

# Investor Presentation

May 2022

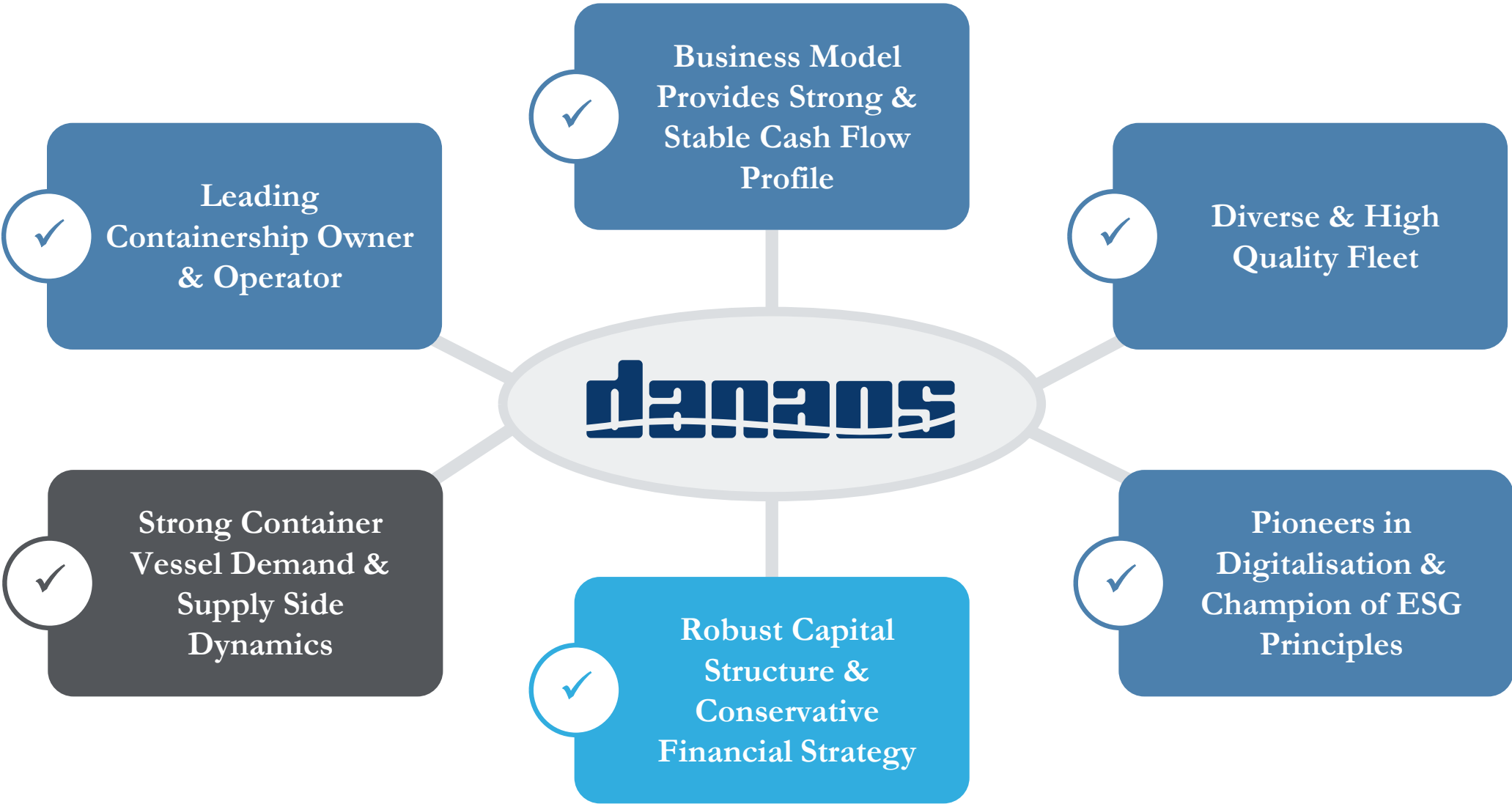
The Danaos logo is positioned in the bottom right corner of the slide. It features the word "danaos" in a bold, blue, lowercase sans-serif font. A white horizontal line runs through the middle of the letters, creating a stylized effect. The background of the slide is a low-angle, upward-looking view of a large, curved, metallic structure, likely the interior of a ship's hull, with a prominent reddish-brown spherical object in the foreground.

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, the outlook for fleet utilization and shipping rates, general industry conditions including bidding activity, future operating results of the Company’s vessels, future operating revenues and cash flows, capital expenditures, vessel market values, asset sales, expansion and growth opportunities, bank borrowings, financing activities and other such matters, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that 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, the strength of world economies, high inflation and high interest rate environment, geopolitical conflicts, general market conditions, including charter rates and vessel values, counterparty performance under existing charters, changes in operating expenses, ability to obtain financing and comply with covenants in financing arrangements, including the terms of its new credit facilities and agreements entered into in connection with the refinancing, the affects of the refinancing transactions and the Company’s ability to achieve the benefits of the refinancing, actions taken by regulatory authorities, potential liability from litigation and international political conditions. Danaos Corporation is listed in the New York Stock Exchange under the ticker symbol “DAC”. Before you invest, you should also read the documents Danaos Corporation has filed with the SEC for more complete information about the company. You may get these documents for free by visiting EDGAR on the SEC Website at [www.sec.gov](http://www.sec.gov) or via [www.danaos.com](http://www.danaos.com)

Readers of this presentation should review our Annual Report on Form 20-F filed with the SEC on March 3, 2022, including the section entitled “Key Information” and “Risk Factors”, and our other filings with the SEC for a discussion of factors and circumstances that could affect our future financial results and our ability to realize the expectations stated herein.

EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow may be included in our presentations. EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow are presented because they are used by management and certain investors to measure a company’s financial performance and underlying trends as they exclude certain items impacting overall comparability. EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow are “non-GAAP financial measures” and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity. Reconciliations to GAAP measures are included in the Appendix to this presentation.

Certain shipping industry information, statistics and charts contained herein have been derived from industry sources. You are hereby advised that such information, statistics and charts have not been prepared specifically for inclusion in this presentation and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.



# Key Business Highlights

- A

### Leading Containership Owner and Operator

- One of the **largest publicly-listed owners** of modern containerships with 50 year history in the shipping market
  - One of the **most efficient operators** in the industry with **highly competitive breakeven levels**
- B

### Business Model Provides Strong and Stable Cash Flow Profile

- **Charter backlog of \$2.7 billion through to 2028<sup>(1)</sup>** with world leading liner companies provides good cash flow visibility
  - **Strong operating days contract coverage of 99% for 2022 and 78% for 2023** limits downside risk and provides potential for further upside in the current market environment
- C

### Diverse and High Quality Fleet

- Ownership of vessels, **across all core segments** from 2,100 TEU – 13,100 TEU **to meet diverse set of customer needs**
  - Signed agreements to build **two 7,100 TEU and four 8,000 TEU methanol ready fuel-efficient container vessels**
- D

### Pioneers in Digitization & Longstanding Champion of ESG Principles

- A leader in ship management innovation, through the award-winning **WAVES data analytics platform**
  - Danaos met the IMO 2030 carbon intensity targets 11 years ahead of requirements in 2019 and continues to meet the target with a **45% reduction** in CO2 emissions per ton miles for year 2020 compared with base year 2008.
- E

### Healthy and Robust Capital Structure and Conservative Financial Strategy

- Net Debt / LTM Q1 2022 Adjusted EBITDA ratio of **1.7x** as of March 31, 2022.
  - Net Debt / LTM Q1 2022 Adjusted EBITDA ratio will be approximately **1.2x**, following the early prepayment of debt and leaseback obligations on May 12, 2022.
- F

### Strong Container Vessel Demand & Supply Side Dynamics

- Current strong market is expected to continue through 2022 and we expect that even if the market normalizes charter rates will still be above historical averages.
  - The current order-book of about 27.9% involves deliveries through 2025 is expected to be mitigated by continued demand growth and anticipated speed reduction of the fleet due to environment regulations from 2023 onwards.

**\$2.7bn**  
*Contracted revenue through 2028<sup>(1)</sup>*

**1.7x**  
*Net Debt / LTM Q1 2022 Adjusted EBITDA<sup>(2)</sup>*

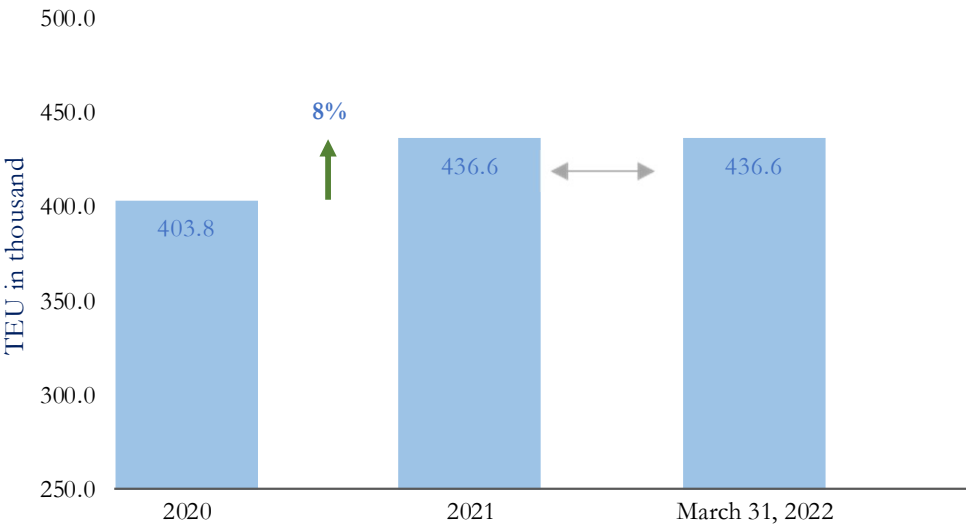
**~\$2.8bn**  
*Enterprise value<sup>(3)</sup>*

**\$682mn**  
*LTM Q1 2022 Adjusted EBITDA*

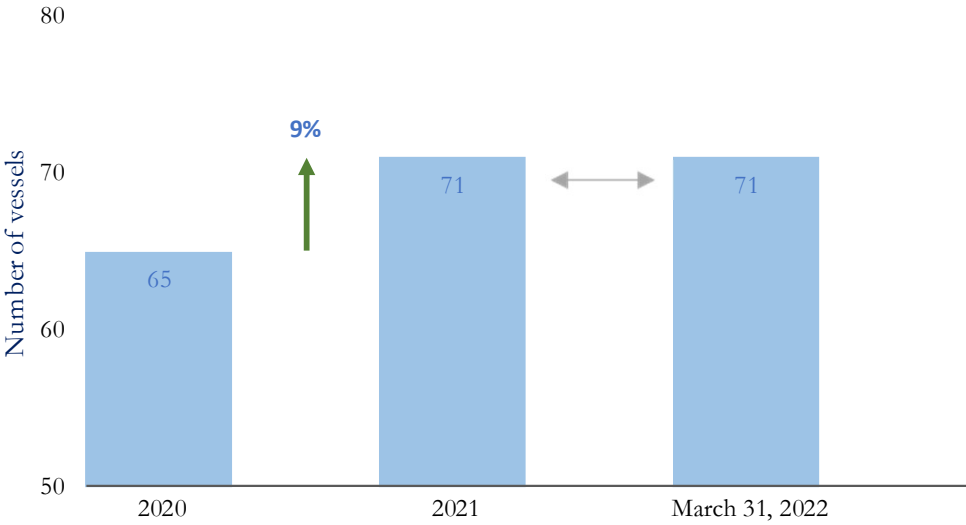
**~5.6x**  
*Reduction in leverage since end 2017*

(1) Contracted Revenue as of March 31, 2022 on the basis of concluded charter contracts through May 16, 2022, assuming redelivery of the vessel at the earliest charter expiry. (2) Net debt of \$1,153mn and LTM Q1 2022 Adjusted EBITDA of \$682mn as of March 31, 2022. (3) Enterprise value calculated using the May 13, 2022 market capitalization of ~\$1.7bn (\$79.82 price, 20.72mn shares).

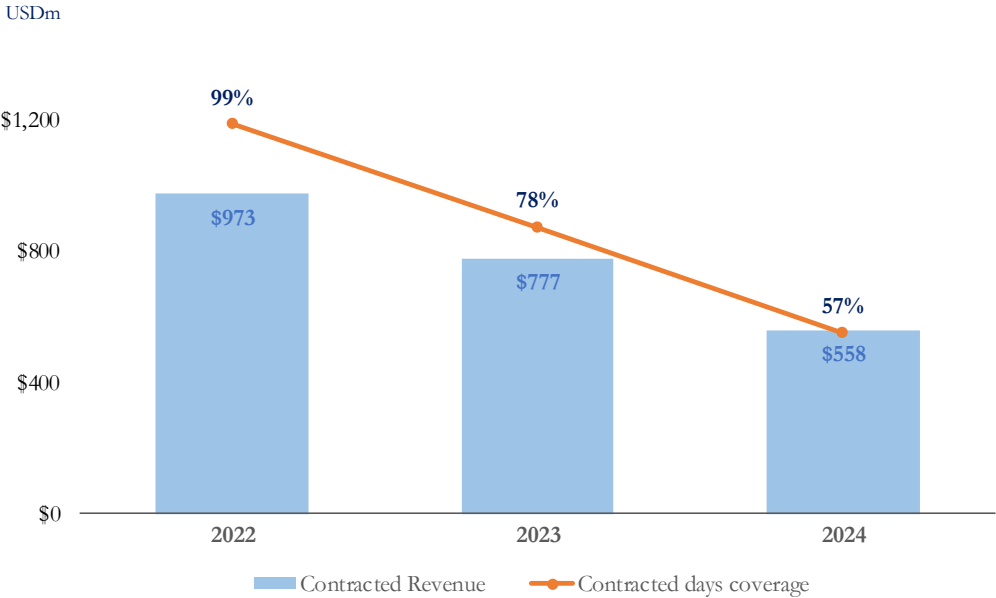
### TEU Capacity<sup>(1)</sup>



### Number of vessels<sup>(1)</sup>



### Contracted Revenue and Contracted Days Coverage<sup>(2)</sup>



- The Company signed agreements to build six vessels in the 7,000 – 8,000 TEU range, that are ready to be converted to run on green methanol. The vessels are expected to be delivered between Q1 and Q3 2024.

(1) TEU capacity and number of vessels at the end of respective period/year, including Gemini Vessels. Danaos owned a 49% stake in Gemini until June 30, 2021 and acquired the remaining 51% on July 1, 2021. (2) Contracted Revenue as of March 31, 2022 on the basis of concluded charter contracts through May 16, 2022 and assuming redelivery of the vessel at the earliest charter expiry.

# First Quarter 2022 Highlights

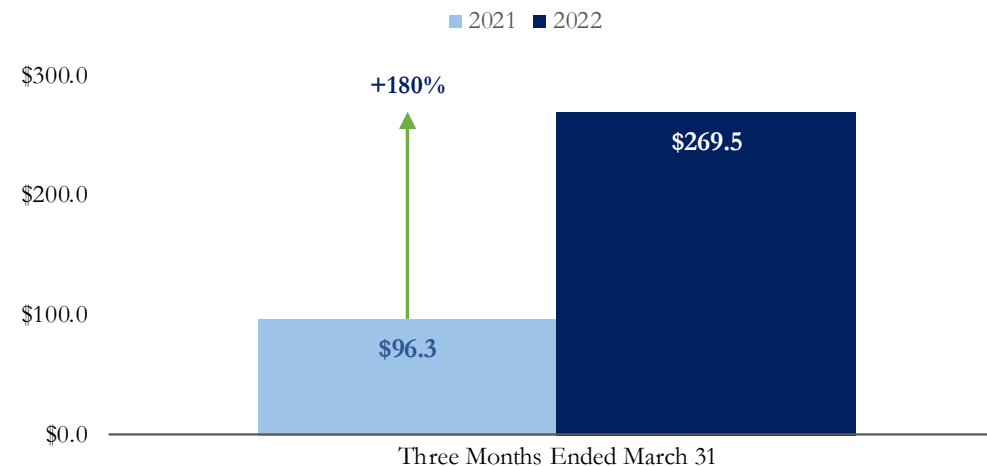
## Summary of Results

USDm

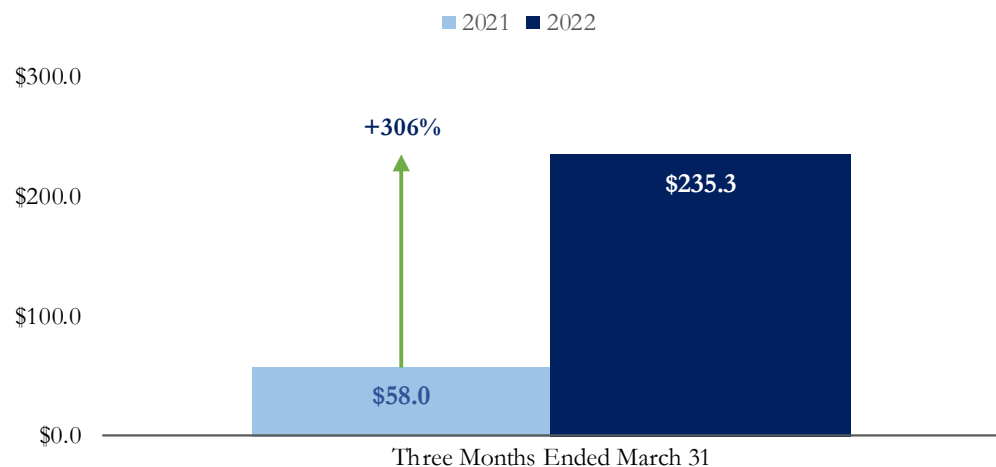
### Operating Revenue



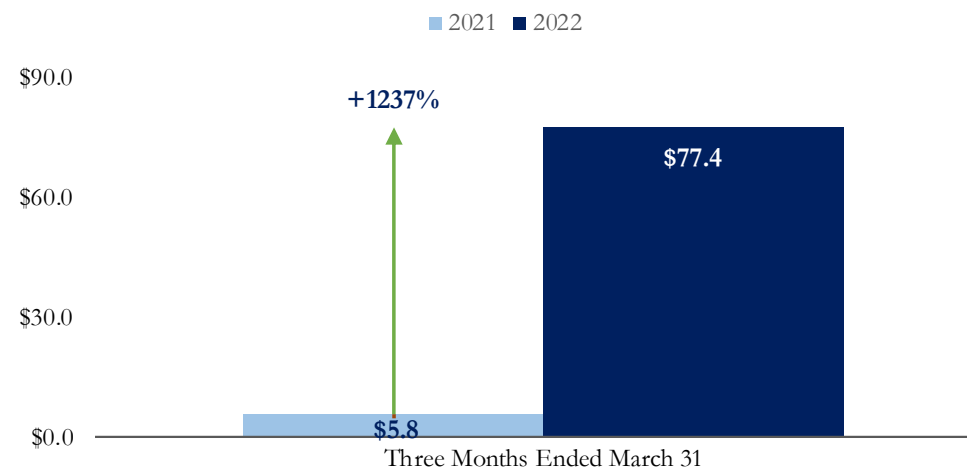
### Adjusted EBITDA



### Adjusted Net Income



### Free Cash Flow



Note: Please refer to the Appendix tables for reconciliations of non-GAAP to GAAP measures.

