0 million for the three months ended September 30, 2022 compared to \$195.9 million for the three months ended September 30, 2021, an increase of 32.7%. Operating revenues of \$740.9 million for the nine months ended September 30, 2022 compared to \$474.5 million for the nine months ended September 30, 2021, an increase of 56.1%.**
- **Adjusted EBITDA<sup>1</sup> of \$213.1 million for the three months ended September 30, 2022 compared to \$149.6 million for the three months ended September 30, 2021, an increase of 42.4%. Adjusted EBITDA<sup>1</sup> of \$674.7 million for the nine months ended September 30, 2022 compared to \$349.6 million for the nine months ended September 30, 2021, an increase of 93.0%.**
- **Total contracted cash operating revenues were \$2.3 billion as of September 30, 2022 and remaining average contracted charter duration was 3.5 years, weighted by aggregate contracted charter hire.**
- **Contracted operating days charter coverage currently stands at 100% for 2022 and 88.4% for 2023 while for the next 12 months, from September 30, 2022, charter coverage stands at 92.9%.**
- **As of September 30, 2022, Net Debt<sup>2</sup> was \$398.9 million, Net Debt / LTM Adjusted EBITDA was 0.48x, while 15 of our vessels are debt-free currently.**
- **As of the date of this release, we have repurchased 466,955 shares of our common stock in the open market for \$28.6 million, under our share repurchase program of up to \$100 million announced in June 2022.**
- **The Company has reached an in-principle agreement with Citi and Alpha Bank to refinance the currently outstanding facility of \$437.75 million and the transactions are expected to close within the 4<sup>th</sup> quarter of 2022. This refinancing, which remains subject to definitive documentation, is summarized as follows:**
  - **a \$382.5 million Revolving Credit Facility with Citi reducing and repayable over 5 years in 20 quarterly reductions of \$11.25 million each together with a final reduction of \$157.5 million at maturity, in the 4<sup>th</sup> quarter of 2027.**
  - **a \$55.25 million Term Loan with Alpha Bank repayable over 5 years with 20 consecutive quarterly instalments of \$1.875 million each together with a balloon payment of \$17.75 million at maturity, in the 4<sup>th</sup> quarter of 2027.**
- **Through this refinancing the Company will achieve the following:**
  - **Extension of maturity of the refinanced debt by 2.5 years and the creation of a 5-year runway without any of the Company’s bank debt maturing before 2027.**
  - **Given the Company’s strong liquidity position, the Revolving Credit Facility feature of Citi provides the Company with increased flexibility in managing debt capital and associated costs.**
  - **Improvement in pricing terms.**
- **Pro-forma for the refinancing, the Company will triple the unencumbered and debt-free fleet to 45 vessels versus 15 vessels currently out of a total existing fleet of 71 vessels.**

- Danaos has declared a dividend of \$0.75 per share of common stock for the third quarter of 2022, which is payable on November 30, 2022 to stockholders of record as of November 18, 2022.

### Three and Nine Months Ended September 30, 2022

#### Financial Summary – Unaudited

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Operating revenues	\$260,037	\$195,915	\$740,861	\$474,467
Net income	\$66,800	\$217,227	\$406,489	\$886,844
Adjusted net income <sup>1</sup>	\$176,922	\$109,547	\$569,329	\$236,418
Earnings per share, diluted	\$3.29	\$10.55	\$19.75	\$43.11
Adjusted earnings per share, diluted <sup>1</sup>	\$8.71	\$5.32	\$27.67	\$11.49
Diluted weighted average number of shares (in thousands)	20,318	20,598	20,579	20,571
Adjusted EBITDA <sup>1</sup>	\$213,106	\$149,621	\$674,738	\$349,639

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

<sup>2</sup>Net Debt is defined as total debt gross of the fair value of debt adjustment and deferred finance costs less cash and cash equivalents.

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

“This quarter marked the retreat of the container market from unsustainable stratospheric highs to more normalized levels, albeit still well above 2019 levels. The liner market has experienced a combination of supply chain normalization and demand destruction due to various factors. These include, but are not limited to, rampant inflation and declining GDP growth, the uncertainties created by the war in Ukraine and an energy crisis. This has been compounded by high inventories in warehouses and delayed collection of containers, both indirect impacts of easing of supply chain disruptions.

The drop in demand for containerized freight has also significantly reduced vessel demand from opportunistic market participants, who were aggressively contracting smaller vessels or extra loaders which were used during the peak of demand last year. This has led to a significant correction in the sub-3,000 TEU segment as charterers are on the sidelines waiting for the market to drop before they commit a vessel.

Charter periods have also been reduced to as little as six months for smaller vessels as charterers are waiting to see how the CII requirements will impact fleet scheduling and what additional slow steaming will be needed to meet the requirements.

Danaos is well-insulated from the current market environment and achieved record operating profit in the third quarter of 2022. Our commercial efforts earlier this year resulted in a number of new vessel fixtures for our vessels, and we ended the quarter with a multi-year backlog of \$2.3 billion in contracted revenue. We have also continued to strengthen our balance sheet and we have now fully liquidated our shareholding in ZIM, as we stated we would. In addition, we have new commitments from our bank group to extend existing bank debt facilities until 2027. This means we have no significant capital requirements or refinancings until then, and we have the necessary flexibility to pursue our strategy of growth, share buybacks, and acquisitions. In fact, our net debt will be very close to zero by the end of this year, which protects Danaos from the recent dramatic increase in interest rates.

