



Q3 2020 Financial Results Presentation
November 13, 2020



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Recent Developments

Quarter Highlights

- 🔥 Net Income of \$10.0 million and earnings per common unit of \$0.20;
- 🔥 Adjusted Net Income⁽¹⁾ of \$10.2 million and adjusted earnings per common unit of \$0.21;
- 🔥 Adjusted EBITDA⁽¹⁾ of \$24.2 million;
- 🔥 100% fleet utilization;
- 🔥 Cash distribution of \$0.5625 per unit on its Series A Preferred Units (NYSE: "DLNG PR A") for the period from May 12, 2020 to August 11, 2020 and \$0.546875 per unit on the Series B Preferred Units (NYSE: "DLNG PR B") for the period from May 22, 2020 to August 21, 2020.
- 🔥 Entered into an amended and restated ATM Sales Agreement, for the offer and sale of common units representing limited partnership interests, having an aggregate offering price of up to \$30.0 million and raised \$0.4 million.

Subsequent Highlights

- 🔥 Paid on November 12, 2020 cash distribution of \$0.5625 to each Series A Preferred Unit holder for the period from August 12, 2020 to November 11, 2020; and
- 🔥 Declared a cash distribution of \$0.546875 to each Series B Preferred Unit holder for the period from August 22, 2020 to November 21, 2020 which is payable on or about November 23rd.

(1) Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Common Unit and are not recognized measures under U.S. GAAP. Please refer to the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP in the Appendix.

Financial Performance Q3 2020

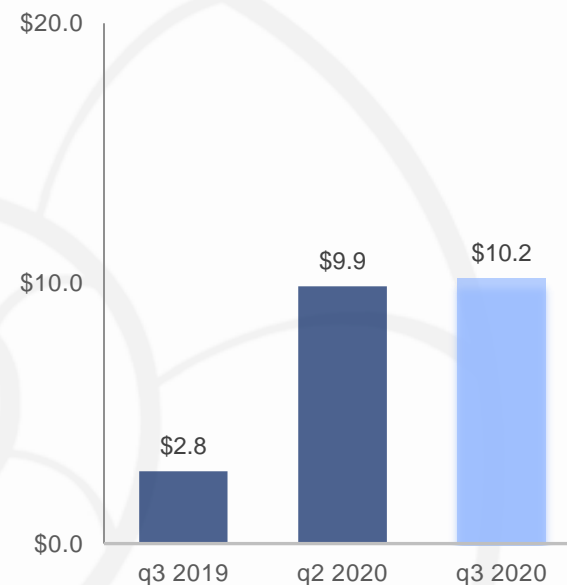
Revenues (\$m)



Adjusted EBITDA (\$m)



Adjusted Net Income (\$m)