# First Quarter 2022 Earnings

## Summary of Results

USD thousands, except per share figures

	Three Months Ended March 31st,			LTM
	2022	2021	% yoy	Ended March 31st, 2022
Operating Revenue	\$229,901	\$132,118	74%	\$787,288
Adjusted EBITDA	\$269,484	\$96,282	180%	\$682,005
Free Cash Flow	\$77,436	\$5,791	1237%	\$332,182
Adjusted Net Income	\$235,297	\$58,011	306%	\$539,543
Adjusted Earnings per Share, diluted	\$11.36	\$2.83	302%	\$26.15

## Fourth Quarter Highlights

- Operating Revenues increase of \$97.8 million was a result of higher charter rates, contribution from newly acquired vessels and non-cash revenue recognition and amortization of assumed time charters.
- Increase in Adjusted Net income is mainly attributable to a \$97.8 million increase in operating revenues, a \$110.0 million dividend received from ZIM, which were partially offset by a \$22.9 million increase in total operating expenses, a \$5.8 million increase in net finance expenses, and a \$1.8 million decrease in equity income from investment in Gemini due to its acquisition and full consolidation by Danaos since July 1, 2021.





# Substantial Fleet Employment and Charter Coverage<sup>(1)</sup>



	Vessel	TEU	Age	Charterer <sup>1</sup>	Current charter		Next Charter		Timeline																													
					Charter Rate	Expiry	Charter Rate	Expiry	2022	2023	2024	2025	2026	2027	2028																							
									Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	Q1 2028	Q2 2028	Q3 2028	Q4 2028			
12x 4,250 – 5,600 TEU	Suez Canal	5,610	20	TRAVELERS	\$30,000	Mar 2023																																
	Kota Lima	5,544	20	PIL	\$39,999	Nov 2024																																
	Tongala	4,253	18	ZIM	\$30,750	Jan 2023																																
	Derby D	4,253	18		\$36,275	Jan 2027																																
	Seattle C	4,253	15	OOCL	\$45,000	Oct 2024																																
	Vancouver	4,253	14	OOCL	\$45,000	Nov 2024																																
	Rio Grande	4,253	14	OOCL	\$45,000	Nov 2024																																
	Zim Sao Paolo	4,253	14		\$21,150	Feb 2023																																
	Zim Kingston	4,253	13		\$25,500	Apr 2023																																
	Zim Monaco	4,253	13		\$20,000	Sep 2022	\$22,000	Feb 2023																														
Dakin	4,253	13	MAERSK	\$30,750	Nov 2022																																	
Zim Luanda	4,253	13	ZIM	\$30,000	Aug 2025																																	
8x 3,400 TEU	Dimitis C	3,430	21	CHANGHAI	\$40,000	Nov 2025																																
	Colombo	3,314	18	OOCL	\$40,000	Jan 2025																																
	Singapore	3,314	18	OOCL	\$37,000	May 2024																																
	Expres Argentina	3,400	12	MAERSK	\$26,500	May 2023																																
	Expres Brazil	3,400	12		\$37,750	Jun 2025																																
	Expres France	3,400	11		\$37,750	Sep 2025																																
	Expres Spain	3,400	11		\$40,000	Jan 2025																																
Expres Black Sea	3,400	11		\$40,000	Jan 2025																																	
11x 2,200 – 2,600 TEU	Future	2,200	25	OOCL	\$26,250	Dec 2024																																
	Spinter	2,200	25		\$26,250	Dec 2024																																
	Vladivostok	2,200	25	MAERSK	\$14,000	Apr 2022	\$28,000	Mar 2025																														
	Advance	2,200	25		\$26,250	Jan 2025																																
	Stride	2,200	25		\$26,250	Jan 2025																																
	Progress C	2,200	24		\$26,250	Nov 2024																																
	Amalia C	2,452	24	OOCL	\$24,000	Jan 2023																																
	Highway	2,200	24	OOCL	\$17,000	Aug 2022																																
	Badge	2,200	24	MAERSK	\$15,000	Jun 2022	\$23,000	Dec 2024																														
	Artotina	2,524	21	*	\$20,000	Apr 2022	\$28,000	Apr 2025																														
Zebra	2,602	20	MAERSK	\$32,000	Nov 2024																																	

- denotes firm charter period 1
- denotes firm charter period 2
- denotes firm charter period at prevailing market charter rate at that time
- denotes optional period at the option of the charterer which is currently expected to be exercised since charter rate is below current market
- \* Information is not disclosed due to confidentiality arrangements.

## **Dr. John Coustas, President & CEO**



- CEO since 1987
- Over 30 years of experience in the shipping industry
- Vice Chairman of the board of directors of The Swedish Club; member of the board of directors of the Union of Greek Shipowners and the DNV Council

## **Iraklis Prokopakis, Senior Vice President, Treasurer & COO**



- Joined Danaos in 1998
- Over 40 years of experience in the shipping industry
- Member of the Board of the Hellenic Chamber of Shipping and the Owners' Committee of the Korean Register of Shipping and the Skuld's Member Committee

## **Evangelos Chatzis, Chief Financial Officer**



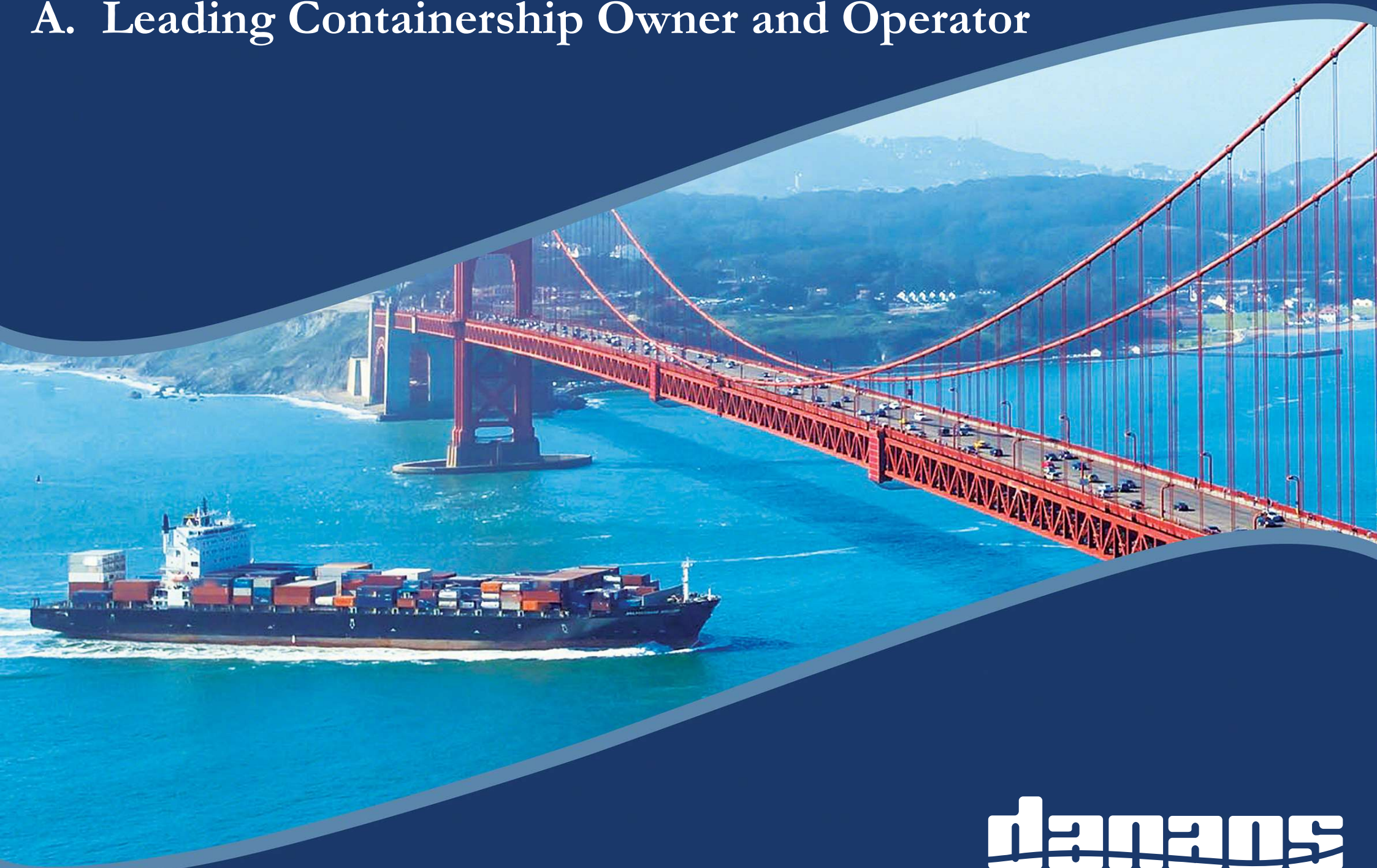
- Joined Danaos in 2005
- Over 26 years of experience in corporate finance and the shipping industry
- Formerly CFO of Globe Group of Companies

## **Dimitris Vastarouchas, Technical Director & Deputy COO**



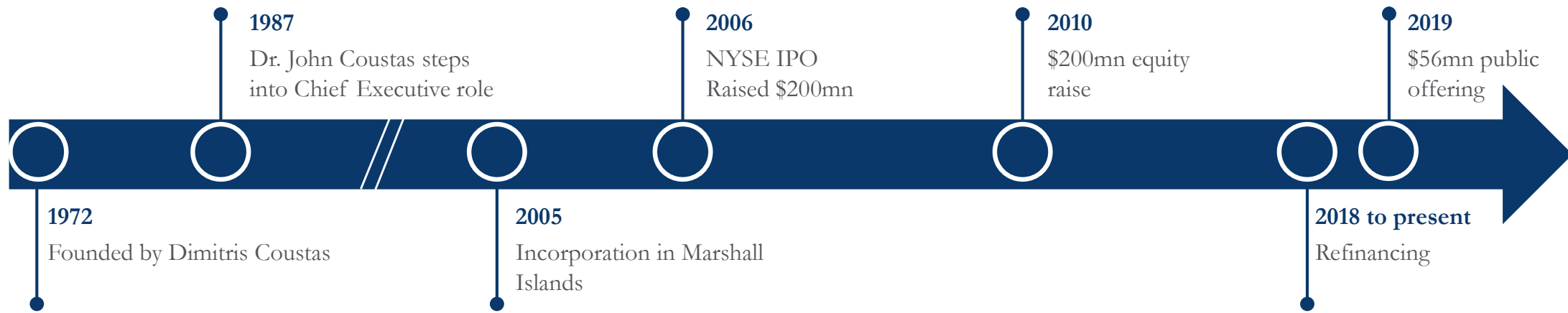
- Danaos Technical Manager since 2005
- Has over 20 years of experience in the shipping industry
- Formerly New Buildings Projects and Site Manager supervising the construction of 4,250, 5,500 and 8,500 TEU containerships

# A. Leading Containership Owner and Operator



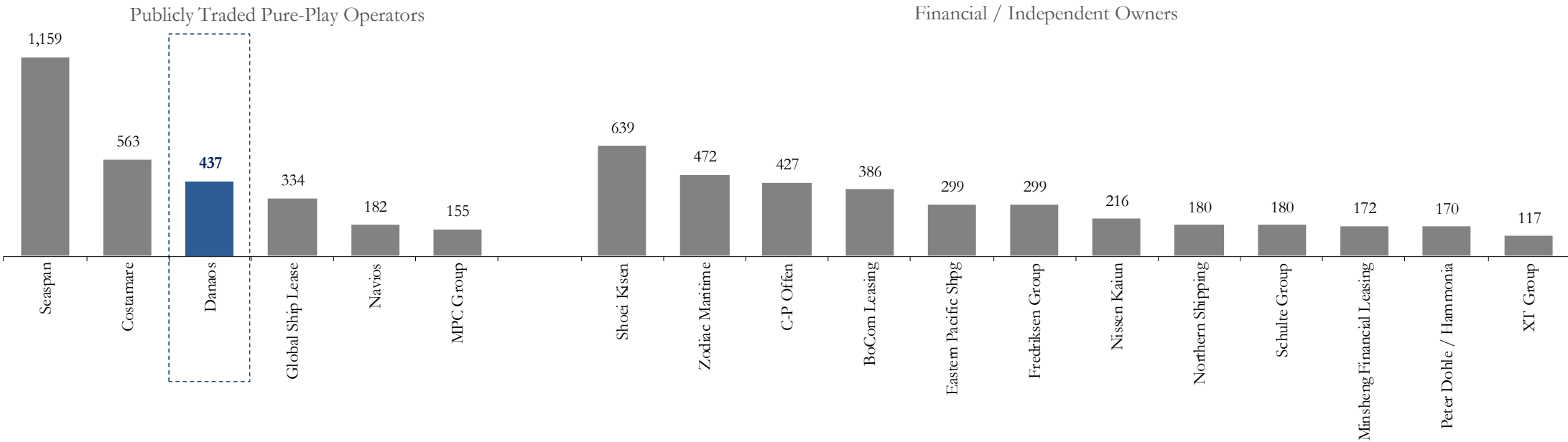
**danans**

# 50 Year Legacy of Leadership in Container Shipping



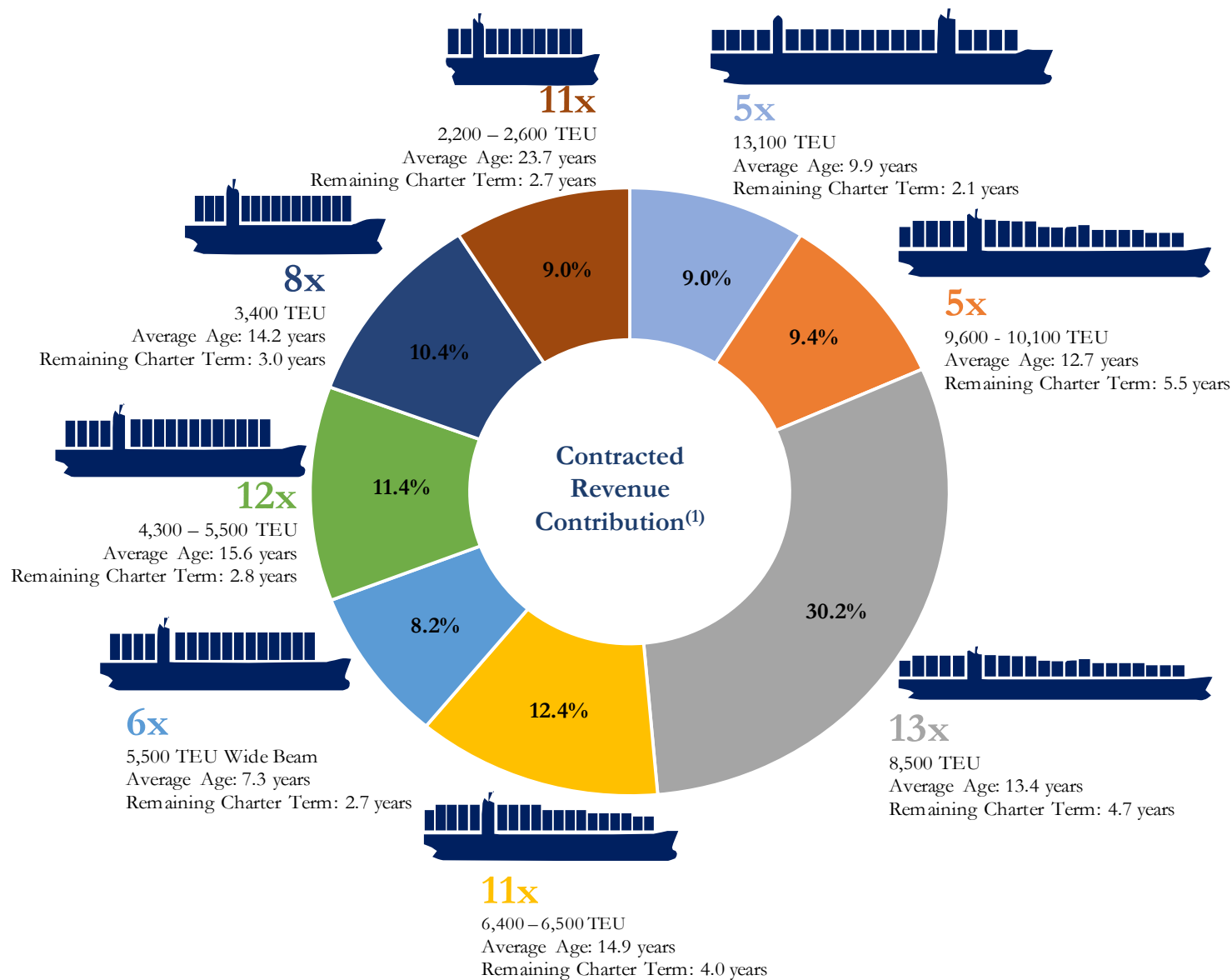
## Market Share Among Top Public Containership Owners Globally

(By TEU, thousands)



# A Diverse & High-Quality Fleet

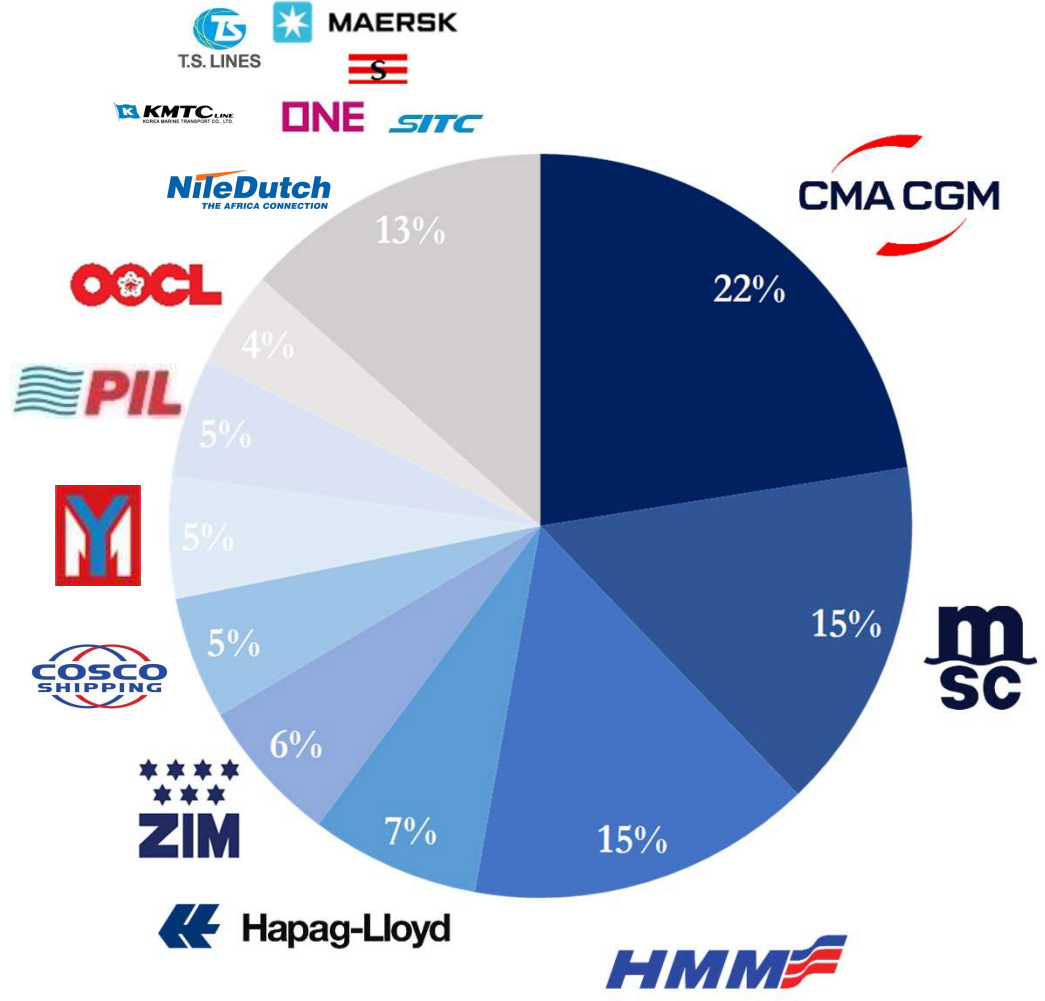
## Fleet Overview<sup>(1)</sup>



# Charter Backlog to Leading Container Operators

## Charter Backlog<sup>(1)</sup>

(TEU-weighted remaining duration of charter backlog)