With a fortress balance sheet, we are looking at the future with great optimism and evaluating the steps that will keep Danaos at the forefront of the industry. Danaos' management team is fully aligned with our shareholders, and we will continue working to enhance long term value of the company.”

### **Three months ended September 30, 2022 compared to the three months ended September 30, 2021**

During the three months ended September 30, 2022, Danaos had an average of 71.0 containerships compared to 65.7 containerships during the three months ended September 30, 2021. Our fleet utilization for the three months ended September 30, 2022 was 97.1% compared to 97.7% for the three months ended September 30, 2021.

Our adjusted net income amounted to \$176.9 million, or \$8.71 per share, for the three months ended September 30, 2022 compared to \$109.5 million, or \$5.32 per share, for the three months ended September 30, 2021. We have adjusted our net income in the three months ended September 30, 2022 for the change in fair value of our investment in ZIM Integrated Shipping Services Ltd. ("ZIM") of \$107.3 million and a non-cash fees amortization of \$2.8 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The \$67.4 million increase in adjusted net income for the three months ended September 30, 2022 compared to the three months ended September 30, 2021 is attributable mainly to a \$64.1 million increase in operating revenues, a \$11.0 million increase in dividends from ZIM (net of withholding taxes) and a \$2.5 million decrease in net finance expenses, which were partially offset by a \$10.2 million increase in total operating expenses.

On a non-adjusted basis, our net income amounted to \$66.8 million, or \$3.29 earnings per diluted share, for the three months ended September 30, 2022 compared to net income of \$217.2 million, or \$10.55 earnings per diluted share, for the three months ended September 30, 2021. Our net income for the three months ended September 30, 2022 includes a loss on our investment in ZIM of \$84.0 million (net of withholding taxes on dividend).

#### **Operating Revenues**

Operating revenues increased by 32.7%, or \$64.1 million, to \$260.0 million in the three months ended September 30, 2022 from \$195.9 million in the three months ended September 30, 2021.

Operating revenues for the three months ended September 30, 2022 reflect:

- a \$76.9 million increase in revenues in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 mainly as a result of higher charter rates;
- a \$11.1 million increase in revenues in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 due to the incremental revenue generated by newly acquired vessels;
- a \$4.5 million increase in revenues in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 due to amortization of assumed time charters; and
- a \$28.4 million decrease in revenue in the three months ended September 30, 2022 compared to the three months ended September 30, 2021 due to lower non-cash revenue recognition in accordance with US GAAP.

#### **Vessel Operating Expenses**

Vessel operating expenses increased by \$4.5 million to \$39.2 million in the three months ended September 30, 2022 from \$34.7 million in the three months ended September 30, 2021, primarily as a result of the increase in the average number of vessels in our fleet and an increase in the average daily operating cost for vessels on time charter to \$6,173 per vessel per day for the three months ended September 30, 2022 compared to \$5,918 per vessel per day for the three months ended September 30, 2021. The average daily operating cost increased mainly due to the COVID-19 and Ukraine war related increase in crew remuneration and increased insurance premiums in the three months ended September 30, 2022 compared to the three months ended September 30, 2021. Management believes that our daily operating costs remain among the most competitive in the industry.

#### **Depreciation & Amortization**

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

#### *Depreciation*

Depreciation expense increased by 10.0%, or \$3.1 million, to \$34.1 million in the three months ended September 30, 2022 from \$31.0 million in the three months ended September 30, 2021 due to recent acquisitions of 6 vessels.

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

Amortization of deferred dry-docking and special survey costs increased by \$0.5 million to \$3.1 million in the three months ended September 30, 2022 from \$2.6 million in the three months ended September 30, 2021.

#### **General and Administrative Expenses**

General and administrative expenses decreased by \$0.2 million, to \$7.1 million in the three months ended September 30, 2022 from \$7.3 million in the three months ended September 30, 2021.

#### **Other Operating Expenses**

Other Operating Expenses include Voyage Expenses.

#### *Voyage Expenses*

Voyage expenses increased by \$2.3 million to \$10.3 million in the three months ended September 30, 2022 from \$8.0 million in the three months ended September 30, 2021 primarily as a result of the increase in commissions due to the increase in revenue per vessel and the increase in the average number of vessels in our fleet.

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

Interest expense decreased by 11.6%, or \$2.1 million, to \$16.0 million in the three months ended September 30, 2022 from \$18.1 million in the three months ended September 30, 2021. The decrease in interest expense is a combined result of:

- a \$1.5 million decrease in interest expense due to a decrease in our average indebtedness by \$466.7 million between the two periods (average indebtedness of \$971.3 million in the three months ended September 30, 2022 compared to average indebtedness of \$1,438.0 million in the three months ended September 30, 2021), which was partially offset by an increase in our debt service cost by 1.46 percentage points, mainly as a result of increase in the reference rates;
- a \$0.8 million decrease in the amortization of deferred finance costs and debt discount;
- a \$1.3 million decrease in interest expense due to capitalized interest on our vessels under construction in the three months ended September 30, 2022 compared to none in the three months ended September 30, 2021; and
- a \$1.5 million reduction in the recognition through our income statement of accumulated accrued interest that had been accrued in 2018 in relation to two of our credit facilities that were refinanced on April 12, 2021 and subsequently fully repaid on May 15, 2022, at which point the remaining accumulated accrued interest of \$26.9 million was recognized in gain on debt extinguishment.