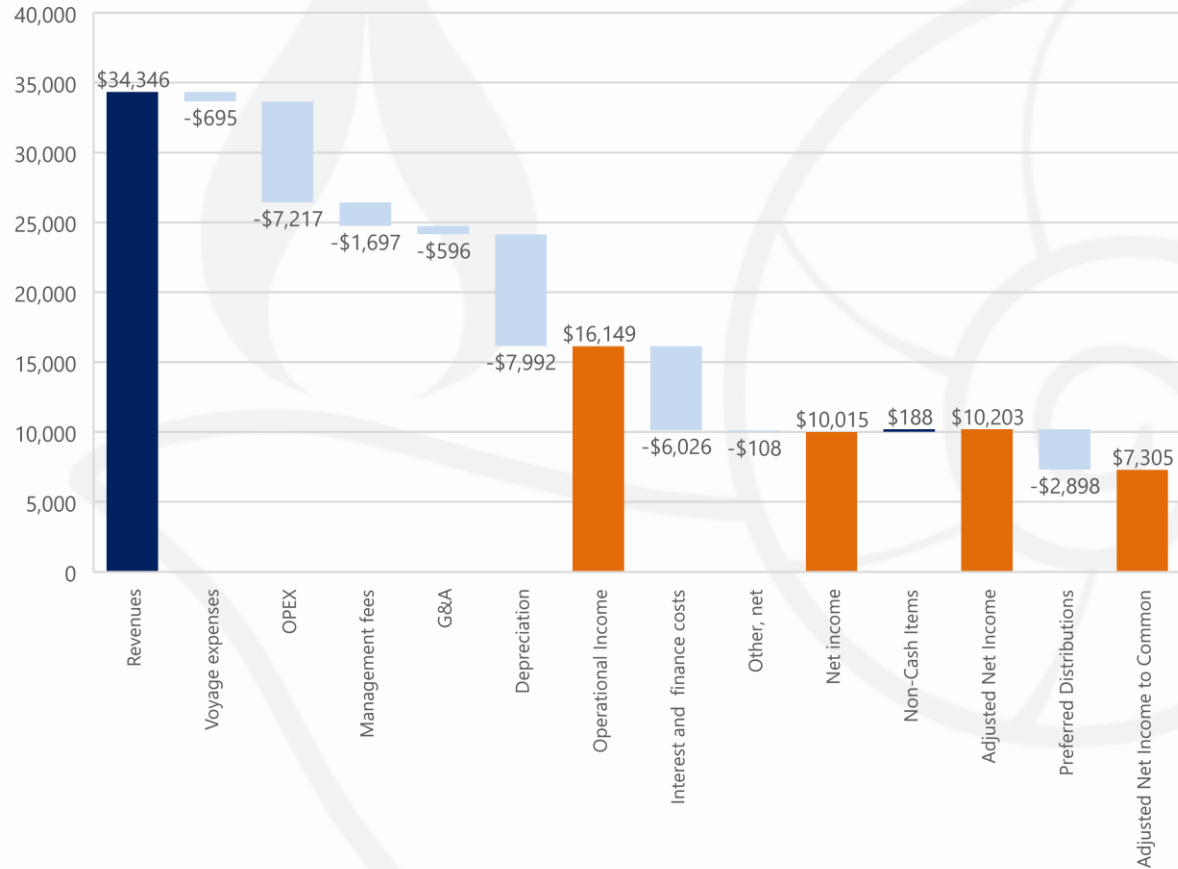


	Q3 2020	Q2 2020	Q3 2019
Average daily hire per LNG carrier ⁽¹⁾	\$62,500	\$62,200	\$62,200
Fleet utilization	100%	100%	99%
Available Days	552	546	552
Average Number of Vessels	6	6	6

(1) Average daily hire gross of commissions represents voyage revenue without taking into consideration the non-cash time charter amortization expense, divided by the Available Days in the Partnership's fleet.

Income Statement Q3 2020 Financial Highlights

Q3 2020 Income Statement (USD thousands)



Profitability stabilizing at increased levels compared to prior quarters due to reduced financing costs, 100% utilization and stable vessel operating expenses at \$13,074 per day.