Charter backlog of \$2.7 billion through to 2028<sup>(1)</sup>

Average charter duration of 3.7 years  
*(weighted by aggregate contracted charter hire)<sup>(1)</sup>*

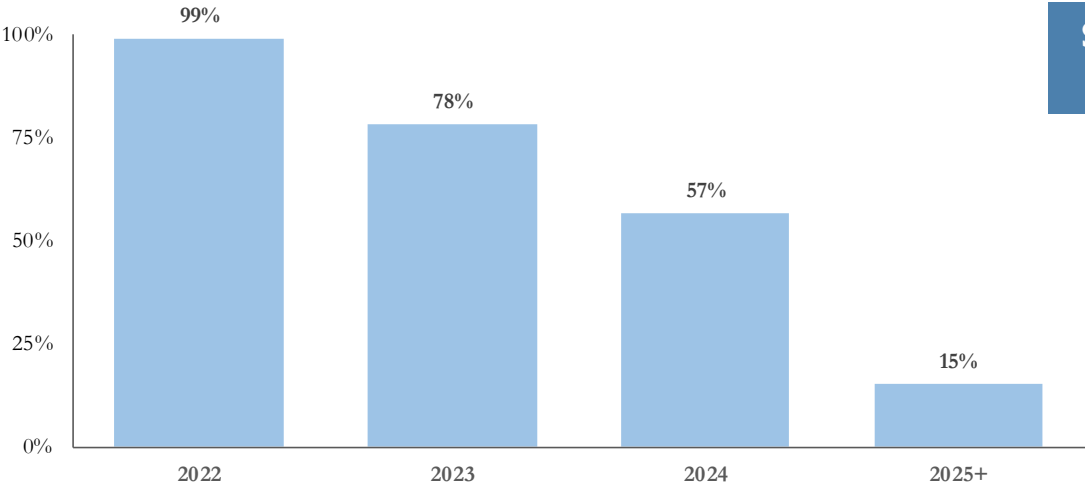
Fleet utilization for Q1 2022 97.4%

# Strong Charter Coverage Profile...



...with the flexibility for further upside

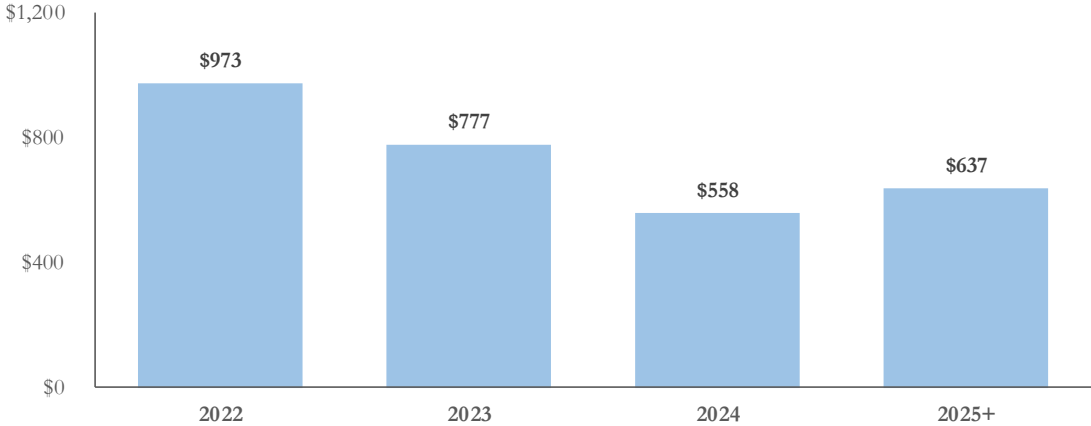
Charter Coverage based on Days<sup>(1)</sup>



Shorter charter durations limited to vessels in more liquid chartering markets

Contracted Revenue by Year<sup>(1)</sup>

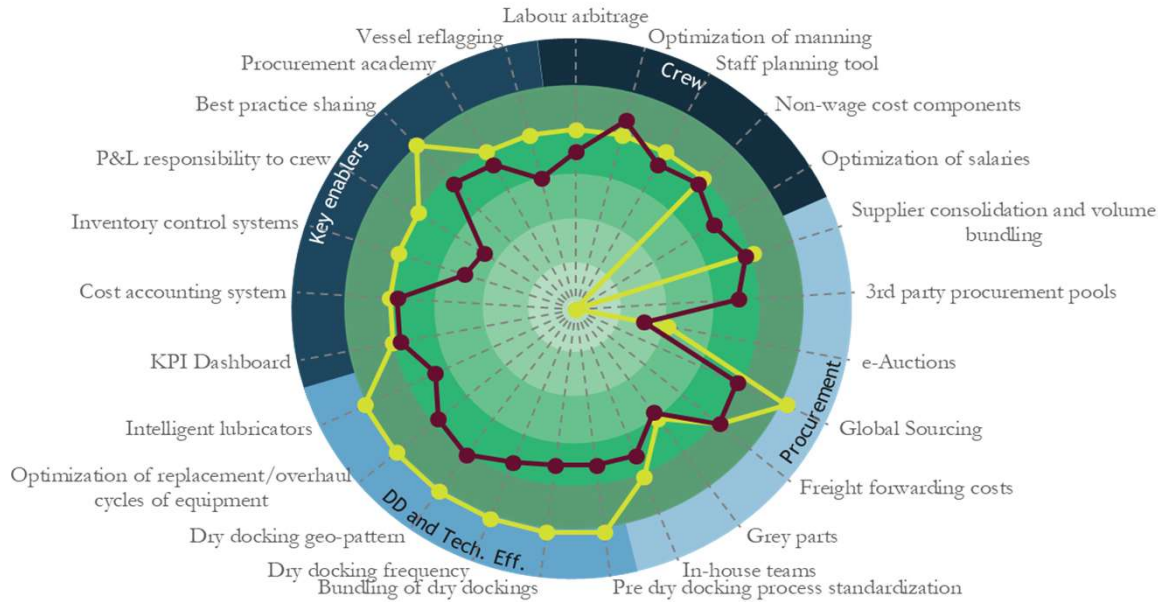
USDm



Note: Contracted Revenue as of March 31, 2022 on the basis of concluded charter contracts through May 16, 2022 and assuming redelivery of the vessel at the earliest charter expiry. Contracted Revenue assumes Gross Daily Charter Rate on straight line basis and includes amortization of unearned revenue and charter attached liabilities in accordance with the US GAAP. (1) Assumes redelivery of vessels at minimum charter expiry.



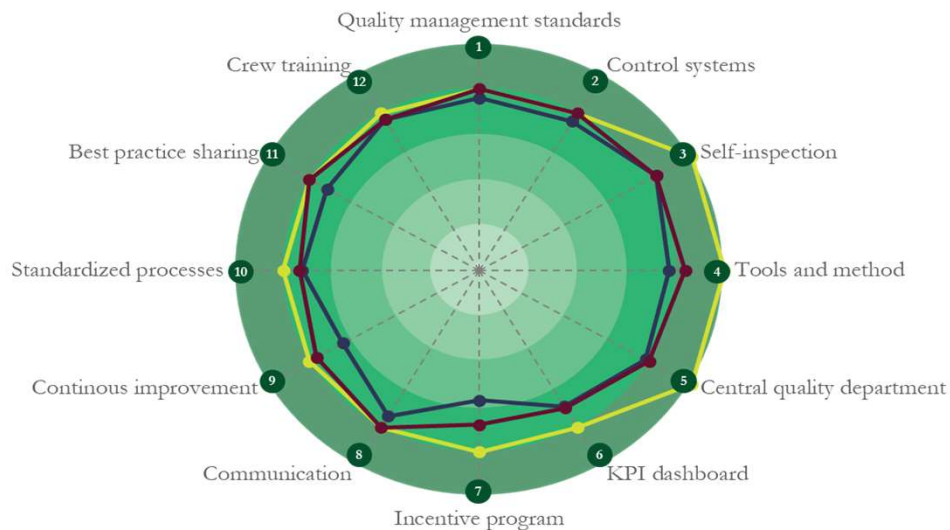
## Danaos' Management Practice Performance<sup>(1)</sup> Relative to Peers



As part of a benchmarking exercise conducted by a global management consulting firm, Management Practice Performance and Safety & Quality Performance was assessed across a number of metrics and benchmarked against 24 companies (with a total of 924 vessels) in the Container Segment.

**In almost all metrics, Danaos has outperformed the benchmark average, highlighting the best in class operating management of Danaos' Fleet**

## Danaos' Safety and Quality Performance<sup>1</sup> – Compared to Benchmark & peer average



## Customer Testimonial



“Danaos Corporation is one of the first class ship owner in the container shipping industry and one of the preferred ship owner for CMA CGM.

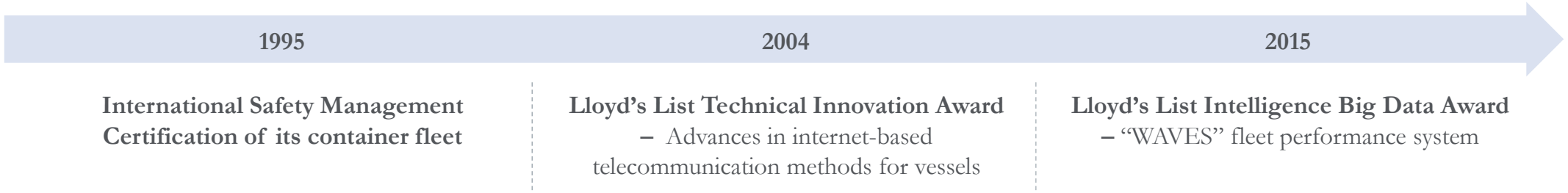
With 20 vessels on Time Charter, Danaos is largest ship provider for CMA CGM Group. For more than 15 years, Danaos has been providing the Group with modern and reliable vessels and has gained a reputation for strong Ship management that has proven its efficiency even in critical situations.

We have been enjoying a great cooperation from top to bottom in Danaos organization allowing us to realize a number of innovative projects on newbuildings and vessels' retrofit. With its experience and corporate values, Danaos is improving the standards of the industry which benefits to other ship owners/ship managers who apply Ship management practices.”

Source: Benchmark from a global management consulting firm.

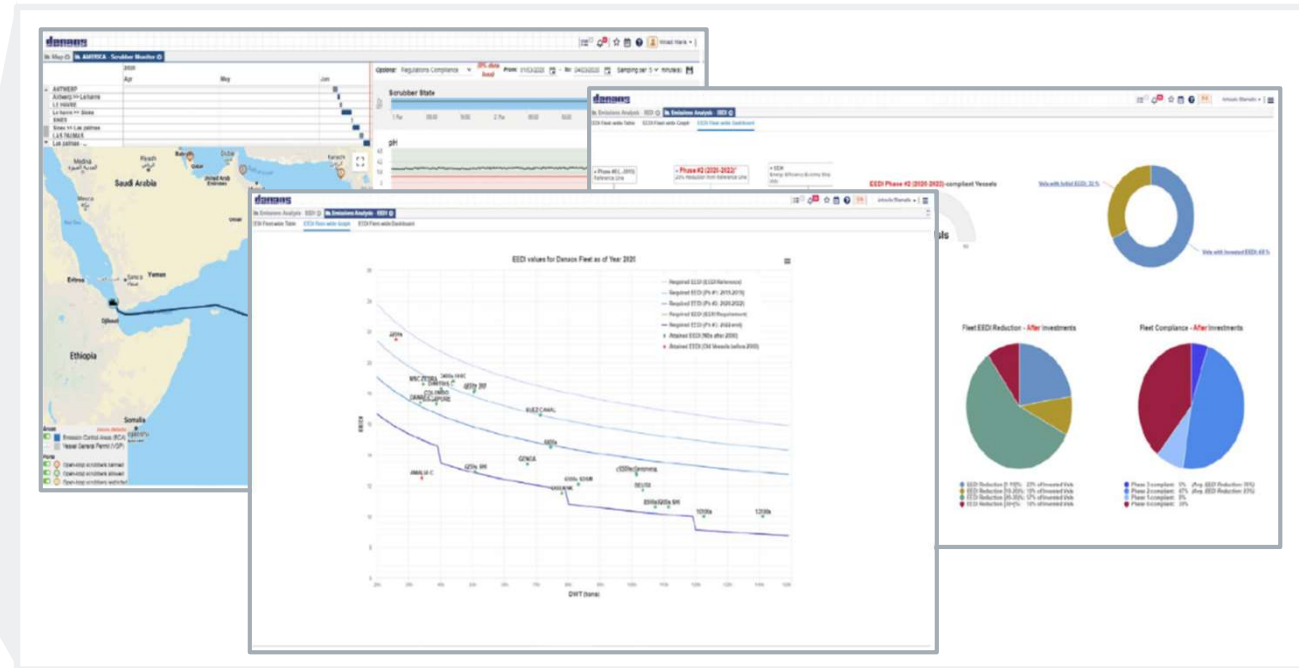
(1) Based on a self-assessment of participating companies – a zero indicates that N/A was submitted

## Early innovator in utilising technology in optimising operations:



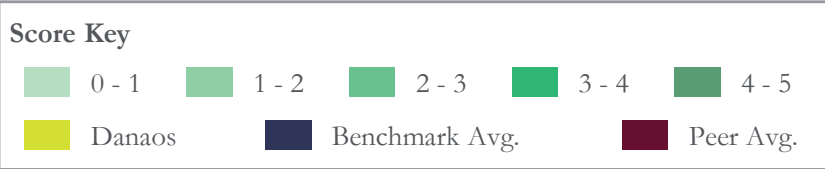
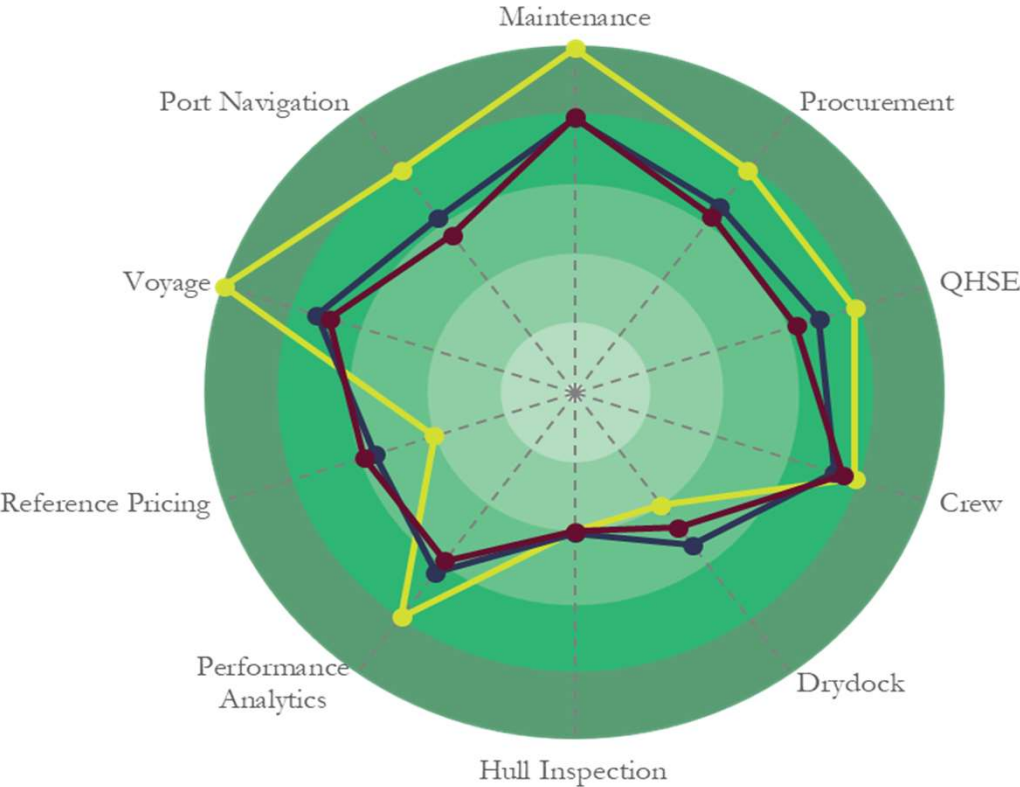
## An ongoing focus in developing a best in class vessel management platform supporting an effective utilisation of data

- \$87mn invested in energy efficiency initiative and technology over the last decade, with c. \$45mn dedicated to optimizing consumption and the reduction of emissions
- The study of 38 energy efficiency improvement measures
- The development of the **WAVES data analytics platform** to take advantage of both office and ship-generated data to bring added value in an environment where data flows are constantly increasing



Danaos utilises its leading management software capability, aiding in the optimal management of its fleet

### Danaos Software Capability



System	Description
<b>Planned Maintenance</b>	Manages maintenance jobs, schedules counter-based and condition-based tasks, and automatically updates stock counts of spare parts consumed for maintenance
<b>Digital Procurement</b>	Facilitates the procurement of spare parts, lubes, paints, and provisions. Also performs real-time-budgeting and manages supplier contacts
<b>QHSE Reporting</b>	Reports and follows up on audits/inspections, be it by external inspectors (PSC, Charterer, SIRE, etc.) or by internal auditors (ISM, Technical, etc.)
<b>Crew Management</b>	Schedules fleet wide crew processes and optimizes crew deployment. May also provide the crew with on-board training
<b>Drydock</b>	Collects work items to be performed in drydock, creates templates for different ship types or dry docking tasks, and manages quotations from yards and suppliers
<b>Hull Inspection</b>	Plans hull inspections and employs a digital model for easy identification of problem areas
<b>Performance Analytics</b>	Automates data collection and processing tasks for reports/statistics, shows drill downs for in-depth analysis, and formulates conclusions about fleet performance
<b>Reference Pricing</b>	Displays reference prices and indexes for the optimal negotiation of commercial deals
<b>Voyage Management</b>	Gives real time updates on vessel positions, updates on distances/ETAs for future ports, and captures the cost/quality of bunker purchases
<b>Port Navigation</b>	Provides up to date port information with the latest vessel arrival/departure checklists