As of September 30, 2022, our outstanding debt, gross of deferred finance costs, was \$868.1 million, which includes \$300 million aggregate principal amount of our Senior Notes, and our leaseback obligation was \$79.6 million. These balances compare to debt of \$1,165.5 million and a leaseback obligation of \$242.9 million, gross of deferred finance costs, as of September 30, 2021.

Interest income increased by \$1.2 million to \$1.3 million in the three months ended September 30, 2022 compared to \$0.1 million in the three months ended September 30, 2021 mainly as a result of increased interest income earned on time deposits in the three months ended September 30, 2022.

#### **Gain/(loss) on investments**

A loss on investments of \$80.3 million in the three months ended September 30, 2022 consists of the change in fair value of our shareholding interest in ZIM of \$107.3 million, which was offset in part by the dividends recognized on ZIM ordinary shares of \$27.0 million. In the three months ended September 30, 2022, we sold all of our remaining 5,686,950 ZIM ordinary shares resulting in proceeds to us of \$161.3 million.

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

Equity income on investments in Gemini Shipholdings Corporation (“Gemini”) decreased to nil in the three months ended September 30, 2022 compared to the non-cash gain of \$64.1 million recognized upon our acquisition of the remaining 51% equity interest in Gemini on July 1, 2021.

**Other finance expenses**

Other finance expenses increased by \$0.1 million to \$0.2 million in the three months ended September 30, 2022 compared to \$0.1 million in the three months ended September 30, 2021.

**Loss on derivatives**

Amortization of deferred realized losses on interest rate swaps remained stable at \$0.9 million in each of the three months ended September 30, 2022 and September 30, 2021.

**Other income, net**

Other income, net was \$0.4 million in the three months ended September 30, 2022 compared to \$0.3 million in the three months ended September 30, 2021.

**Income taxes**

Income taxes were \$3.8 million in the three months ended September 30, 2022, related to the taxes withheld on dividend income earned on ZIM ordinary shares compared to \$4.1 million taxes withheld on dividend income in the three months ended September 30, 2021.

**Adjusted EBITDA**

Adjusted EBITDA increased by 42.4%, or \$63.5 million, to \$213.1 million in the three months ended September 30, 2022 from \$149.6 million in the three months ended September 30, 2021. As outlined above, the increase is mainly attributable to a \$59.6 million increase in operating revenues (net of \$4.5 million increase in amortization of assumed time charters) and a \$11.0 million increase in dividends from ZIM (net of withholding taxes) in the three months ended September 30, 2022, which were partially offset by a \$7.1 million increase in total operating expenses. Adjusted EBITDA for the three months ended September 30, 2022 is adjusted for a \$103.5 million change in fair value of the investment in ZIM and dividend withholding taxes and stock-based compensation of \$0.1 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

**Nine months ended September 30, 2022 compared to the nine months ended September 30, 2021**

During the nine months ended September 30, 2022, Danaos had an average of 71.0 containerships compared to 61.9 containerships during the nine months ended September 30, 2021. Our fleet utilization for the nine months ended September 30, 2022 was 98.1% compared to 98.5% for the nine months ended September 30, 2021.

Our adjusted net income amounted to \$569.3 million, or \$27.67 per share, for the nine months ended September 30, 2022 compared to \$236.4 million, or \$11.49 per share, for the nine months ended September 30, 2021. We have adjusted our net income in the nine months ended September 30, 2022 for the change in fair value of our investment in ZIM of \$176.4 million, gain on debt extinguishment of \$22.9 million and a non-cash fees amortization of \$9.4 million. Please refer to the Adjusted Net Income reconciliation table, which appears later in this earnings release.

The \$332.9 million increase in adjusted net income for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 is attributable mainly to a \$266.4 million increase in operating revenues and a \$134.9 million increase in dividends from ZIM (net of withholding taxes), which were partially offset by a \$49.4 million increase in total operating expenses, a \$11.1 million increase in net finance expenses, a \$4.0 million decrease in our equity income from our investment in Gemini following our acquisition and full consolidation of Gemini since July 1, 2021 and a partial collection of common benefit claim of \$3.9 million from Hanjin Shipping in the nine months ended September 30, 2021.

On a non-adjusted basis, our net income amounted to \$406.5 million, or \$19.75 earnings per diluted share, for the nine months ended September 30, 2022 compared to net income of \$886.8 million, or \$43.11 earnings per diluted share, for the nine months ended September 30, 2021. Our net income for the nine months ended September 30, 2022 includes a total loss on our investment in ZIM of \$29.2 million (net of withholding taxes on dividend) and a gain on debt extinguishment of \$22.9 million.

### **Operating Revenues**

Operating revenues increased by 56.1%, or \$266.4 million, to \$740.9 million in the nine months ended September 30, 2022 from \$474.5 million in the nine months ended September 30, 2021.