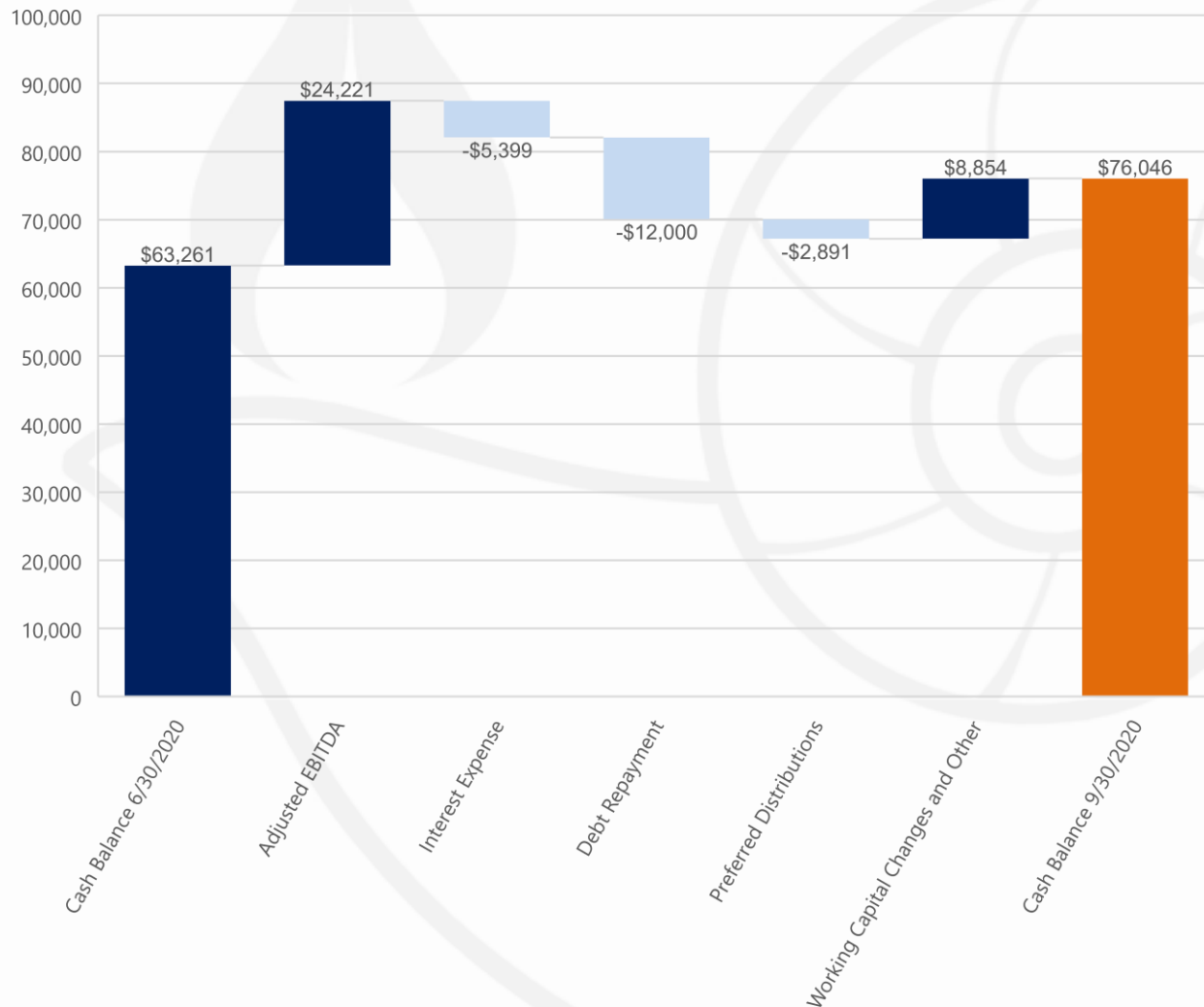
Increase in Adjusted EPU to \$0.21 per common unit in q3 2020 at similar levels from prior quarter reflective of the contracted cash flows and the predictable operating and financing costs.

Interest rate exposure hedged for the full amount of the debt outstanding through an interest rate swap.

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Adjusted EPU	(\$0.04)	(\$0.03)	(\$0.06)	\$0.00	\$0.08	\$0.12	\$0.20	\$0.21

Q3 2020 Cash Balance Highlights

Q3 2020 Change in Cash Balance⁽¹⁾ (USD thousands)



Significant portion of the Partnership's cash flow utilized to reduce leverage.

For the quarter, generated \$4m in cash after distributions to preferred unitholders, excluding working capital changes.

Significant build up in cash for the quarter due to working capital changes.

(1) Cash Balance includes \$50 million restricted cash pursuant to the terms of the \$675 million Credit Facility

Financial Data

5.7x

Q3 2020 Net Debt to LTM EBITDA

\$48 million

Annual Debt Repayments

\$13,074

Q3 2020 per day per vessel operating expenses

58%

Q3 2020 Net Debt to Total Book Cap

\$0

Committed Growth CAPEX

\$60,962

Q3 2020 Time Charter Equivalent per day per LNG Carrier

\$76 million

Cash as of September 30th (1)