Note: based on a self-assessment of participating companies – scores are an average of the answers ticked off in the questionnaire  
 Source: Benchmark from a global management consulting firm

Danaos Management is keenly focused on maintaining a strong ESG framework for company operations



### Environmental

- ✓ Advanced solutions to reduce emissions through fuel efficiency optimization
- ✓ Scrubber installation on select vessels
- ✓ Low-sulfur fuel oil to be procured
- ✓ Ballast water system compliance
- ✓ Partnership with founders of Poseidon Principles

### Social

- ✓ Code of ethics and compliance policies published for Directors / Officers
- ✓ Accredited by Global Reporting Initiative (GRI) for sustainability best practices and socially responsible management

### Governance

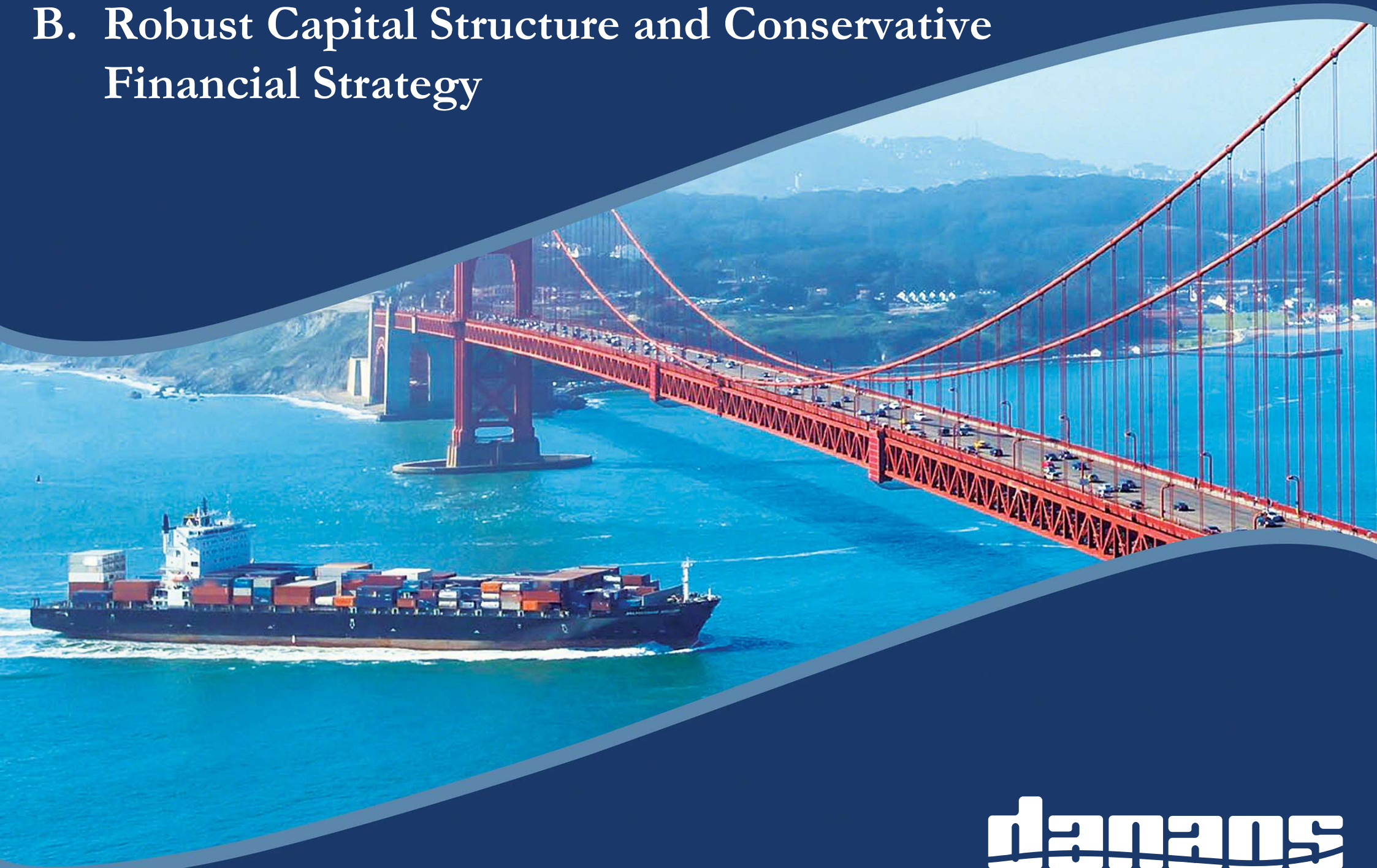
- ✓ Independent Board
- ✓ Clear reporting of transactions with Danaos Shipping (Manager)
  - Amounts approved by independent board members
- ✓ Arms length cost arrangements, which are amongst lowest in industry and fixed through 2024

### Last 2 Years Progress

- ✓ 75.8% decrease in the use of Heavy Fuel Oil
- ✓ 1622% increase in the use of Low Sulphur Fuel Oil
- ✓ 5.3% decrease in CO2 emissions
- ✓ 83.6% decrease in SO2 emissions and 6.5% decrease in NOx emissions

Danaos met the IMO 2030 carbon intensity targets 11 years ahead of requirements in 2019 and continues to meet the target with a 45% reduction in CO2 emissions per ton miles for 2020 compared with the base year of 2008

## B. Robust Capital Structure and Conservative Financial Strategy



**danans**

## Balanced Chartering Strategy Supported by Continued Operational Excellence

- Continue to deploy assets on long-term charters to ensure cash flow visibility
- Maintain high fleet utilization

## Prudent Capital Allocation Policy

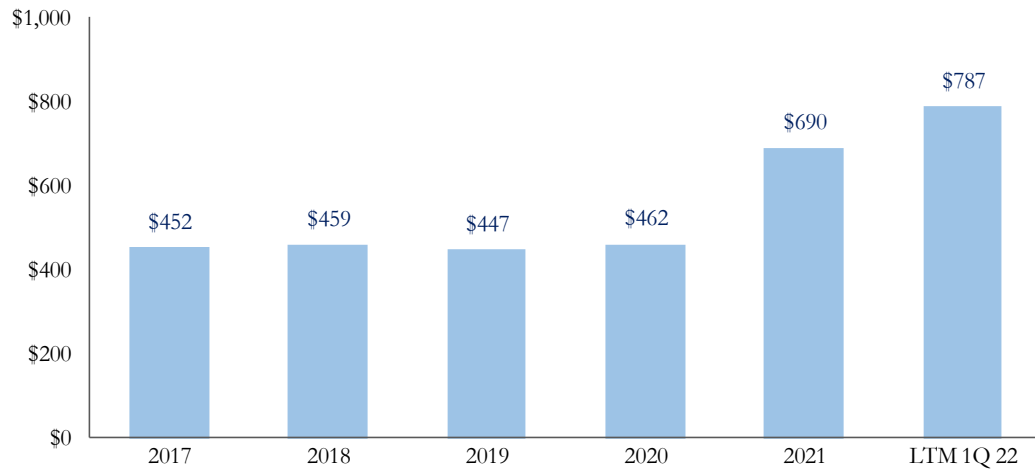
- Excess cash flow can be used for reducing leverage, for acquisition of young and modern fleet, dividends, shares repurchase, or enhancing overall liquidity
- New vessel acquisitions carefully evaluated considering risk-adjusted returns

## Enhance Financial Strength and Flexibility

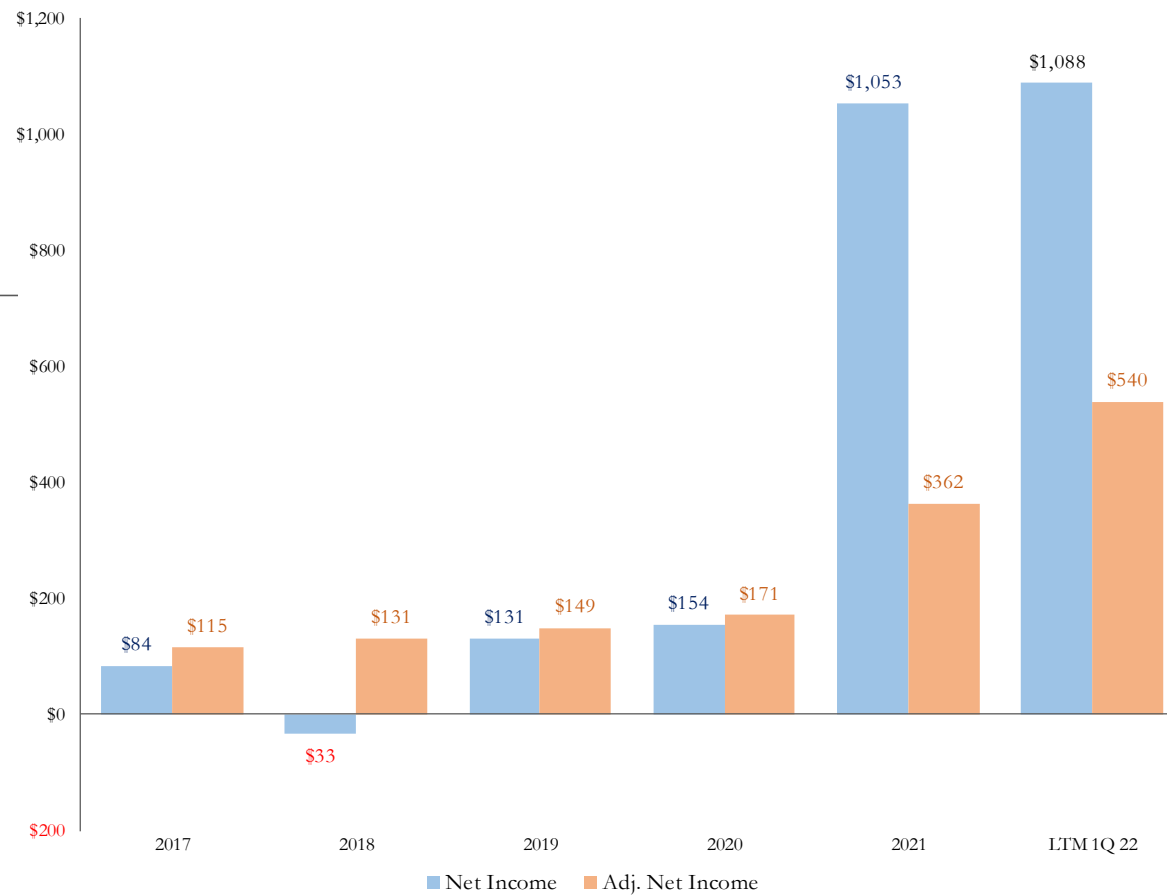
- Diversify funding sources to capital markets via recent issuance of unsecured bond and 11/2019 re-IPO of company
- Early repaid \$364 million of long-term debt and leaseback obligations on May 12, 2022 and further committed to early repay \$73 million of long-term debt in 2022

# Historical Financial Highlights

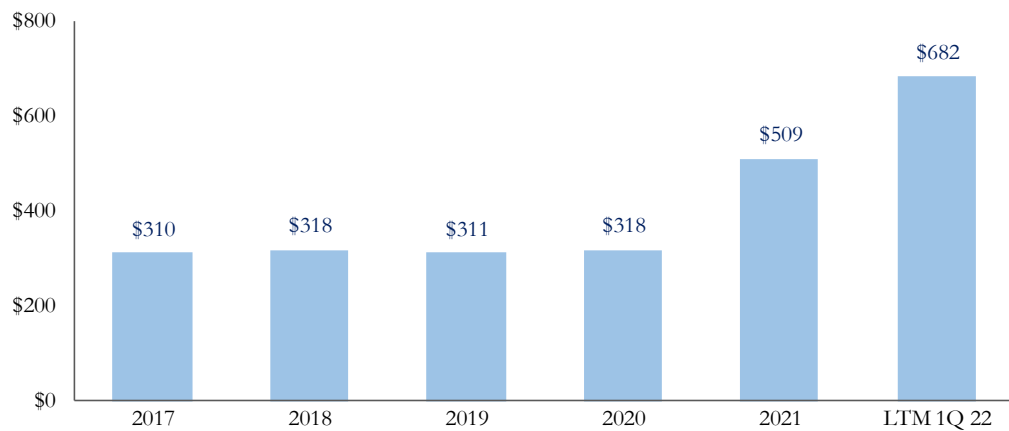
## Revenues USDm



## Net Income and Adjusted Net Income USDm

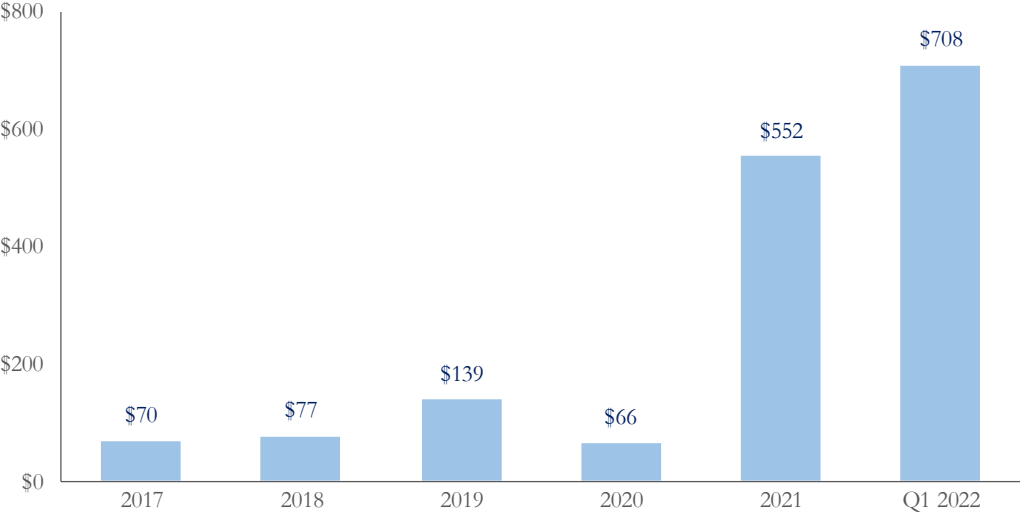


## Adjusted EBITDA USDm

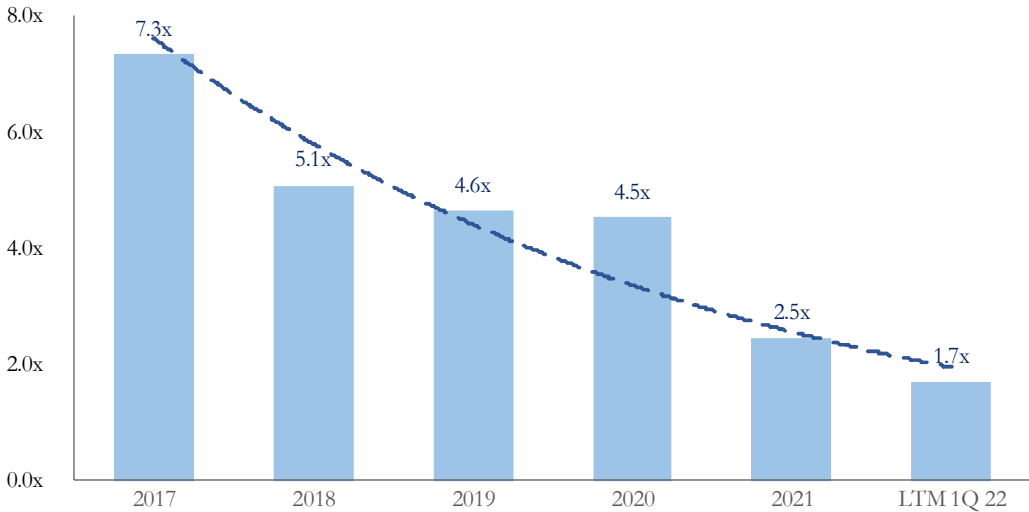


## Liquid Assets<sup>(1)</sup>

USDm



## Net Leverage



Source: Company Filings, Year Ended December 31, 2021 and data as of March 31, 2022.

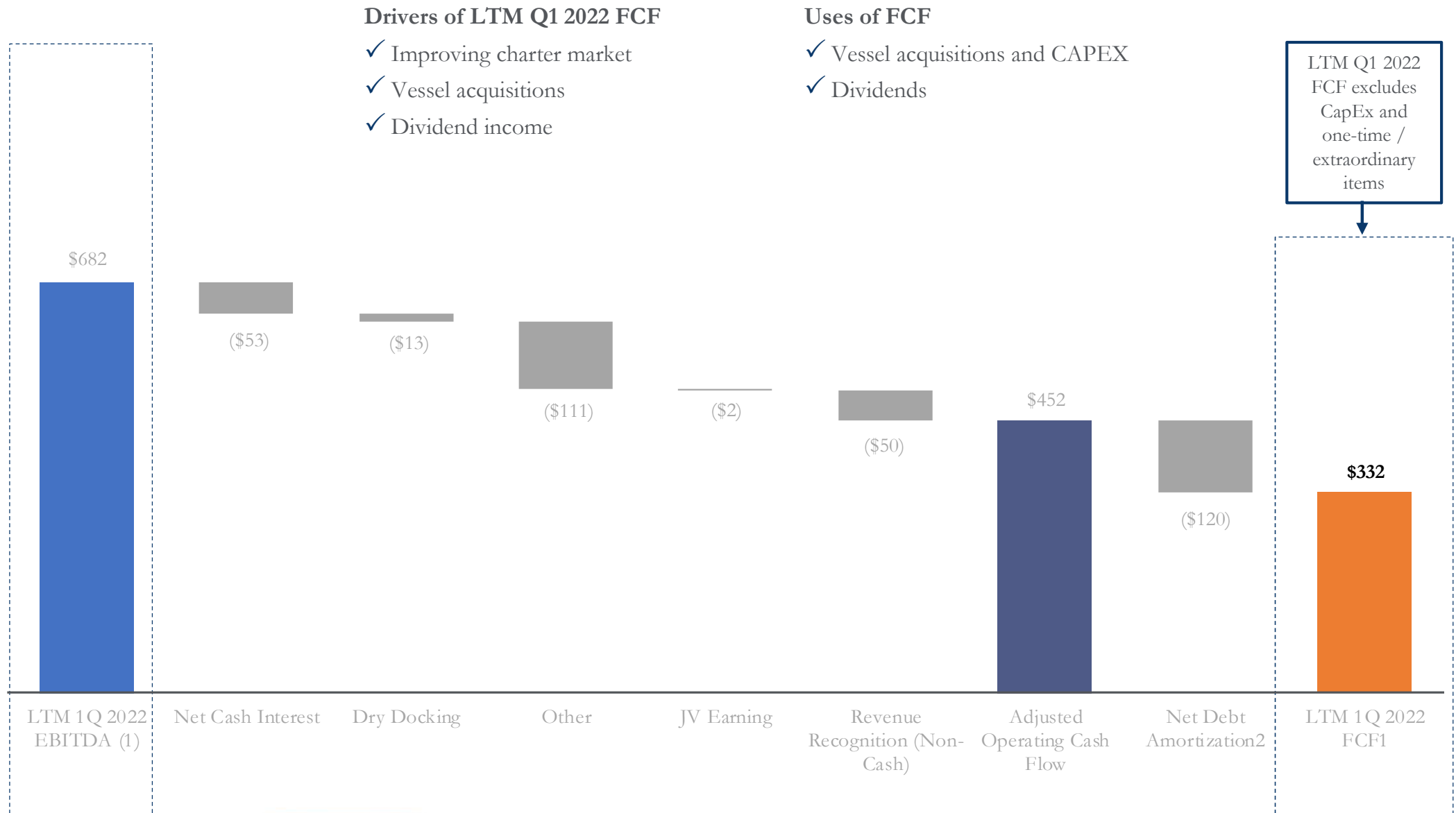
Note: Please refer to the Appendix tables for reconciliations of non-GAAP to GAAP measures. Net leverage is outstanding debt less cash and cash equivalents. (1) Liquid Assets includes cash and cash equivalents (excluding restricted cash) ~ \$185.3 mil and fair value of equity participation in ZIM ~ \$522.6 mil (\$72.71price, 7,186,950 shares) as of March 31, 2022.