Operating revenues for the nine months ended September 30, 2022 reflect:

- a \$187.8 million increase in revenues in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 mainly as a result of higher charter rates;
- a \$55.8 million increase in revenues in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 due to the incremental revenue generated by newly acquired vessels;
- a \$36.9 million increase in revenues in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 due to amortization of assumed time charters; and
- a \$14.1 million decrease in revenue in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 due to lower non-cash revenue recognition in accordance with US GAAP.

### **Vessel Operating Expenses**

Vessel operating expenses increased by \$20.2 million to \$118.9 million in the nine months ended September 30, 2022 from \$98.7 million in the nine months ended September 30, 2021, primarily as a result of the increase in the average number of vessels in our fleet and an increase in the average daily operating cost for vessels on time charter to \$6,314 per vessel per day for the nine months ended September 30, 2022 compared to \$6,034 per vessel per day for the nine months ended September 30, 2021. The average daily operating cost increased mainly due to the COVID-19 and Ukraine war related increase in crew remuneration and increased insurance premiums in the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021. Management believes that our daily operating costs remain among the most competitive in the industry.

### **Depreciation & Amortization**

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

#### *Depreciation*

Depreciation expense increased by 22.1%, or \$18.3 million, to \$101.2 million in the nine months ended September 30, 2022 from \$82.9 million in the nine months ended September 30, 2021 due to recent acquisitions of 11 vessels.

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

Amortization of deferred dry-docking and special survey costs increased by \$1.4 million to \$9.0 million in the nine months ended September 30, 2022 from \$7.6 million in the nine months ended September 30, 2021.

### **General and Administrative Expenses**

General and administrative expenses decreased by \$3.7 million to \$21.7 million in the nine months ended September 30, 2022, from \$25.4 million in the nine months ended September 30, 2021. The decrease was mainly attributable to decreased stock-based compensation.

### **Other Operating Expenses**

Other Operating Expenses include Voyage Expenses.

#### *Voyage Expenses*

Voyage expenses increased by \$9.7 million to \$26.9 million in the nine months ended September 30, 2022 from \$17.2 million in the nine months ended September 30, 2021 primarily as a result of the increase in commissions due to the increase in revenue per vessel and the increase in the average number of vessels in our fleet.

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

Interest expense decreased by 4.3%, or \$2.2 million, to \$49.2 million in the nine months ended September 30, 2022 from \$51.4 million in the nine months ended September 30, 2021. The decrease in interest expense is a combined result of:

- a \$5.8 million decrease in interest expense due to a decrease in our average indebtedness by \$346.0 million between the two periods (average indebtedness of \$1,159.3 million in the nine months ended September 30, 2022 compared to average indebtedness of \$1,505.3 million in the nine months ended September 30, 2021), which was partially offset by an increase in our debt service cost by 0.63 percentage points, mainly as a result of increase in the reference rates;
- a \$3.0 million decrease in the amortization of deferred finance costs and debt discount;
- a \$2.0 million decrease in interest expense due to capitalized interest on our vessels under construction in the nine months ended September 30, 2022 compared to none in the nine months ended September 30, 2021; and
- a \$8.6 million reduction in the recognition through our income statement of accumulated accrued interest that had been accrued in 2018 in relation to two of our credit facilities that were refinanced on April 12, 2021 and subsequently fully repaid on May 15, 2022, at which point the remaining accumulated accrued interest of \$26.9 million was recognized in gain on debt extinguishment.

During the nine months ended September 30, 2022, we reduced debt and lease indebtedness by \$550.8 million mainly as a result of \$434.1 million of early debt and lease repayments and recognized a \$22.9 million gain related to this early debt extinguishment. On the other hand, our indebtedness increased by \$130 million following consummation of the loan agreement to finance our six 5,466 TEU vessels that were acquired in 2021.

As of September 30, 2022, our outstanding bank debt, gross of deferred finance costs, was \$868.1 million, which includes \$300 million aggregate principal amount of our Senior Notes, and our leaseback obligation was \$79.6 million. These balances compare to debt of \$1,165.5 million and a leaseback obligation of \$242.9 million, gross of deferred finance costs, as of September 30, 2021.

Interest income decreased by \$10.3 million to \$1.4 million in the nine months ended September 30, 2022 compared to \$11.7 million in the nine months ended September 30, 2021, mainly as a result of full collection of accrued interest on ZIM and HMM bonds, which were redeemed by the issuers thereof, in the year 2021.

#### **Gain/(loss) on investments**

A loss on investments of \$11.0 million in the nine months ended September 30, 2022 consists of the change in fair value of our shareholding interest in ZIM of \$176.4 million and dividends recognized on ZIM ordinary shares of \$165.4 million. In April 2022, we sold 1,500,000 of these ZIM ordinary shares resulting in proceeds to us of \$85.3 million. In September 2022, we sold all of our remaining 5,686,950 ZIM ordinary shares resulting in proceeds to us of \$161.3 million.

#### **Gain on debt extinguishment**

The gain on debt extinguishment of \$22.9 million in the nine months ended September 30, 2022, which related to our early extinguishment of debt, decreased compared to \$111.6 million in the nine months ended September 30, 2021, which resulted from our debt refinancing on April 12, 2021.

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

Equity income on investments in Gemini decreased to nil in the nine months ended September 30, 2022 compared to \$68.0 million in the nine months ended September 30, 2021 following our acquisition and full consolidation of Gemini since July 1, 2021.