100%

Q3 2020 Fleet Utilization

2022

First scheduled dry-docks for three LNG carriers

\$627 million

Debt Outstanding at 30th Sept 2020

SCHEDULED DEBT AMORTIZATION

100%

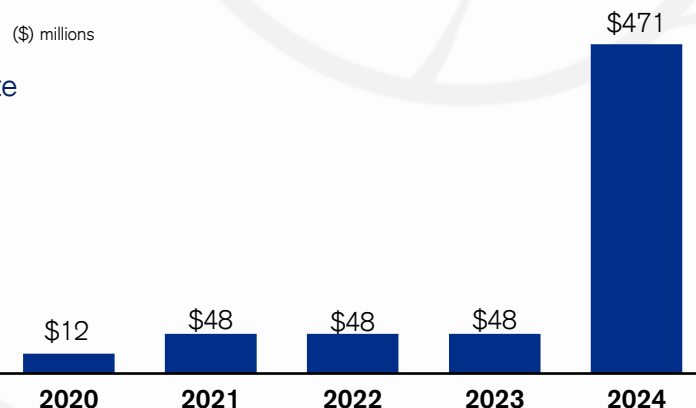
Portion of debt hedged with interest rate swaps

\$329 million

Q3 2020 Book Equity

3.41%

Fixed Interest Cost until q3 2024 (including margin) (2)



\$0.71

Projected 2020 adjusted earnings per common unit⁽³⁾

3.4x

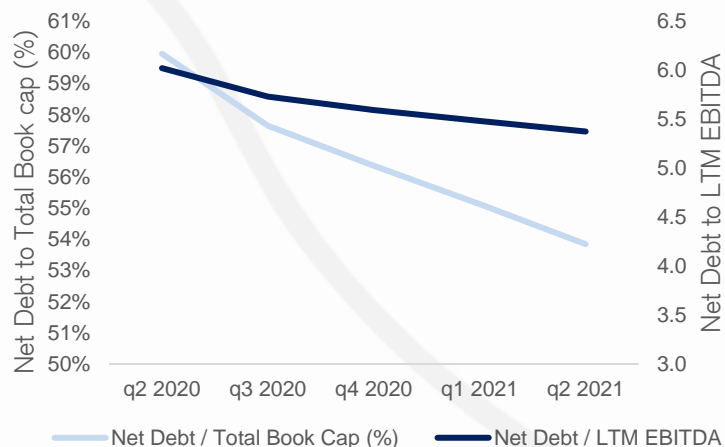
Projected 2020 P/E⁽³⁾⁽⁴⁾

(1) Including \$50 million restricted cash pursuant to the terms of the \$675 million Credit Facility
 (2) Assuming 3 Month LIBOR rates remain above 0% and the Partnership renewing the loan interest at 3 month LIBOR. The Partnership has not entered into any derivative transaction to protect against negative interest rates under the interest rate swap
 (3) Based on actual 9-month 2020 Adjusted Earnings per Common Unit of \$0.52 plus company projections of fourth quarter 2020 adjusted earnings per common unit. Assuming no common unit issuances.
 (4) Based on common unit price as of 12th November, 2020

Executing on Deleveraging Strategy

- Debt amortizing at 1.5x the rate of ship book depreciation, creating equity value and building balance sheet capacity.
- Significant deleveraging as a result of the amortization requirement on the credit facility de-risks the business with total net leverage decreasing from 5.7x to 3.5x in 2024 on a steady state basis⁽¹⁾.
- High amortization decreases cash interest expense over time allowing the company to increase its interest coverage and grow its cash balance to position itself for future growth.