# Strong Free Cash Flow Visibility & Great Conversion to OCF

## Illustrative Walk to LTM Q1 2022 Free Cash Flow<sup>(1)</sup>

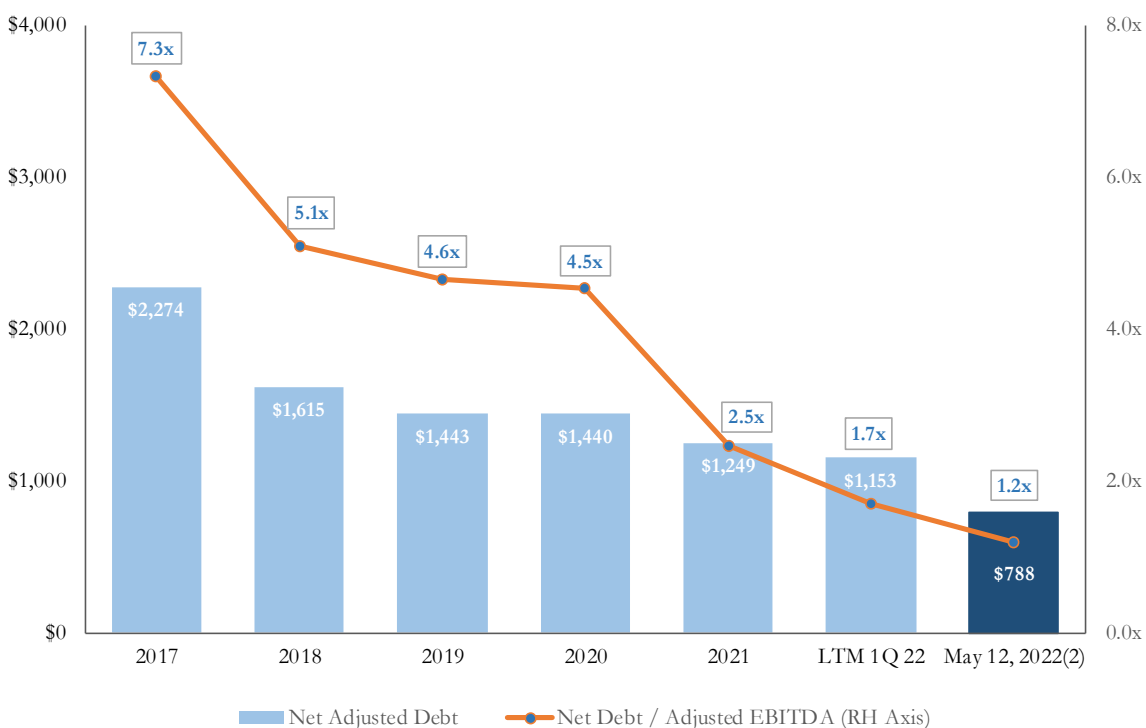
USDm



Source: Data as of March 31, 2022; Note: Recurring Free Cash Flow calculated excluding non-recurring items such as Vessels Addition Capital Expenditures and Financing Costs; (1) Non-GAAP measure. (2) Contractual net debt amortization as per the terms of agreements and excludes voluntary early repayment. See appendix for definitions and reconciliations to the nearest GAAP measure.

## Net Debt and Adjusted EBITDA Multiple<sup>(1)</sup>

USDm



### A robust deleveraging profile...

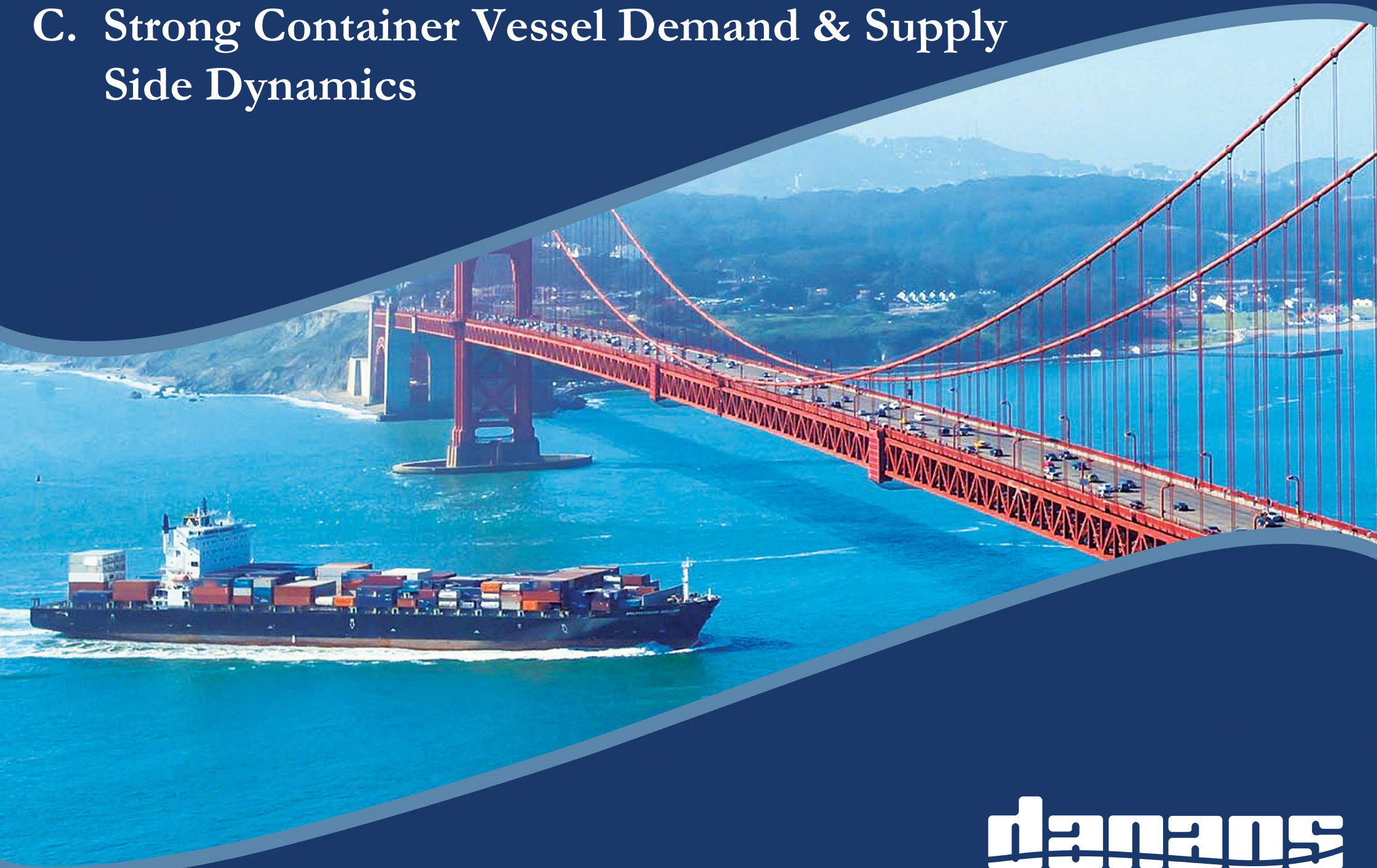
- Successfully concluded a \$2.2bn debt refinancing in 2018 with support from key lender group leading to a reduction in net leverage as of March 31, 2022 of 5.6x since end 2017
- Early repayment of \$364 million of long-term debt and leaseback obligations on May 12, 2022 and further committed to early repay \$73 million of long-term debt in through Q3 2022

### ...supported by charter backlog

- Charter backlog of \$2.7bn from strong and improving container operators supports cash flow generation
- Liquid financial assets of \$708 million<sup>(3)</sup> as of March 31, 2022

Source: Company Filings. (1) Based on total debt as of March 31, 2022; Adjusted EBITDA is a non-GAAP measure. See appendix for definitions and reconciliations to the nearest GAAP measure. (2) Total net debt as of March 31, 2022 reduced by early repayment of \$364 million made on May 12, 2022 (Net debt as of March 31, 2022 - \$1,152 million less Early repayment on May 12, 2022 - \$364 million). (3) Liquid financial assets include cash and cash equivalents (excluding restricted cash) ~ \$185.3 mil and fair value of equity participation in ZIM ~ \$522.6 mil (\$72.71 price, 7,186,950 shares) as of March 31, 2022.

## C. Strong Container Vessel Demand & Supply Side Dynamics



**danans**

## 216 Mn Teu

2021(E) World Container Trade

**↑ 5.9%**

2021(E) Trade yoy Growth

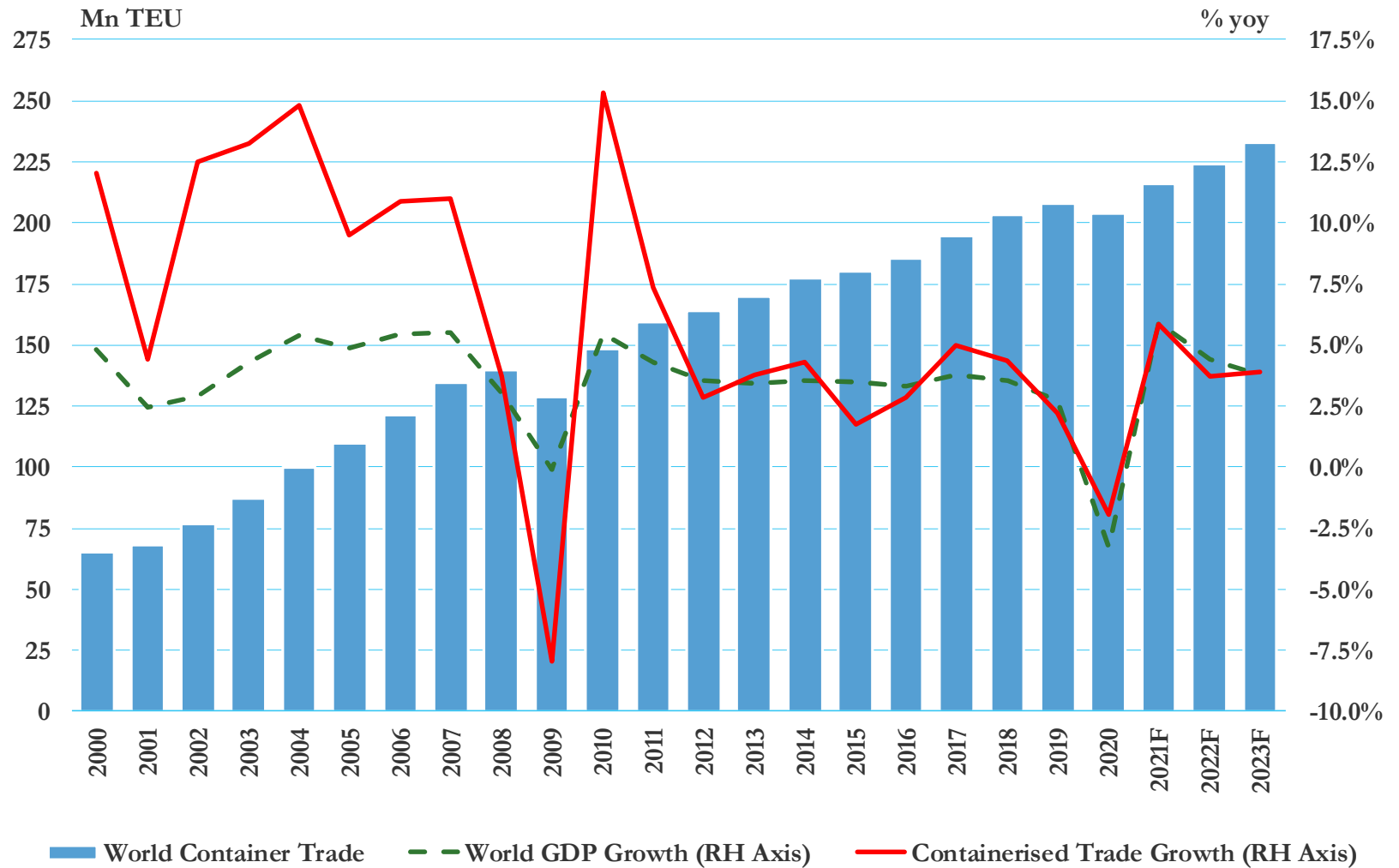
## 224 Mn Teu

2022(F) World Container Trade

**↑ 3.7%**

2022(F) Trade yoy Growth

### World Container Trade & GDP, 2000 – 2023F



Source: MSI, May 2022.

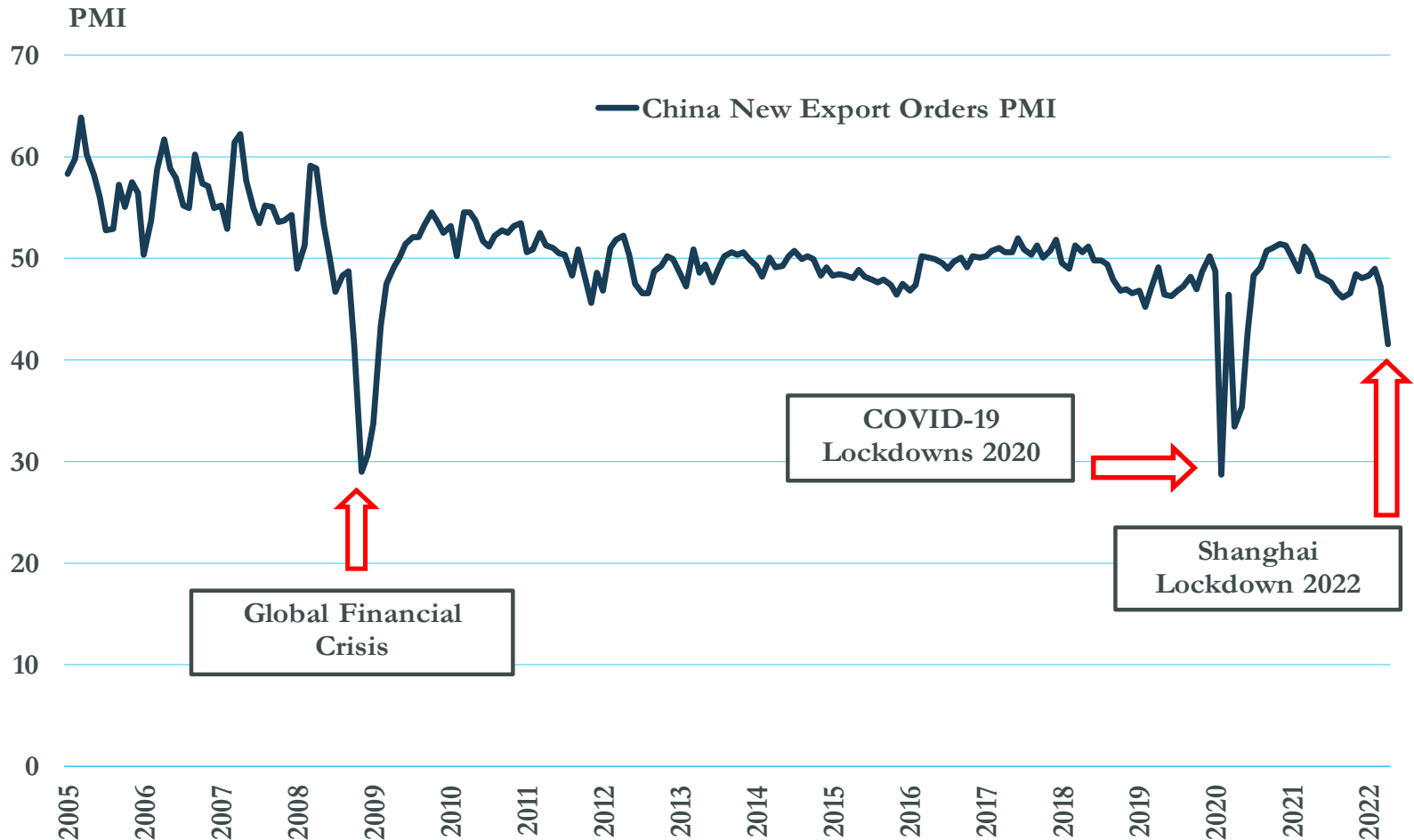
Note (1): MSI Estimates (E) for 2021 and Forecasts (F) for 2022 and 2023 are basis the latest available data in May 2022 and are subject to revision.