#### **Other finance expenses**

Other finance expenses remained stable at \$1.1 million in each of the nine months ended September 30, 2022 and September 30, 2021.

#### **Loss on derivatives**

Amortization of deferred realized losses on interest rate swaps remained stable at \$2.7 million in each of the nine months ended September 30, 2022 and September 30, 2021.

**Other income, net**

Other income, net was \$1.3 million in the nine months ended September 30, 2022 compared to \$4.5 million in the nine months ended September 30, 2021. The decrease was mainly due to the collection from Hanjin Shipping of \$3.9 million as a partial payment of common benefit claim and interest in the nine months ended September 30, 2021.

**Income taxes**

Income taxes were \$18.3 million in the nine months ended September 30, 2022, related to the taxes withheld on dividend income earned on ZIM ordinary shares and compared to \$4.1 million taxes withheld on dividend income in the nine months ended September 30, 2021.

**Adjusted EBITDA**

Adjusted EBITDA increased by 93.0%, or \$325.1 million, to \$674.7 million in the nine months ended September 30, 2022 from \$349.6 million in the nine months ended September 30, 2021. As outlined above, the increase is mainly attributable to a \$229.5 million increase in operating revenues (net of \$36.9 million increase in amortization of assumed time charters) and a \$134.9 million increase in dividends from ZIM (net of withholding taxes) in the nine months ended September 30, 2022, which were partially offset by a \$31.4 million increase in total operating expenses, a \$4.0 million decrease in our equity income from our investment in Gemini following our acquisition and full consolidation of Gemini since July 1, 2021 and a partial collection of common benefit claim of \$3.9 million from Hanjin Shipping in the nine months ended September 30, 2021. Adjusted EBITDA for the nine months ended September 30, 2022 is adjusted for a \$158.1 million change in fair value of the investment in ZIM and dividend withholding taxes, a gain on debt extinguishment of \$22.9 million and stock based compensation of \$0.4 million. Tables reconciling Adjusted EBITDA to Net Income can be found at the end of this earnings release.

**Dividend Payment**

Danaos has declared a dividend of \$0.75 per share of common stock for the third quarter of 2022, which is payable on November 30, 2022 to stockholders of record as of November 18, 2022.

**Recent Developments**

In September 2022, we sold all of our remaining 5,686,950 ZIM ordinary shares resulting in proceeds to us of \$161.3 million.

As of the date of this release, we have repurchased 466,955 shares of our common stock in the open market for \$28.6 million, under our share repurchase program of up to \$100 million announced in June 2022.

**Conference Call and Webcast**

On Tuesday, November 8, 2022 at 9:00 A.M. ET, the Company's management will host a conference call to discuss the results.

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

A telephonic replay of the conference call will be available until November 15, 2022 by dialing 1 877 344 7529 (US Toll Free Dial In) or 1-412-317-0088 (Standard International Dial In) and using 3987980# as the access code.

**Audio Webcast**

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

**Slide Presentation**

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

### **About Danaos Corporation**

Danaos Corporation is one of the largest independent owners of modern, large-size containerships. Our current fleet of 71 containerships aggregating 436,589 TEUs and 6 under construction containerships aggregating 46,200 TEUs ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Our fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Our long track record of success is predicated on our efficient and rigorous operational standards and environmental controls. Danaos Corporation's shares trade on the New York Stock Exchange under the symbol "DAC".

### **Forward-Looking Statements**

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

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

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

For further information please contact:

Company Contact:  
**Evangelos Chatzis**  
Chief Financial Officer  
Danaos Corporation  
Athens, Greece  
Tel.: +30 210 419 6480  
E-Mail: [cfo@danaos.com](mailto:cfo@danaos.com)

**Iraklis Prokopakis**  
Senior Vice President and Chief Operating Officer  
Danaos Corporation  
Athens, Greece  
Tel.: +30 210 419 6400  
E-Mail: [coo@danaos.com](mailto:coo@danaos.com)

**Investor Relations and Financial Media**  
Rose & Company  
New York  
Tel. 212-359-2228  
E-Mail: [danaos@rosecoglobal.com](mailto:danaos@rosecoglobal.com)

## Appendix

### Fleet Utilization

Danaos had 21 unscheduled off-hire days in the three months ended September 30, 2022. The following table summarizes vessel utilization and the impact of the off-hire days on the Company's revenue.

Vessel Utilization (No. of Days)	First Quarter	Second Quarter	Third Quarter	Total
	2022	2022	2022	
Ownership Days	6,390	6,461	6,532	19,383
Less Off-hire Days:				
Scheduled Off-hire Days	(148)	-	(169)	(317)
Other Off-hire Days	(16)	(8)	(21)	(45)
<b>Operating Days</b>	<b>6,226</b>	<b>6,453</b>	<b>6,342</b>	<b>19,021</b>
<b>Vessel Utilization</b>	<b>97.4%</b>	<b>99.9%</b>	<b>97.1%</b>	<b>98.1%</b>
<b>Operating Revenues (in '000s of US Dollars)</b>	<b>\$229,901</b>	<b>\$250,923</b>	<b>\$260,037</b>	<b>\$740,861</b>
<b>Average Gross Daily Charter Rate</b>	<b>\$36,926</b>	<b>\$38,885</b>	<b>\$41,002</b>	<b>\$38,950</b>