Estimated Credit Metrics Trajectory⁽¹⁾



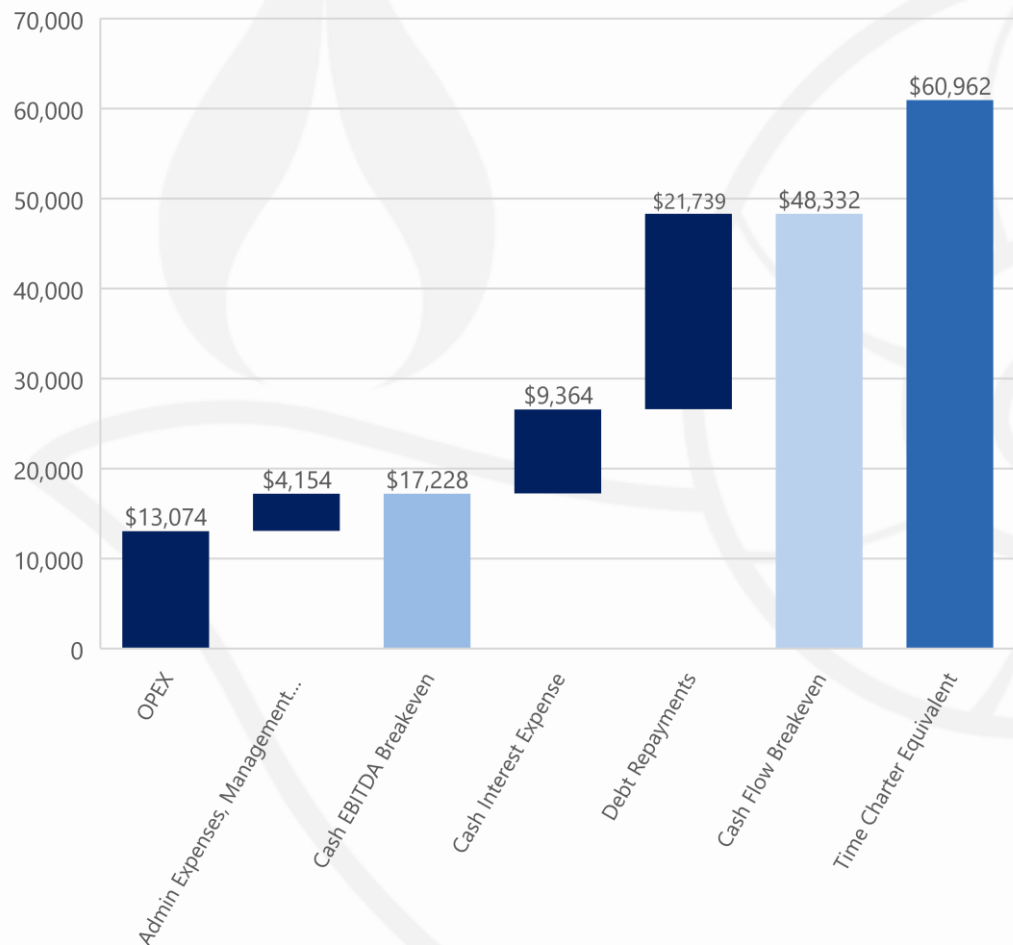
Loan Interest Rate Expense (Actual and Projected)



(1) Estimated figures based on company projections. Assumptions: 99.0% utilization, average daily per vessel operating expenses of \$13,045 per day. This estimate is subject to risks and uncertainties, including possible adjustments, and actual results may vary.

Cash Breakeven Analysis

Q3 2020 Per Day Per Vessel Cash Breakeven Levels



Attractive per vessel cash breakeven rates at below USD 49,000 per day excluding distributions to Preferred Unitholders for q3 2020.

Reallocation of cash flow towards debt repayment and lower cost of financing.

Fleet Profile

Fleet	<ul style="list-style-type: none"> 6 LNG carriers
Total cbm capacity	<ul style="list-style-type: none"> 914,100 cbm (149,700 cbm for steam turbine LNG fleet, 155,000 cbm for the tri-fuel diesel engine LNG fleet (TFDE's))
Fleet average age	<ul style="list-style-type: none"> ~10.3 years⁽¹⁾
Average remaining charter duration	<ul style="list-style-type: none"> ~7.9 years⁽¹⁾⁽²⁾
Counterparties	<ul style="list-style-type: none"> Equinor, Yamal (Total, CNPC, Silkroad Fund, Novatek), Gazprom
Total estimated contract backlog	<ul style="list-style-type: none"> \$1.15 billion⁽¹⁾⁽²⁾
Differentiation	<ul style="list-style-type: none"> Fleet has the ability to trade as conventional LNG Carriers and in ice bound areas with no cost disadvantages
Selected charterers	

(1)

As of November 12, 2020.

(2)

Does not include charterer extension options, basis earliest delivery and redelivery dates. The time charter contracts with Yamal are subject to OPEX variation. \$0.16 billion of the revenue backlog estimate relates to the estimated portion of the hire contained in the time charter contracts with Yamal which represents the operating expenses of the vessels and is subject to yearly adjustments on the basis of the actual operating costs incurred within each year.