Lockdowns in China will drive a near-term fall in Chinese TEU exports

28.7  
China New Export Orders PMI, Feb-20

41.6  
China New Export Orders PMI, Apr-22

### China New Export Orders Purchasing Managers' Index (PMI), 2005-22



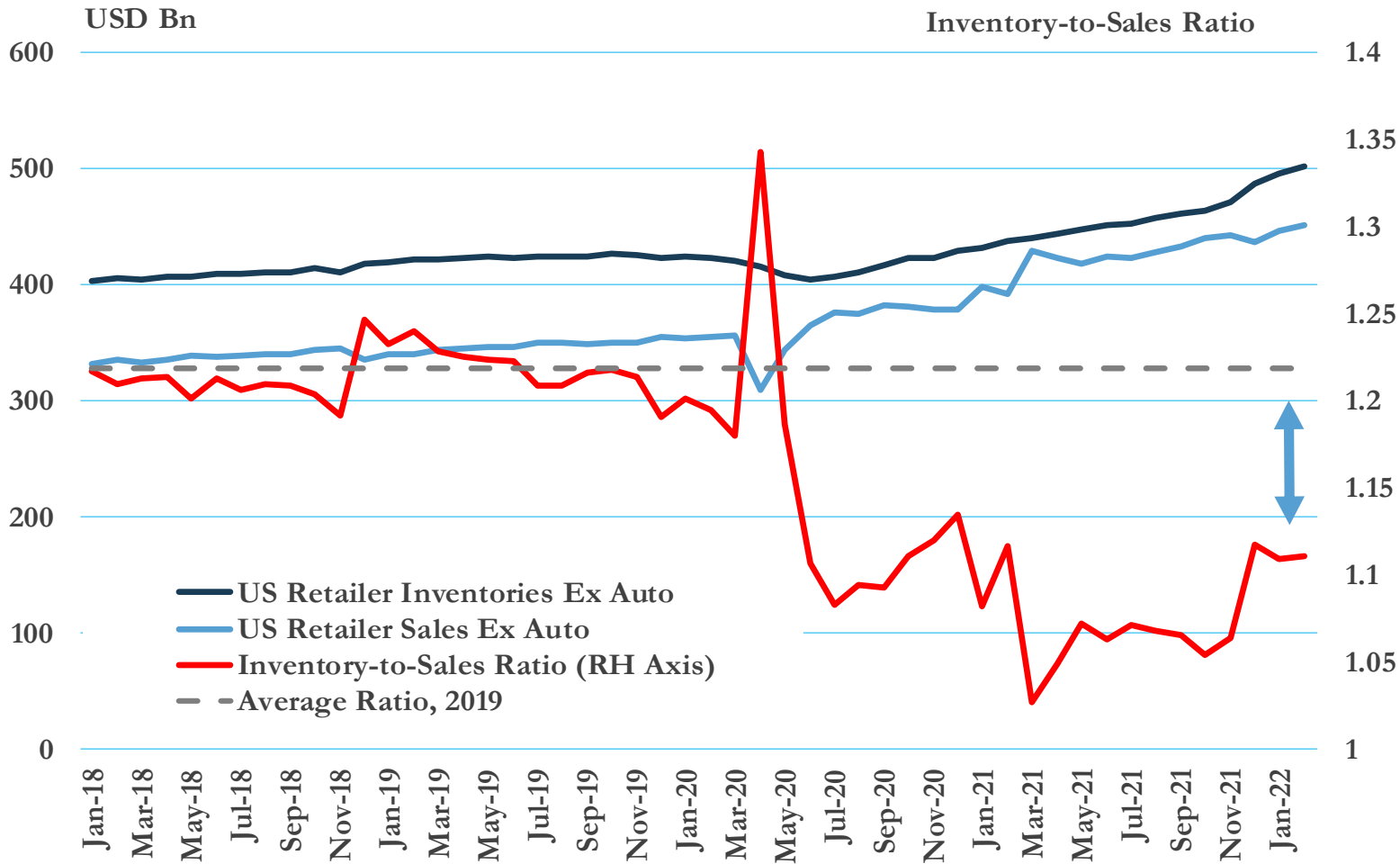
Source: MSI, US Census Bureau, May 2022.

Despite increase in US retailer inventories over 2021, the stock level remain low relative to sales

**1.11**  
US Retailer Inventory-Sales Ratio, Feb-22

**1.22**  
US Retailer Inventory-Sales Ratio, Average 2019

**US Retailer Sales and Inventories<sup>(1)</sup>, Seasonally Adjusted, Jan-18 to Feb-22**



Source: MSI, US Census Bureau, May 2022.

Note (1): Motor Vehicle and Parts Dealers excluded from series to isolate container shipping-critical product categories

# Timecharter Markets at Record Levels, as Tonnage Availability Shrinks

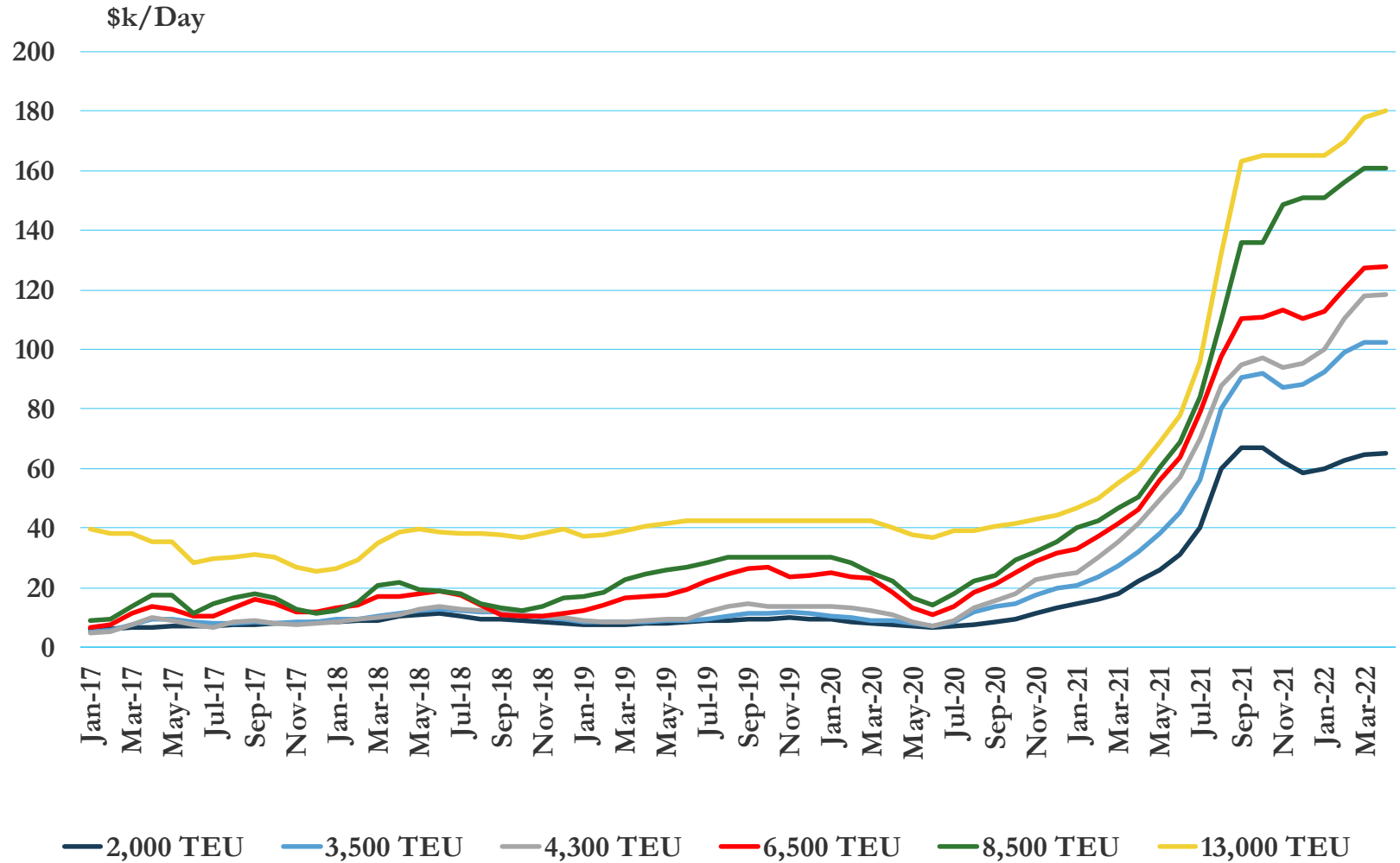
**219%**  
 8,500 TEU Charter Rate % Ch:  
 Apr-22 vs. Apr-21

**175%**  
 6,500 TEU Charter Rate % Ch:  
 Apr-22 vs. Apr-21

**185%**  
 4,300 TEU Charter Rate % Ch:  
 Apr-22 vs. Apr-21

**218%**  
 3,500 TEU Charter Rate % Ch:  
 Apr-22 vs. Apr-21

**1-Year Timecharter Market Rates, January 2017 – April 2022**



Source: MSI, May 2022.

## 27.9%

Industry Orderbook-to-Fleet Ratio, End-March 22

## 11.5%

Orderbook-to-Fleet Ratio: Sub-12,000 TEU Fleet

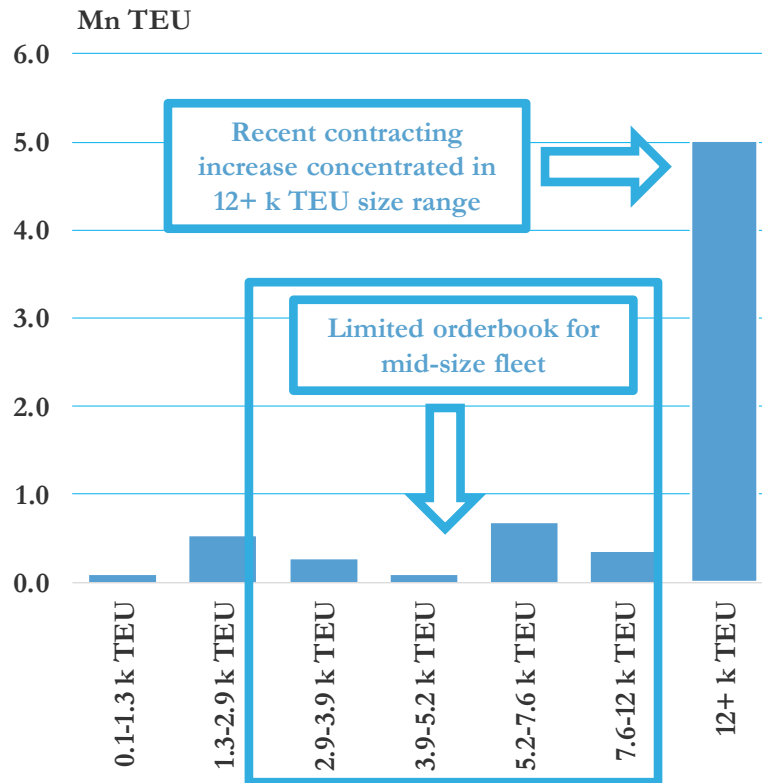
## 14.8 Years

Average Age: Sub-12,000 TEU Fleet

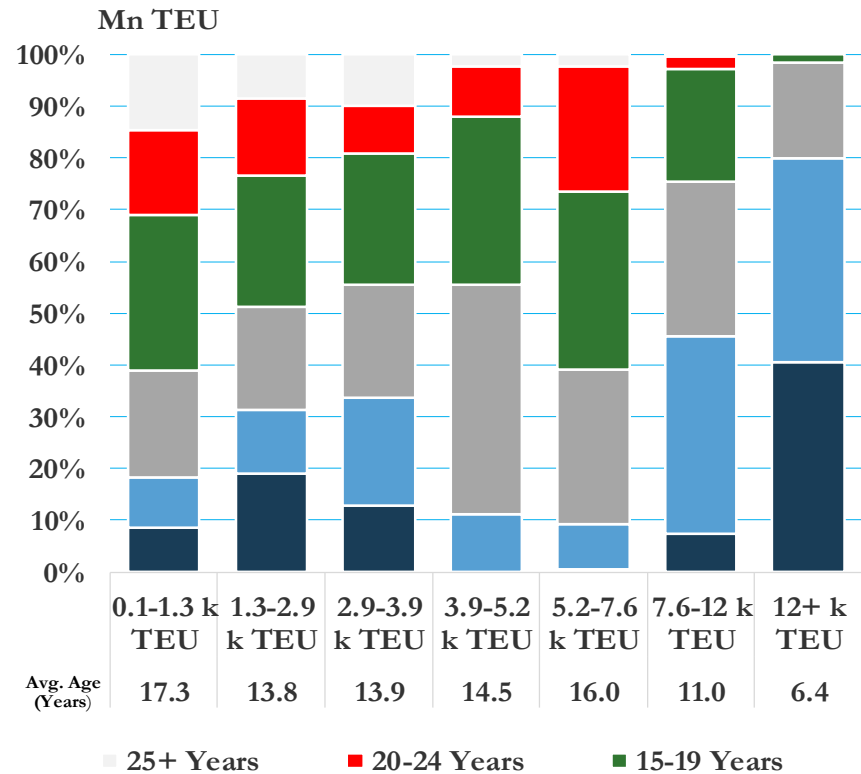
## 6.4 Years

Average Age: 12,000+ TEU Fleet

### Containership Orderbook, End of March 2022



### Age Profile of Fleet: Smaller Vessel Fleet Ageing





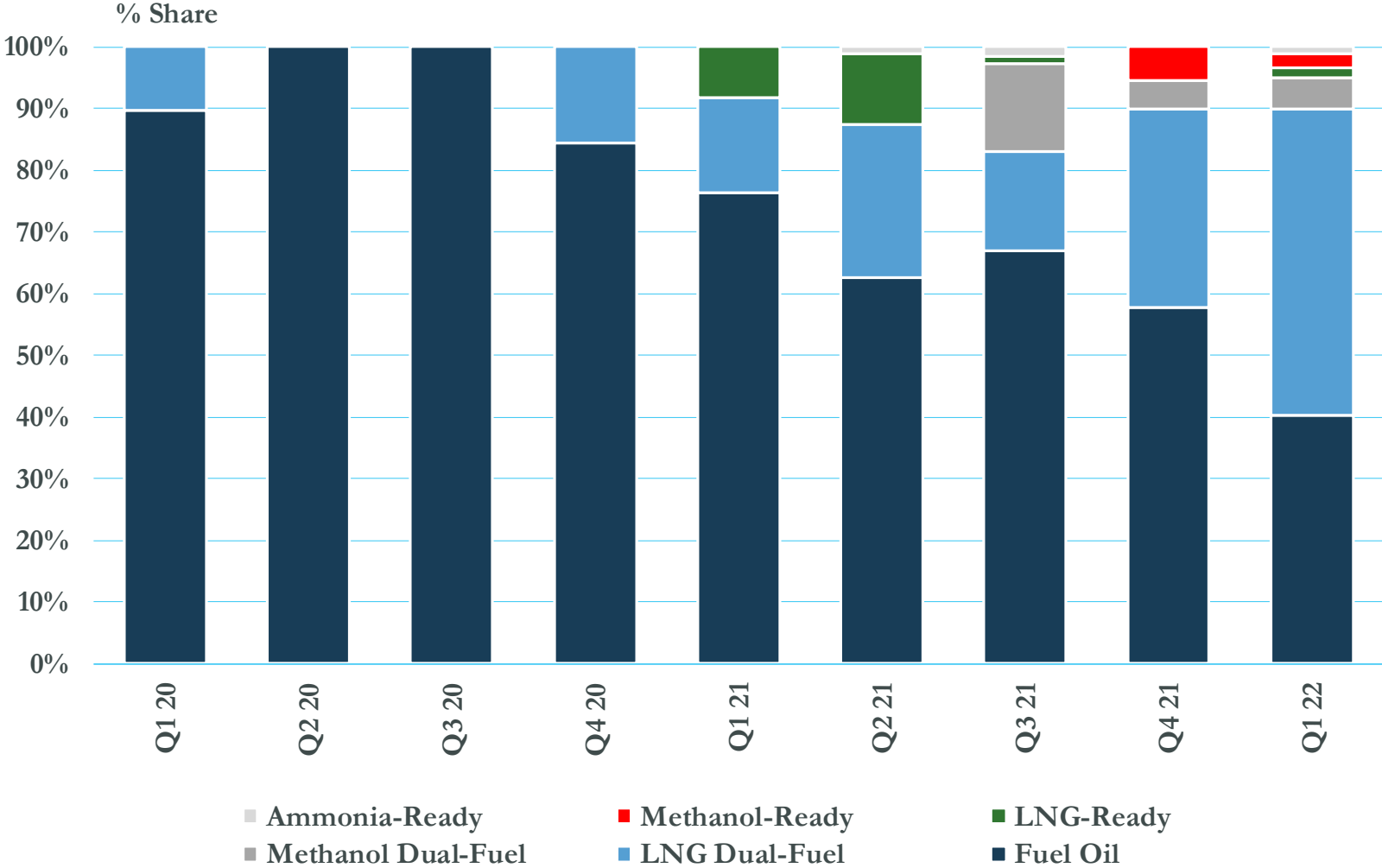
The share of vessels ordered with lower-carbon propulsion technology has increased

**86%**  
Share of Vessel Orders with Fuel Oil Propulsion, 2020

**68%**  
Share of Vessel Orders with Fuel Oil Propulsion, 2021

**40%**  
Share of Vessel Orders with Fuel Oil Propulsion, Q1 22


**New Containership Orders by Propulsion Type, Q1 20-Q1 22**



Source: MSI, May 2022.

Note (1): Vessels with 'Ready' status indicate that vessel design is optimised to enable conversion an alternative fuel source at a later date

# Idle Capacity: Strong Markets Mean All Available Tonnage Is Employed **danaher**

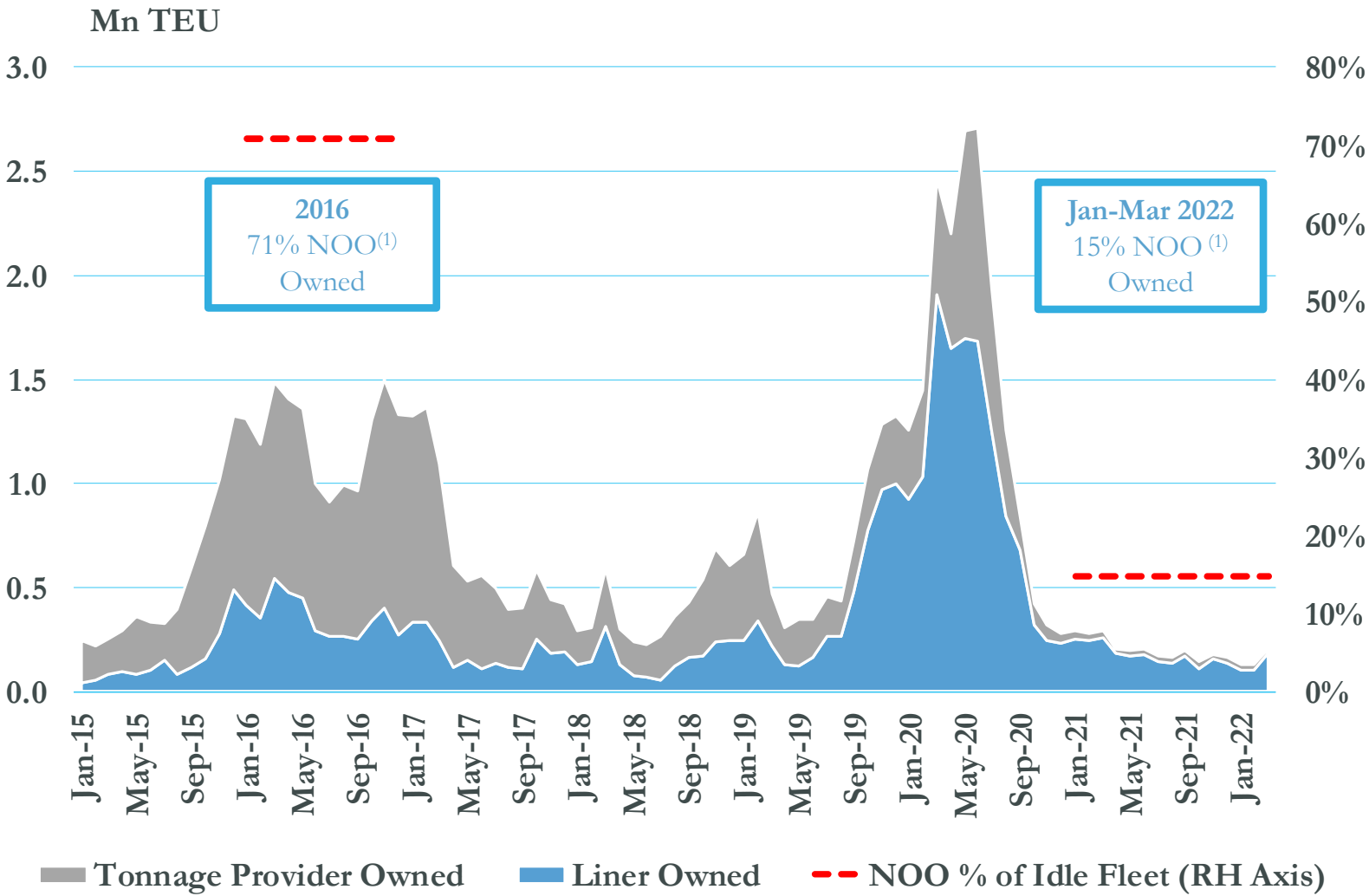
 The volume of idle capacity remains at historical lows