  

Vessel Utilization (No. of Days)	First Quarter	Second Quarter	Third Quarter	Total
	2021	2021	2021	
Ownership Days	5,400	5,460	6,043	16,903
Less Off-hire Days:				
Scheduled Off-hire Days	(22)	(33)	-	(55)
Other Off-hire Days	(51)	(15)	(137)	(203)
<b>Operating Days</b>	<b>5,327</b>	<b>5,412</b>	<b>5,906</b>	<b>16,645</b>
<b>Vessel Utilization</b>	<b>98.6%</b>	<b>99.1%</b>	<b>97.7%</b>	<b>98.5%</b>
<b>Operating Revenues (in '000s of US Dollars)</b>	<b>\$132,118</b>	<b>\$146,434</b>	<b>\$195,915</b>	<b>\$474,467</b>
<b>Average Gross Daily Charter Rate</b>	<b>\$24,802</b>	<b>\$27,057</b>	<b>\$33,172</b>	<b>\$28,505</b>

## Fleet List

The following table describes in detail our fleet deployment profile as of November 7, 2022:

<b>Vessel Name</b>	<b>Vessel Size (TEU)</b>	<b>Year Built</b>	<b>Expiration of Charter<sup>(1)</sup></b>
<i>Hyundai Ambition</i>	13,100	2012	June 2024
<i>Hyundai Speed</i>	13,100	2012	June 2024
<i>Hyundai Smart</i>	13,100	2012	May 2024
<i>Hyundai Respect</i>	13,100	2012	March 2024
<i>Hyundai Honour</i>	13,100	2012	February 2024
<i>Express Rome</i>	10,100	2011	March 2023
<i>Express Berlin</i>	10,100	2011	June 2023
<i>Express Athens</i>	10,100	2011	March 2023
<i>Le Havre</i>	9,580	2006	June 2028
<i>Pusan C</i>	9,580	2006	May 2028
<i>Bremen</i>	9,012	2009	January 2028
<i>C Hamburg</i>	9,012	2009	January 2028
<i>Niledutch Lion</i>	8,626	2008	May 2026
<i>Kota Manzanillo (ex Charleston)</i>	8,533	2005	February 2026
<i>Belita</i>	8,533	2006	July 2026
<i>CMA CGM Melisande</i>	8,530	2012	June 2024
<i>CMA CGM Attila</i>	8,530	2011	October 2023
<i>CMA CGM Tancredi</i>	8,530	2011	November 2023
<i>CMA CGM Bianca</i>	8,530	2011	January 2024
<i>CMA CGM Samson</i>	8,530	2011	March 2024
<i>America</i>	8,468	2004	April 2028
<i>Europe</i>	8,468	2004	May 2028
<i>Kota Santos (ex Phoebe)</i>	8,463	2005	August 2026
<i>CMA CGM Moliere</i>	6,500	2009	March 2027
<i>CMA CGM Musset</i>	6,500	2010	September 2025
<i>CMA CGM Nerval</i>	6,500	2010	November 2025
<i>CMA CGM Rabelais</i>	6,500	2010	January 2026
<i>CMA CGM Racine</i>	6,500	2010	March 2023
<i>YM Mandate</i>	6,500	2010	January 2028
<i>YM Maturity</i>	6,500	2010	April 2028
<i>Catherine C</i>	6,422	2001	November 2022
<i>Leo C</i>	6,422	2002	November 2022
<i>Zim Savannah</i>	6,402	2002	May 2024
<i>Dimitra C</i>	6,402	2002	January 2024
<i>Suez Canal</i>	5,610	2002	March 2023
<i>Kota Lima</i>	5,544	2002	November 2024
<i>Wide Alpha</i>	5,466	2014	March 2024
<i>Stephanie C (ex Wide Bravo)</i>	5,466	2014	June 2025
<i>Maersk Euphrates</i>	5,466	2014	April 2024
<i>Wide Hotel</i>	5,466	2015	May 2024
<i>Wide India</i>	5,466	2015	September 2025
<i>Wide Juliet</i>	5,466	2015	June 2023
<i>Seattle C</i>	4,253	2007	October 2024
<i>Vancouver</i>	4,253	2007	November 2024
<i>Derby D</i>	4,253	2004	January 2027
<i>Tongala</i>	4,253	2004	November 2024
<i>Rio Grande</i>	4,253	2008	November 2024
<i>ZIM Sao Paolo</i>	4,253	2008	February 2023
<i>ZIM Kingston</i>	4,253	2008	April 2023
<i>ZIM Monaco</i>	4,253	2009	October 2024
<i>Dalian</i>	4,253	2009	April 2026
<i>ZIM Luanda</i>	4,253	2009	August 2025