Fleet Employment Overview

	Size	Charterer	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Clean Energy	150,000	Gazprom (Singapore)	GAZPROM																														
Ob River ⁽¹⁾	150,000	Gazprom (Singapore)	GAZPROM																														
Amur River ⁽¹⁾	150,000	Gazprom (Singapore)	GAZPROM																														
Yenisei River	155,000	Yamal LNG (Singapore)	YAMAL LNG													5yr	5yr	5yr															
Arctic Aurora	155,000	Equinor (Norway)	equinor		1+1																												
Lena River	155,000	Yamal LNG (Singapore)	YAMAL LNG													5yr	5yr	5yr															

Key Commercial Achievements

All 6 Vessels on the water are fixed on term contracts with asset strong investment grade LNG producers.

100% contracted fleet for 2020, 92% for 2021 and 83% for 2022 (basis earliest delivery)

Total estimated contract backlog of approximately \$1.15 billion⁽²⁾ ~ 8 years remaining average duration

Contracts for Yenisei River and Lena River include dry-dock and OPEX pass-through provisions

Leveraging on innovative technical solutions and in-house operations to generate long term vessel employment.

(1) Amur River and Ob River are sub-chartered to Sakhalin Energy Investment Company as the project requires ice class vessels to load cargoes during the winter season.

(2) As of November 12, 2020. \$0.16 billion of the revenue backlog estimate relates to the estimated portion of the hire contained in certain time charter contracts with Yamal which represents the operating expenses of the vessels and is subject to yearly adjustments on the basis of the actual operating costs incurred within each year.

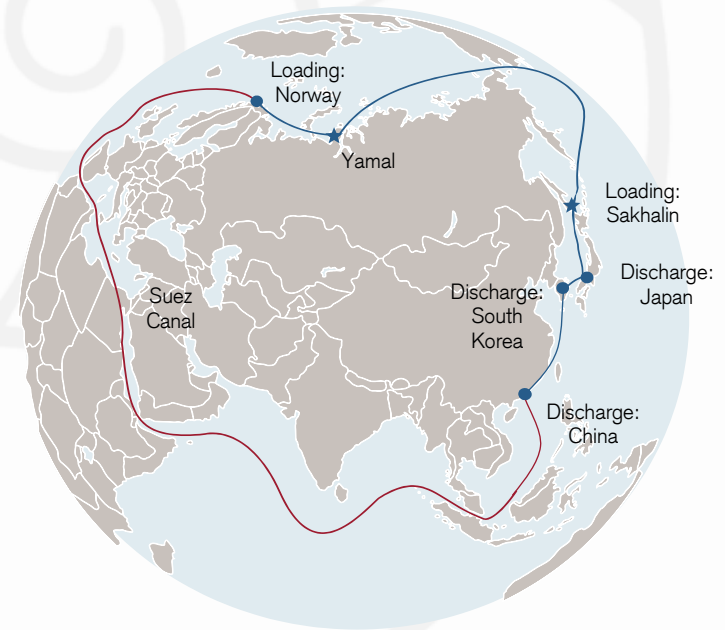
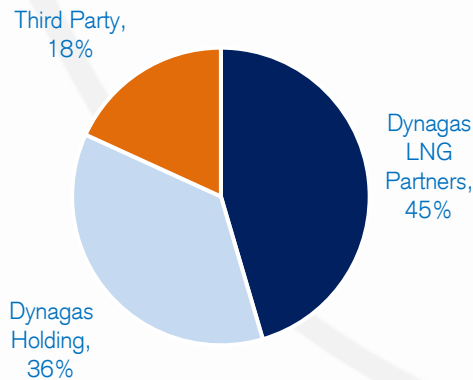
Broader Market Reach: Ice Bound and Conventional Trades