**0.8%**  
Idle Fleet at End-Mar 22 vs. Peak of 12% in Jun 20

**71%**  
Share of Idle Capacity owned by Tonnage Providers, 2016

**15%**  
Share of Idle Capacity owned by Tonnage Providers, 2021-22

**Idle Containership Capacity: Liner Company Owned vs Tonnage Provider Owned**



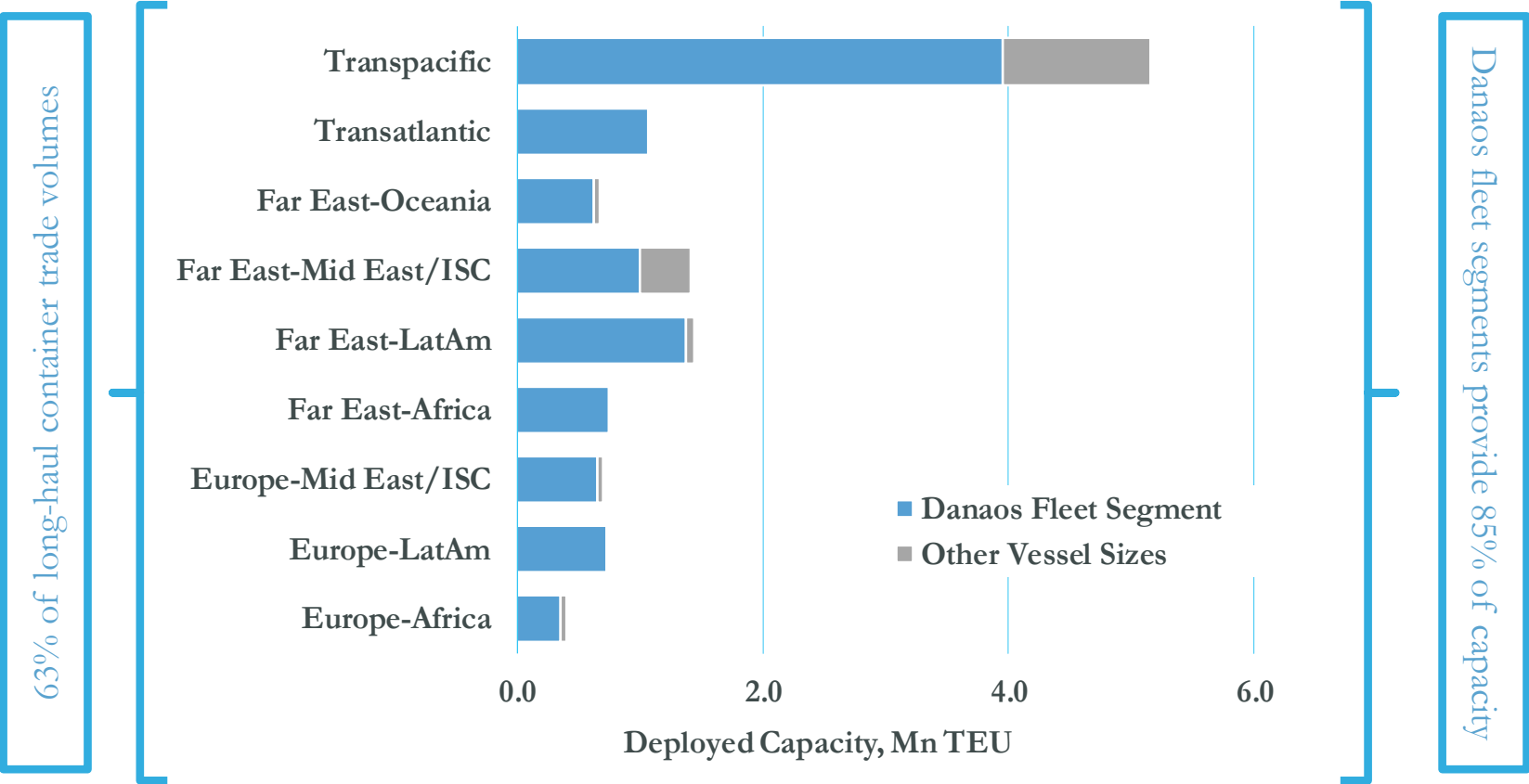
Source: MSI, May 2022.  
Note (1): NOO = Non-Operating Owner (Tonnage Provider).

**13.7%**  
Orderbook-to-Fleet Ratio in Danaos Fleet Segment

**85%**  
Share of Capacity on Key Long-Distance Trades

**30.4%**  
Danaos Fleet Segment Share of Industry Orderbook

**Danaos Fleet Segment Share of Long-Distance Trade Deployment**



Source: MSI, May 2022.  
Note (1): Transpacific figure excludes Pendulum loops.



Recent wave  
of  
consolidation  
between liner  
operators

9

Global Liner Companies, 2022  
vs. 20 in 2015

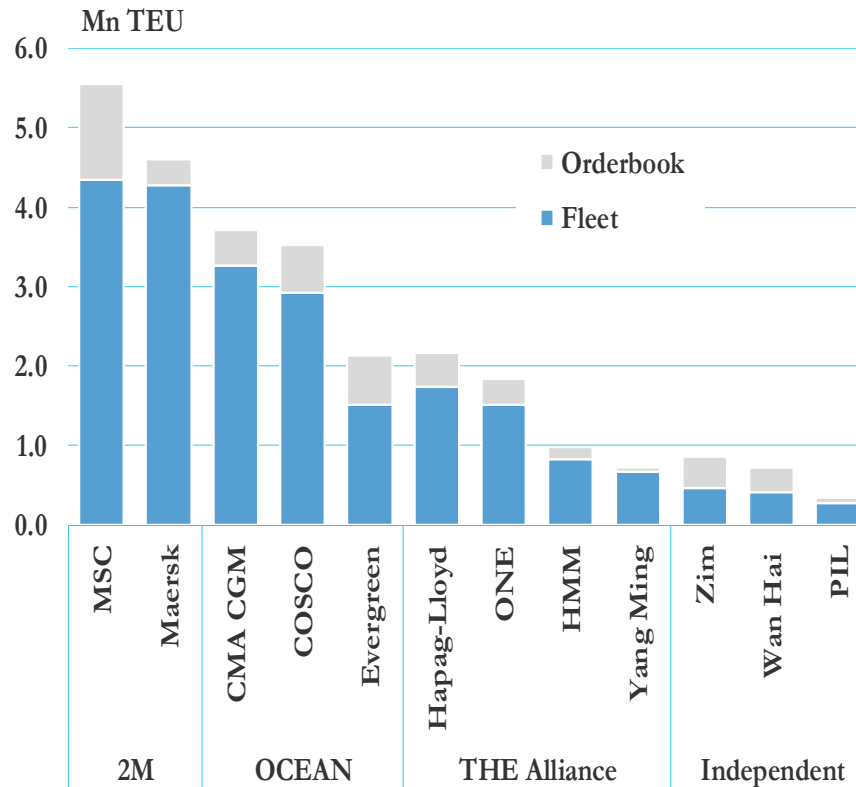
3

Number of Alliances Operating  
on Mainlane Trades

85%

Proportion of Fleet Controlled by  
Alliance Members

## Liner Company Alliance Members, End March 2022



1

Consolidation between liner  
companies provides more stable  
set of counterparties

2

Greater stability, fewer incentives  
to undercut market

3

Better visibility over competitor  
capacity and strategy, reduced  
likelihood of over-ordering

4

Alliances allow more disciplined  
management of capacity

- Spot container freight rates ex-China have softened since January 2022, reflecting a combination of regular seasonal weakness, and cargo volumes disrupted by the Lunar New Year and lockdown measures in China. A backlog of cargoes exported once Shanghai exits lockdown measures will potentially place renewed upward pressure on freight costs. As a result of renewals of long-term freight contracts, average \$/TEU revenues earned by liners remain elevated.

**↑ 51%**

Mainlane Index % Change:  
End-Apr 22 vs. End-Apr 21

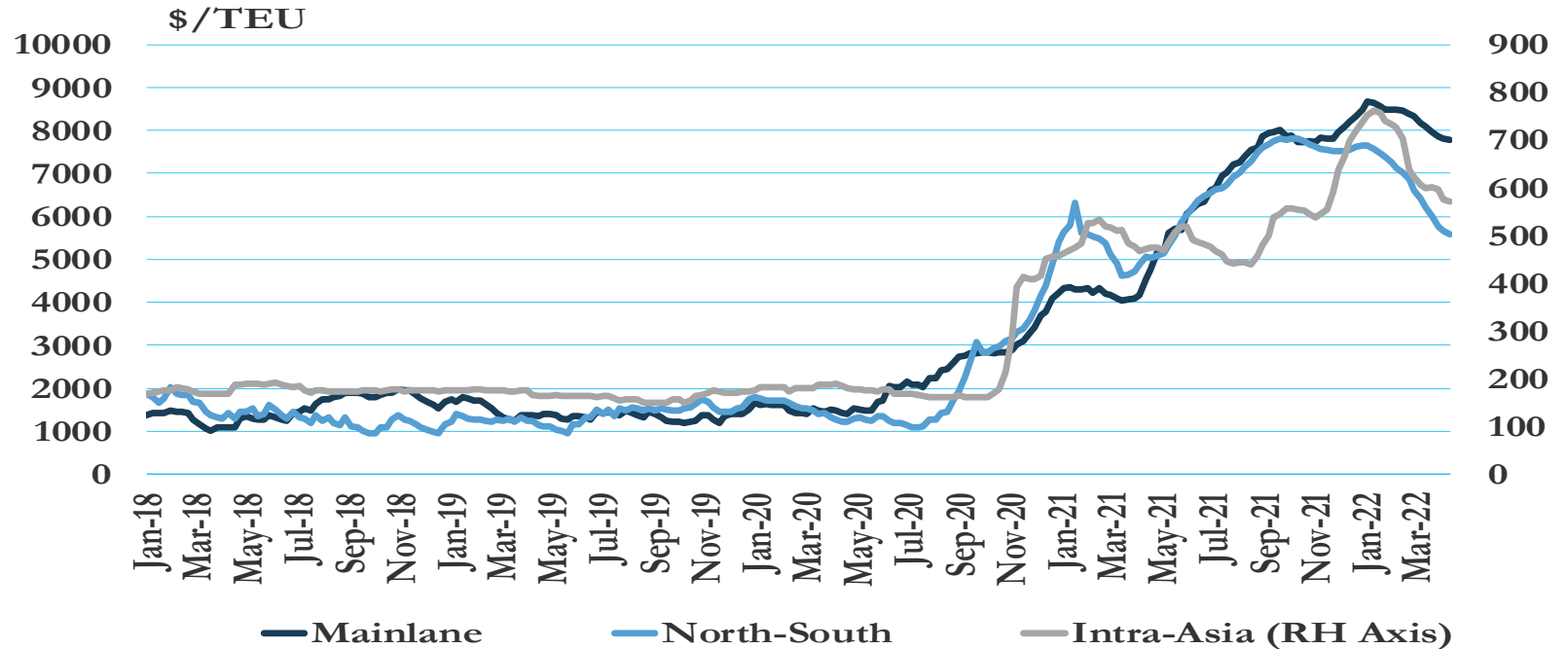
**↑ 10%**

North-South Index % Change:  
End-Apr 22 vs. End-Apr 21

**↑ 20%**

Intra-Regional Index % Change:  
End-Apr 22 vs. End-Apr 21

**Freight Rate Indices<sup>(1)</sup>, January 2018 – April 2022**



Source: MSI, May 2022.

Note (1): Freight rate indices represent TEU trade-weighted average of spot freight rates ex-China.

Average \$/TEU Freight Rates continue to climb as annual contracts are renegotiated

**110%**

Average long-term rate increase, Apr-22 vs Apr-21<sup>(2)</sup>

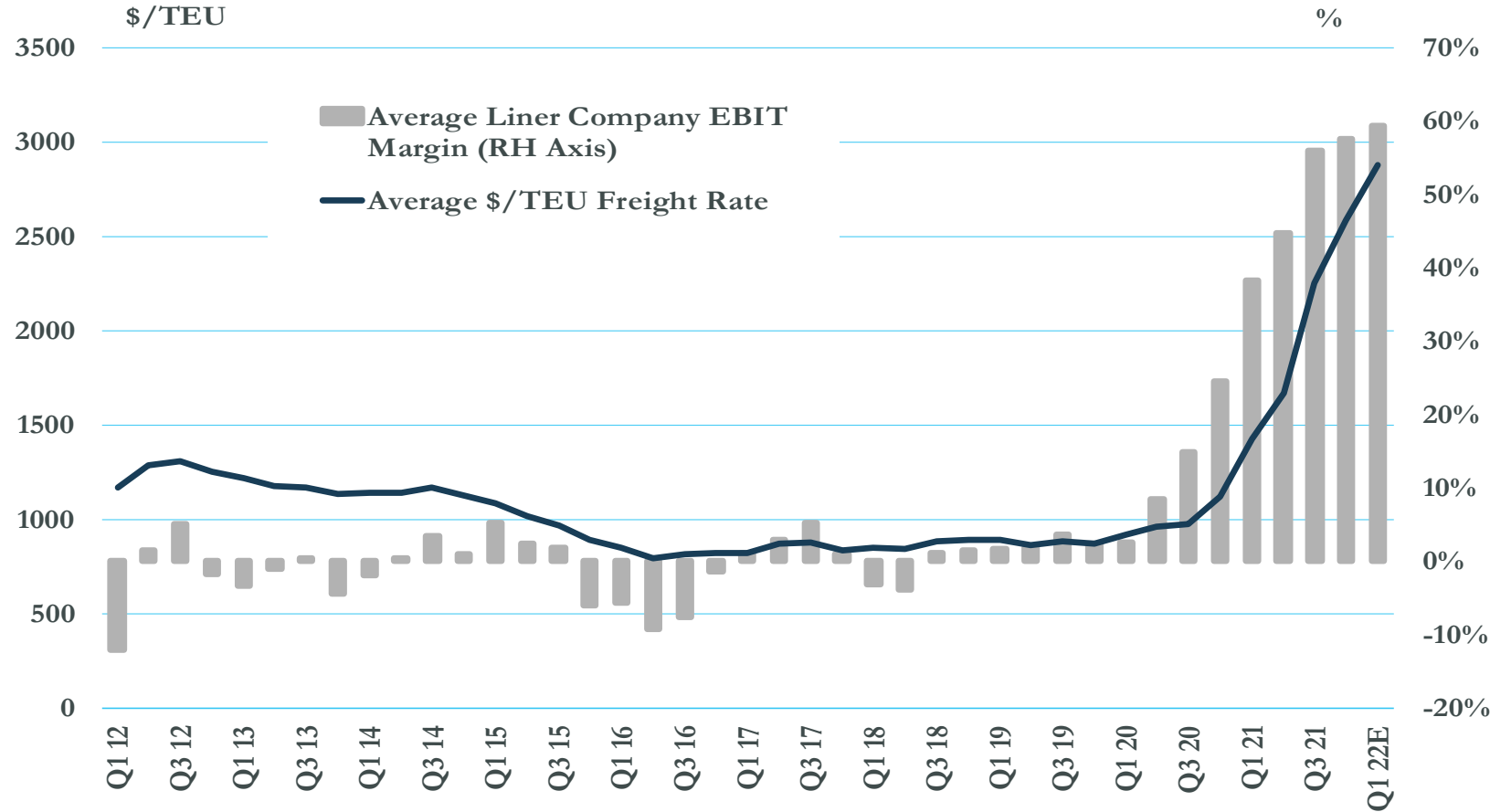
**71%**

Share of Maersk Line volumes on long-term contracts, 2021

**61%**

Share of Maersk Line volumes on long-term contracts, 2020

## Liner Company Average \$/TEU Revenues and Profit Margins, 2012-22



Source: MSI, May 2022.

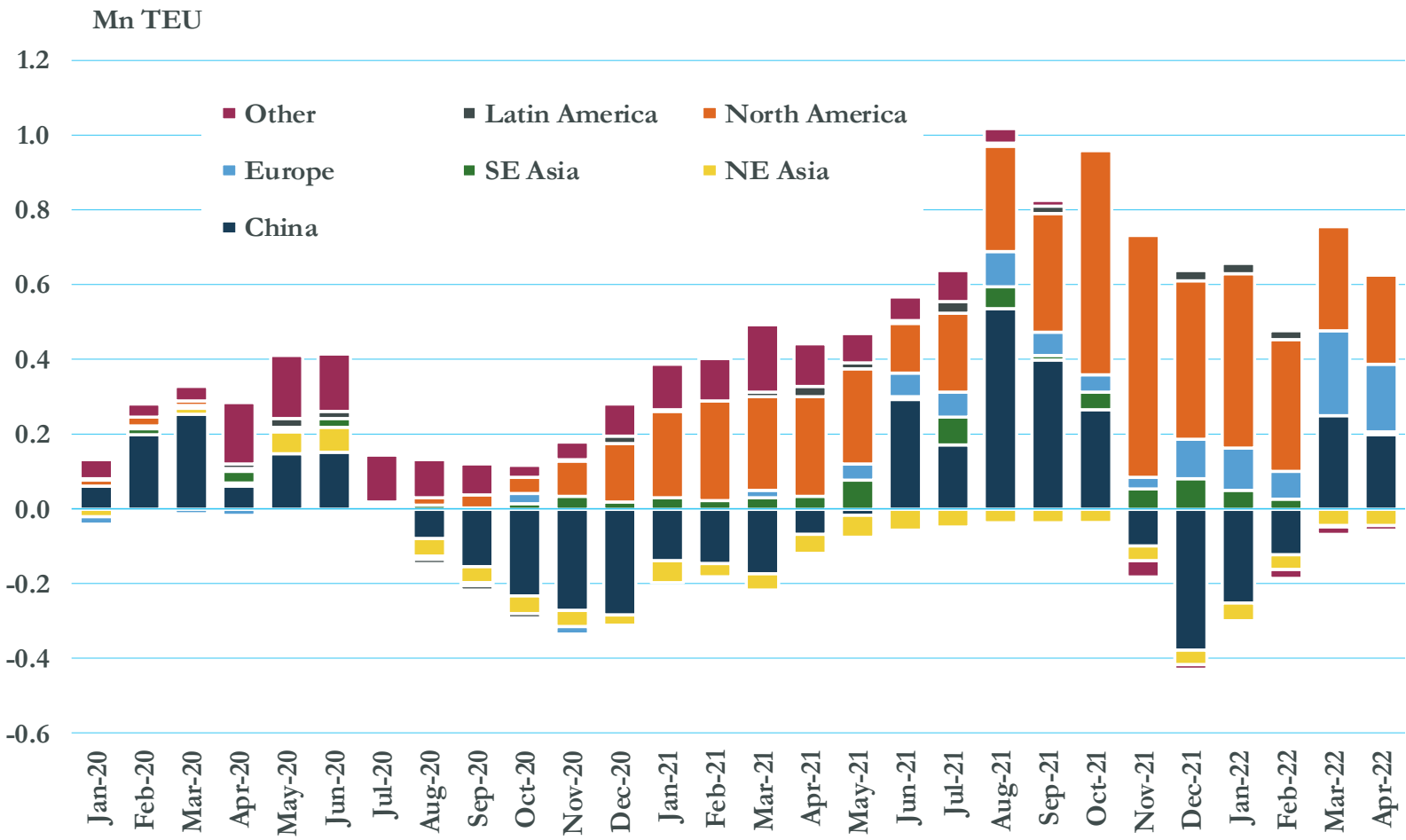
Note (1): Freight rates represent average \$/TEU unit revenues as reported by representative liner operators. (2) Xeneta Shipping Index (XSI®) Public Indices, April 2022

Port Congestion Reduces Available Fleet

**7.1%**  
 Proportion of Fleet Idle Outside Ports, Apr-22

**4.8%**  
 Proportion of Fleet Idle Outside Ports, Average 2019

**Container Port Congestion: Containership Idle at Port Anchorages, Relative to 2016-19 Average Level**



Source: MSI, May 2022.