<b>Vessel Name</b>	<b>Vessel Size (TEU)</b>	<b>Year Built</b>	<b>Expiration of Charter<sup>(1)</sup></b>
<i>Dimitris C</i>	3,430	2001	November 2025
<i>Express Black Sea</i>	3,400	2011	January 2025
<i>Express Spain</i>	3,400	2011	January 2025
<i>Express Argentina</i>	3,400	2010	May 2023
<i>Express Brazil</i>	3,400	2010	June 2025
<i>Express France</i>	3,400	2010	September 2025
<i>Singapore</i>	3,314	2004	May 2024
<i>Colombo</i>	3,314	2004	January 2025
<i>Zebra</i>	2,602	2001	November 2024
<i>Amalia C</i>	2,452	1998	January 2023
<i>Artotina</i>	2,524	2001	May 2025
<i>Advance</i>	2,200	1997	January 2025
<i>Future</i>	2,200	1997	December 2024
<i>Sprinter</i>	2,200	1997	December 2024
<i>Stride</i>	2,200	1997	January 2025
<i>Progress C</i>	2,200	1998	November 2024
<i>Bridge</i>	2,200	1998	December 2024
<i>Highway</i>	2,200	1998	July 2023
<i>Phoenix D (ex Vladivostok)</i>	2,200	1997	March 2025
<b>Vessels under construction</b>			
<i>Hull No. C7100-7</i>	7,100	2024	
<i>Hull No. C7100-8</i>	7,100	2024	
<i>Hull No. HN4009</i>	8,000	2024	
<i>Hull No. HN4010</i>	8,000	2024	
<i>Hull No. HN4011</i>	8,000	2024	
<i>Hull No. HN4012</i>	8,000	2024	

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

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

	Three months ended September 30, <u>2022</u>	Three months ended September 30, <u>2021</u>	Nine months ended September 30, <u>2022</u>	Nine months ended September 30, <u>2021</u>
<b>OPERATING REVENUES</b>	<b>\$260,037</b>	<b>\$195,915</b>	<b>\$740,861</b>	<b>\$474,467</b>
<b>OPERATING EXPENSES</b>				
Vessel operating expenses	(39,186)	(34,674)	(118,929)	(98,692)
Depreciation & amortization	(37,225)	(33,584)	(110,259)	(90,536)
General & administrative	(7,157)	(7,342)	(21,684)	(25,367)
Other operating expenses	(10,320)	(8,055)	(26,952)	(17,249)
<b>Income From Operations</b>	<b>166,149</b>	<b>112,260</b>	<b>463,037</b>	<b>242,623</b>
<b>OTHER INCOME/(EXPENSES)</b>				
Interest income	1,323	152	1,444	11,661
Interest expense	(15,968)	(18,093)	(49,161)	(51,408)
Gain/(loss) on investments	(80,277)	63,613	(10,987)	507,778
Gain on debt extinguishment	0	-	22,939	111,616
Other finance expenses	(155)	(99)	(1,096)	(1,133)
Equity income on investments	-	64,063	-	68,028
Other income, net	411	338	1,272	4,482
Realized loss on derivatives	(913)	(913)	(2,709)	(2,709)
<b>Total Other Income/(Expenses), net</b>	<b>(95,579)</b>	<b>109,061</b>	<b>(38,298)</b>	<b>648,315</b>
<b>Income Before Income Taxes</b>	<b>70,570</b>	<b>221,321</b>	<b>424,739</b>	<b>890,938</b>
Income taxes	(3,770)	(4,094)	(18,250)	(4,094)
<b>Net Income</b>	<b>\$66,800</b>	<b>\$217,227</b>	<b>\$406,489</b>	<b>\$886,844</b>
<b>EARNINGS PER SHARE</b>				
Basic earnings per share	\$3.29	\$10.67	\$19.77	\$43.61
Diluted earnings per share	\$3.29	\$10.55	\$19.75	\$43.11
Basic weighted average number of common shares (in thousands of shares)	20,299	20,354	20,560	20,334
Diluted weighted average number of common shares (in thousands of shares)	20,318	20,598	20,579	20,571

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

	Three months ended September 30, <u>2022</u>	Three months ended September 30, <u>2021</u>	Nine months ended September 30, <u>2022</u>	Nine months ended September 30, <u>2021</u>
Net income	<b>\$66,800</b>	<b>\$217,227</b>	<b>\$406,489</b>	<b>\$886,844</b>
Change in fair value of investments	107,290	(47,239)	176,386	(491,404)
Equity income on investments	-	(64,063)	-	(64,063)
Gain on debt extinguishment	-	-	(22,939)	(111,616)
Amortization of financing fees, debt discount & finance fees accrued	2,832	3,622	9,393	12,579
Stock based compensation	-	-	-	4,078
<b>Adjusted Net Income</b>	<b>\$176,922</b>	<b>\$109,547</b>	<b>\$569,329</b>	<b>\$236,418</b>
<b>Adjusted Earnings Per Share, diluted</b>	<b>\$8.71</b>	<b>\$5.32</b>	<b>\$27.67</b>	<b>\$11.49</b>
Diluted weighted average number of shares (in thousands of shares)	20,318	20,598	20,579	20,571

<sup>1</sup> The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Table above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2022 and 2021. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