# D. Appendix



**danans**



# Adjusted Net Income

## Reconciliation of Net Income to Adjusted Net Income

USD thousands

Reconciliation of Net Income / (Loss) to Adjusted Net Income	LTM	Three Months		Year Ended December 31,				
	Ended March 31,	Ended March 31,		in thousands of U.S. dollars				
	2022	2022	2021	2021	2020	2019	2018	2017
<b>Net Income / (Loss)</b>	<b>\$1,087,526</b>	<b>\$331,465</b>	<b>\$296,780</b>	<b>\$1,052,841</b>	<b>\$153,550</b>	<b>\$131,253</b>	<b>\$(32,936)</b>	<b>\$83,905</b>
<i>Adjustments</i>								
Amortization of finance costs	10,845	2,543	3,297	11,599	11,126	10,795	11,771	11,153
Finance costs accrued (Exit Fees under our Bank Agreements)	15	-	134	149	522	556	2,059	3,169
Debt discount amortization	3,545	828	1,597	4,314	5,690	6,071	3,186	-
Impairment loss	-	-	-	-	-	-	210,715	-
Change in fair value of investments	(395,317)	(99,539)	(247,875)	(543,653)	-	-	-	-
One-off equity gain on investments	(64,063)	-	-	(64,063)	-	-	-	-
Gain on debt extinguishment	(111,616)	-	-	(111,616)	-	-	(116,365)	-
Re-financing professional fees	-	-	-	-	-	-	51,313	14,297
Accelerated amortization of accumulated other comprehensive loss	-	-	-	-	-	-	1,443	-
Stock based compensation	8,608	-	4,078	12,686	-	-	-	-
Loss on sale of HMM securities	-	-	-	-	-	-	-	2,357
<b>Adjusted Net Income</b>	<b>\$539,543</b>	<b>\$235,297</b>	<b>\$58,011</b>	<b>\$362,257</b>	<b>\$170,888</b>	<b>\$148,675</b>	<b>\$131,186</b>	<b>\$114,881</b>
<i>Diluted weighted average number of shares adjusted for 14:1 reverse split (thousands)</i>	<i>20,634</i>	<i>20,717</i>	<i>20,513</i>	<i>20,584</i>	<i>23,805</i>	<i>16,221</i>	<i>10,623</i>	<i>7,845</i>
<b>Adjusted Earnings per share</b>	<b>\$26.15</b>	<b>\$11.36</b>	<b>\$2.83</b>	<b>\$17.60</b>	<b>\$7.18</b>	<b>\$9.17</b>	<b>\$12.35</b>	<b>\$14.64</b>

# Adjusted EBITDA

## Reconciliation of Net Income to EBITDA and Adjusted EBITDA

USD thousands

Reconciliation of Net Income / (Loss) to EBITDA and Adjusted EBITDA	LTM	Three Months		Year Ended December 31,					
	Ended March 31, 2022	Ended March 31, 2022	2021	2021	2020	2019	2018	2017	
					<i>in thousands of U.S. dollars</i>				
<b>Net Income / (Loss)</b>	<b>\$1,087,526</b>	<b>\$331,465</b>	<b>\$296,780</b>	<b>\$1,052,841</b>	<b>\$153,550</b>	<b>\$131,253</b>	<b>\$(32,936)</b>	<b>\$83,905</b>	
<i>Adjustments</i>									
Depreciation	124,477	33,359	25,799	116,917	101,531	96,505	107,757	115,228	
Amortization of deferred drydocking & special survey costs	10,392	2,720	2,509	10,181	11,032	8,733	9,237	6,748	
Amortization of assumed time-charters	(44,265)	(16,651)	-	(27,614)	-	-	-	-	
Amortization of deferred realized losses on cash flow interest rate swaps	3,622	893	893	3,622	3,632	3,622	3,694	3,694	
Amortization of finance costs and debt discount	14,390	3,371	4,894	15,913	16,816	16,866	14,957	11,153	
Finance costs accrued (Exit Fees under our Bank Agreements)	15	-	134	149	522	556	2,059	3,169	
Interest Income	(10,253)	(1)	(1,978)	(12,230)	(6,638)	(6,414)	(5,781)	(5,576)	
Interest Expense	56,604	13,743	10,217	53,078	36,687	55,203	70,749	75,403	
Income taxes	18,108	12,218	-	5,890	-	-	-	-	
<b>EBITDA</b>	<b>\$1,260,616</b>	<b>\$381,117</b>	<b>\$339,248</b>	<b>\$1,218,747</b>	<b>\$317,132</b>	<b>\$306,324</b>	<b>\$169,736</b>	<b>\$293,724</b>	
<i>Adjusted for:</i>									
Stock based compensation	10,493	124	4,909	15,278	1,199	4,241	1,006	-	
Impairment loss	-	-	-	-	-	-	210,715	-	
Change in fair value of investments & dividend withholding taxes	(413,425)	(111,757)	(247,875)	(549,543)	-	-	-	-	
One-off equity gain on investments	(64,063)	-	-	(64,063)	-	-	-	-	
Gain on debt extinguishment	(111,616)	-	-	(111,616)	-	-	(116,365)	-	
Re-financing professional fees	-	-	-	-	-	-	51,313	14,297	
Accelerated amortization of accumulated other comprehensive loss	-	-	-	-	-	-	1,443	-	
Loss on sale of HMM securities	-	-	-	-	-	-	-	2,357	
<b>Adjusted EBITDA</b>	<b>\$682,005</b>	<b>\$269,484</b>	<b>\$96,282</b>	<b>\$508,803</b>	<b>\$318,331</b>	<b>\$310,565</b>	<b>\$317,848</b>	<b>\$310,378</b>	

# Free Cash Flow

## Reconciliation of Free Cash Flow to Net Increase / (Decrease) in Cash, cash equivalents and restricted cash

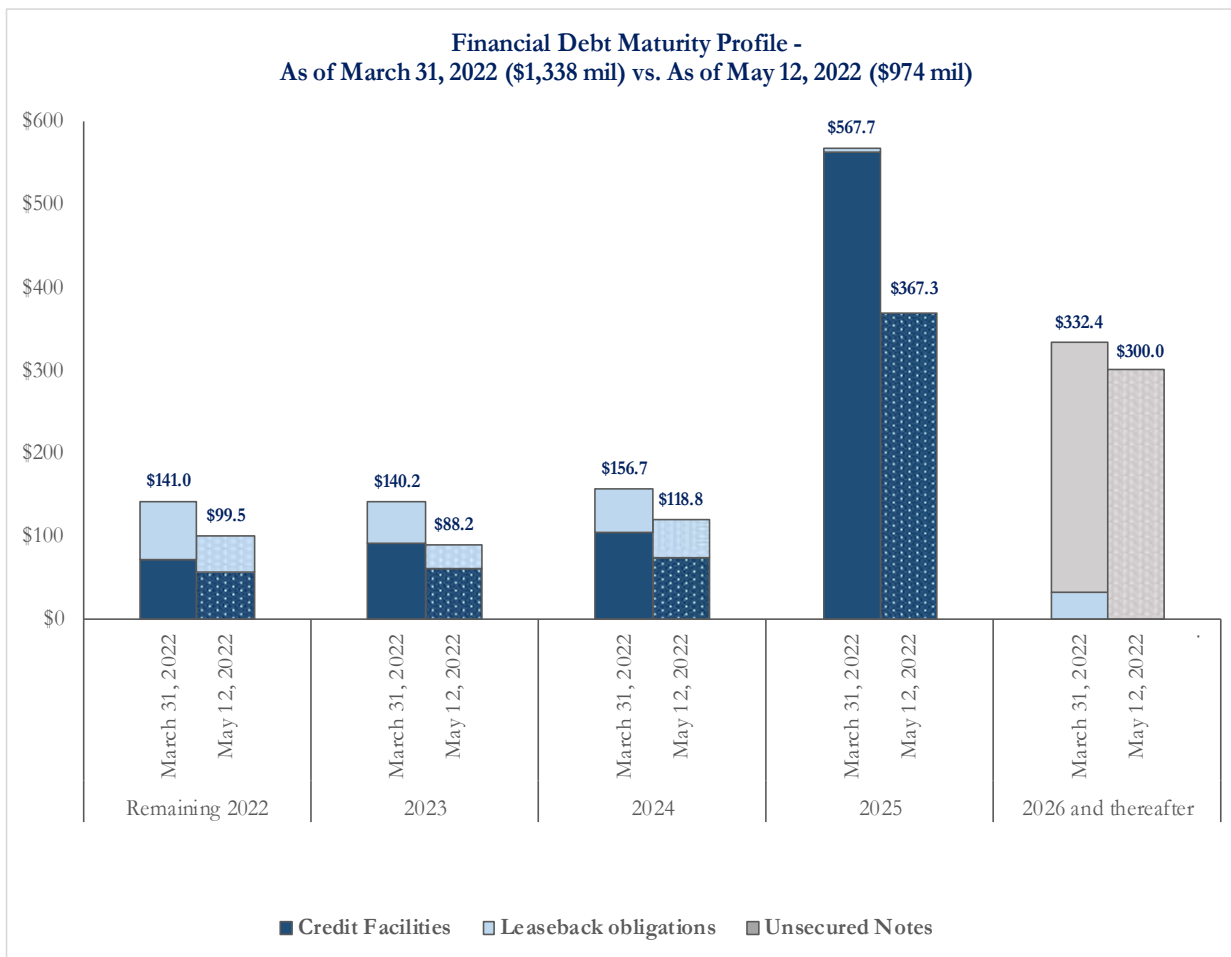
USD thousands

Reconciliation of Free Cash Flow	LTM	Three Months		Year Ended December 31,		
	Ended March 31, 2022	Ended March 31, 2022	2021	2021	2020	2019
<b>Adjusted EBITDA</b>	<b>\$682,005</b>	<b>\$269,484</b>	<b>\$96,282</b>	<b>\$508,803</b>	<b>\$318,331</b>	<b>\$310,565</b>
Net Interest Expense	(46,267)	(13,742)	(7,597)	(40,122)	(27,138)	(45,414)
Equity income on investments	(2,162)	-	(1,803)	(3,965)	(6,308)	(1,602)
Revenue recognition (non-cash)	(50,352)	(11,814)	(409)	(38,947)	(5,501)	(27,682)
Other working capital	(110,916)	(115,209)	2,692	6,985	3,211	(8,832)
Payments for dry-docking & special survey costs deferred	(12,991)	(9,255)	(907)	(4,643)	(16,916)	(7,157)
<b>Net Cash provided by Operating Activities</b>	<b>\$459,317</b>	<b>\$119,464</b>	<b>\$88,258</b>	<b>\$428,111</b>	<b>\$265,679</b>	<b>\$219,878</b>
<i>Adjust for:</i>						
Accumulated accrued interest	(7,094)	(1,435)	(4,702)	(10,361)	(25,639)	(35,358)
<b>Adjusted Operating Cash Flow</b>	<b>\$452,223</b>	<b>\$118,029</b>	<b>\$83,556</b>	<b>\$417,750</b>	<b>\$240,040</b>	<b>\$184,520</b>
<i>Less: Net Debt Payments</i>						
Payments of long-term debt	(1,296,176)	(24,300)	(71,849)	(1,343,725)	(146,747)	(262,572)
Payments of leaseback obligation	(64,176)	(16,293)	(5,916)	(53,799)	(153,904)	(8,309)
Proceeds from long-term debt to refinance existing obligations	1,105,311	-	-	1,105,311	-	-
Proceeds from sale-leaseback to refinance existing obligations	135,000	-	-	135,000	139,080	146,523
<b>Net Debt Payments Total</b>	<b>\$(120,041)</b>	<b>\$(40,593)</b>	<b>\$(77,765)</b>	<b>\$(157,213)</b>	<b>\$(161,571)</b>	<b>\$(124,358)</b>
<b>Free Cash Flow</b>	<b>\$332,182</b>	<b>\$77,436</b>	<b>\$5,791</b>	<b>\$260,537</b>	<b>\$78,469</b>	<b>\$60,162</b>
Proceeds from long-term debt	(294,386)	-	294,386	-	69,850	-
Early repayment of long-term debt	-	-	-	-	-	-
Vessels additions & advances for vessels additions	(9,752)	(2,043)	-	(7,709)	(33,094)	(18,853)
Vessel acquisitions & advances for vessel acquisitions	(346,775)	-	(1,236)	(348,011)	(137,567)	(2,507)
Advances for sale of vessels	13,000	13,000	-	-	-	-
Finance costs	(21,871)	(3,950)	(4,488)	(22,409)	(19,963)	(30,474)
Net proceeds from redemption of notes	73,254	-	2,392	75,646	-	-
Net proceeds from sale of Zim equity securities	120,704	-	-	120,704	(75)	-
Cash and restricted cash acquired from Gemini and DMS	16,222	-	-	16,222	-	-
Dividends paid	(46,422)	(15,535)	-	(30,887)	-	-
Repurchase of common stock	-	-	-	-	(31,127)	-
Share issuance costs	-	-	-	-	-	(873)
Paid-in capital	-	-	-	-	-	54,440
<b>Net Increase / (Decrease) in Cash, cash Equivalents and restricted cash</b>	<b>\$(163,844)</b>	<b>\$68,908</b>	<b>\$296,845</b>	<b>\$64,093</b>	<b>\$(73,507)</b>	<b>\$61,895</b>

# Financial Debt Maturity Profile

## Well-balanced repayment profile<sup>(1),(2)</sup>

USDm



### Credit position

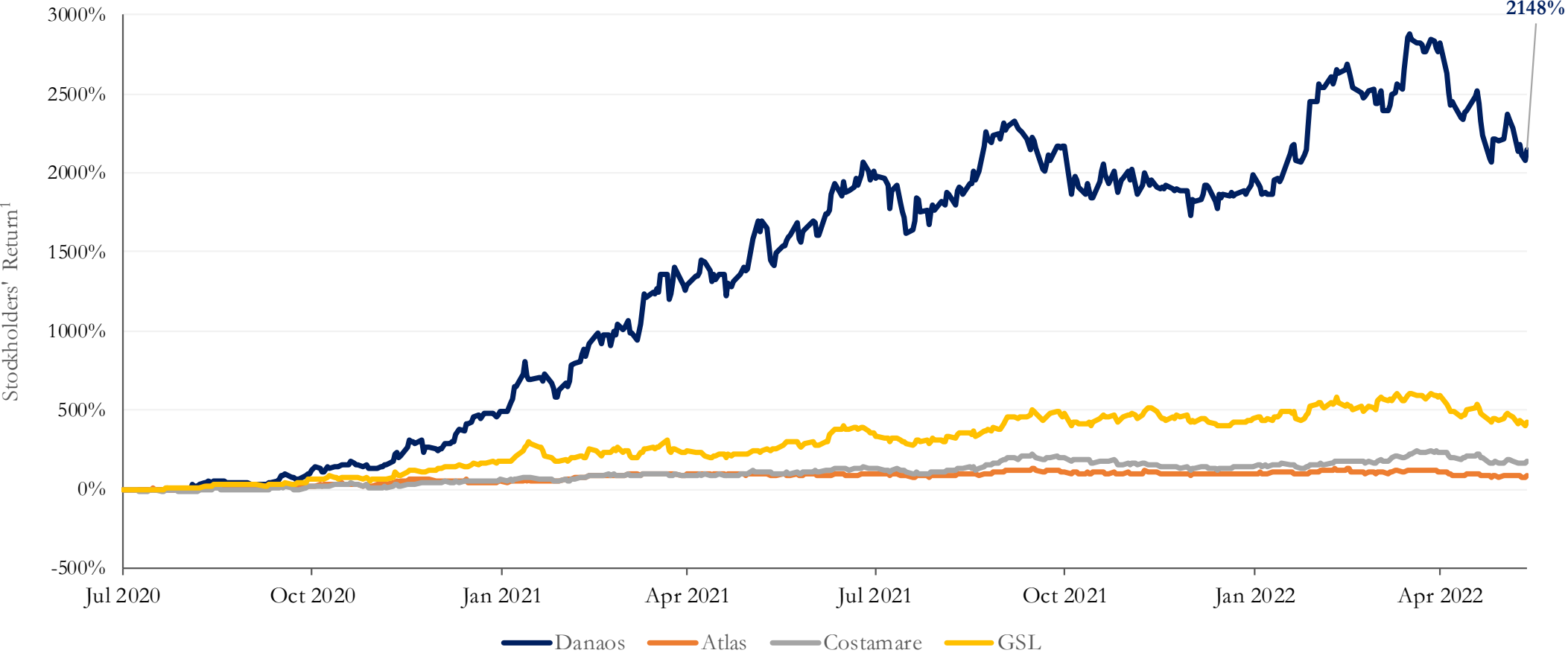
- BB- (Positive) and B1 (Positive), upgrade from B+ and B2, credit ratings from S&P and Moody's, respectively
- Liquid financial assets of \$708 million<sup>(3)</sup> as of March 31, 2022
- Early repaid \$364 million of long-term debt and leaseback obligations on May 12, 2022 and committed to early repay \$73 million of long-term debt in through Q3 2022
- Entered into a preliminary term sheet agreement for a \$130.0 million senior secured term loan facility with major financial institutions. This facility is expected to be drawn down within Q2 2022

Source: Company filings. (1) Debt obligations excluding accumulated accrued interests outstanding as of March 31, 2022. (2) Scheduled debt maturities are based on the terms of agreements as of March 31, 2022 and following early repayment of \$364 million debt on May 12, 2022 (3) Liquid financial assets include cash and cash equivalents (excluding restricted cash) ~ \$185.3 mil and fair value of equity participation in ZIM ~ \$522.6 mil (\$72.71 price, 7,186,950 shares) as of March 31, 2022.

# Stock Performance – Danaos vs. Peers



Since July 1, 2020



Source: NASDAQ

(1) Stockholders' return is a rate of return over the period from July 1, 2020 to May 13, 2022, including dividend received and reinvested at market price of each security on the date of payout.

# Thank You



**dano**