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

	As of September 30, 2022	As of December 31, 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash, cash equivalents and restricted cash	\$569,343	\$129,756
Accounts receivable, net	5,132	7,118
Other current assets	94,329	495,618
	<u>668,804</u>	<u>632,492</u>
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	2,843,415	2,941,093
Advances for vessels under construction	89,747	-
Deferred charges, net	18,954	11,801
Other non-current assets	75,368	41,739
	<u>3,027,484</u>	<u>2,994,633</u>
<b>TOTAL ASSETS</b>	<b><u>\$3,696,288</u></b>	<b><u>\$3,627,125</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt, current portion	\$71,500	\$95,750
Accumulated accrued interest, current portion	-	6,146
Long-term leaseback obligations, current portion	27,077	85,815
Accounts payable, accrued liabilities & other current liabilities	189,718	131,596
	<u>288,295</u>	<u>319,307</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net	774,972	1,017,916
Accumulated accrued interest, net of current portion	-	24,155
Long-term leaseback obligations, net	51,378	136,513
Other long-term liabilities	158,901	41,211
	<u>985,251</u>	<u>1,219,795</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock	202	207
Additional paid-in capital	742,508	770,676
Accumulated other comprehensive loss	(68,746)	(71,455)
Retained earnings	1,748,778	1,388,595
	<u>2,422,742</u>	<u>2,088,023</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$3,696,288</u></b>	<b><u>\$3,627,125</u></b>

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

	Three months ended September 30, <u>2022</u>	Three months ended September 30, <u>2021</u>	Nine months ended September 30, <u>2022</u>	Nine months ended September 30, <u>2021</u>
<b>Operating Activities:</b>				
Net income	\$66,800	\$217,227	\$406,489	\$886,844
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>				
Depreciation and amortization of right-of-use assets	34,141	31,011	101,253	82,909
Amortization of deferred drydocking & special survey costs, finance cost, debt discount and other finance fees accrued	5,916	6,195	18,399	20,206
Amortization of assumed time charters	(13,892)	(9,318)	(46,256)	(9,318)
PIK interest	-	-	-	726
Loss/(gain) on investments	107,290	(47,239)	176,386	(491,404)
Gain on debt extinguishment	-	-	(22,939)	(111,616)
Payments for drydocking/special survey	(6,433)	(460)	(16,159)	(1,615)
Amortization of deferred realized losses on cash flow interest rate swaps	913	913	2,709	2,709
Equity income on investments	-	(64,063)	-	(68,028)
Stock based compensation	125	576	373	6,055
Accounts receivable	408	435	1,986	879
Other assets, current and non-current	(10,123)	(22,739)	(53,553)	(21,093)
Accounts payable and accrued liabilities	(5,498)	(6,055)	(657)	4,291
Other liabilities, current and long-term	(10,881)	(3,086)	221,213	(5,405)
<b>Net Cash provided by Operating Activities</b>	<b>168,766</b>	<b>103,397</b>	<b>789,244</b>	<b>296,140</b>
<b>Investing Activities:</b>				
Vessel additions and advances for vessels under construction	(11,087)	(262,267)	(95,134)	(264,078)
Advances for sale of vessels	-	-	13,000	-
Investments	161,305	14,388	246,638	160,265
<b>Net Cash provided by/(used in) Investing Activities</b>	<b>150,218</b>	<b>(247,879)</b>	<b>164,504</b>	<b>(103,813)</b>
<b>Financing Activities:</b>				
Proceeds from long-term debt	-	-	127,725	1,105,311
Debt repayment	(17,875)	(24,400)	(401,000)	(1,319,425)
Proceeds from sale-leaseback of vessels	-	-	-	135,000
Payments of leaseback obligations	(26,179)	(16,202)	(146,866)	(37,377)
Dividends paid	(15,228)	(10,295)	(46,298)	(20,593)
Repurchase of common stock	(22,228)	-	(28,553)	-
Payments of accumulated accrued interest	-	(1,532)	(3,373)	(8,890)
Finance costs	(704)	(3,950)	(15,796)	(18,459)
<b>Net Cash used in Financing Activities</b>	<b>(82,214)</b>	<b>(56,379)</b>	<b>(514,161)</b>	<b>(164,433)</b>
Net increase/(decrease) in cash, cash equivalents and restricted cash	236,770	(200,861)	439,587	27,894
Cash, cash equivalents and restricted cash, beginning of period	332,573	294,418	129,756	65,663
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$569,343</b>	<b>\$93,557</b>	<b>\$569,343</b>	<b>\$93,557</b>

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

	Three months ended	Three months ended	Nine months ended	Nine months ended
	September 30,	September 30,	September 30,	September 30,
	2022	2021	2022	2021
Net income	\$66,800	\$217,227	\$406,489	\$886,844
Depreciation and amortization of right-of-use assets	34,141	31,011	101,253	82,909
Amortization of deferred drydocking & special survey costs	3,084	2,573	9,006	7,627
Amortization of assumed time charters	(13,892)	(9,318)	(46,256)	(9,318)
Amortization of deferred finance costs, debt discount and other finance fees accrued	2,832	3,622	9,393	12,579
Amortization of deferred realized losses on interest rate swaps	913	913	2,709	2,709
Interest income	(1,323)	(152)	(1,444)	(11,661)
Interest expense	13,136	14,471	39,768	38,978
Income taxes	3,770	4,094	18,250	4,094
(Gain)/loss on investments and dividend withholding taxes	103,520	(51,333)	158,136	(495,498)
Equity income on investments	-	(64,063)	-	(64,063)
Gain on debt extinguishment	-	-	(22,939)	(111,616)
Stock based compensation	125	576	373	6,055
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$213,106</b>	<b>\$149,621</b>	<b>\$674,738</b>	<b>\$349,639</b>

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

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

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial information additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. See the Tables above for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three and nine months ended September 30, 2022 and 2021. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.