- DLNG and Dynagas Holding (Sponsor) has an 82% market share of the LNG carriers with ice class 1A FS or equivalent notations (Arc-4 LNG Carriers), which is the minimum specification required to trade the Northern Sea Route.
- Within a navigation period ranging from July to November the Arc-4 LNG carriers can transit the NSR with ice breaker assistance when required.
- Arc-4 LNG Carriers can trade as conventional LNG carriers in open water areas and in ice bound and harsh environment areas capable of withstanding temperatures as low as -30°C .
- Additional flexibility to the charterer comes at insignificant additional cost since the fuel consumption and operating expenses of the Arc-4 LNG carriers are not higher than conventional vessels

Arc-4 LNG Carriers Provide Flexibility to Charterers



Market Share Arc-4 LNG Carriers

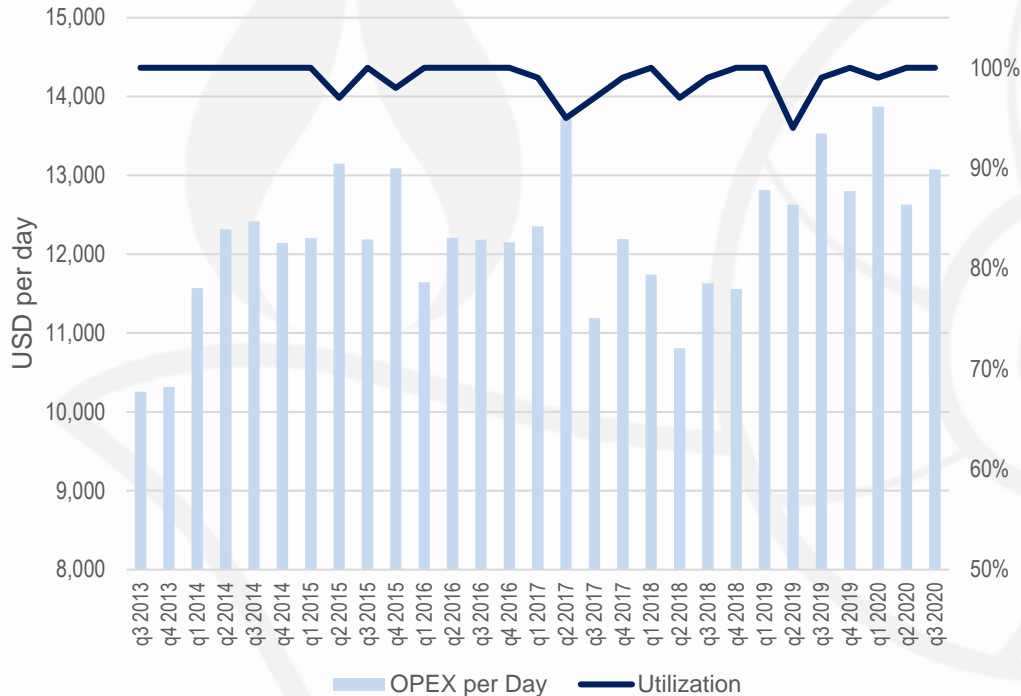






— Northern Sea route (Norway to Japan) – 6,800 miles
— Alternate route (Norway to Japan) – 12,000 miles

★ Terminals in ice bound area

Prior Quarters Operating Expenses and Utilization Rates

DLNG Utilization Rates vs. Operating Expenses



-  Stable vessel operating expenses combined with high utilization rates underpin business efficacy and profitability.
-  Managed to successfully tackle COVID-19 challenges.
-  Adherence to high operational standards.
-  Long term contracts provide for full potential economic utilization.

Summary

Long term, high quality contracts with major energy companies

Attractive Financial Profile

Leader in ice class trades and experienced operator

With a right-sized balance sheet, Partnership's platform better positioned for growth

Traditional amortizing term loan sets the Partnership on path to deleveraging and building equity cushion on a highly-predictable, contractually-structured basis

Appendix



Reconciliation of net income to adjusted Net Income and Adjusted Earnings / (loss) per Common Unit

	Three Months Ended	
	September 30,	
	2020	2019
<i>(In thousands of U.S. Dollars, except for units and per unit data)</i>		
Net Income	\$ 10,015	\$ (4,740)
Non-Cash expense from accelerated amortization of deferred loan fees	-	7,497
Amortization of Deferred Revenue	129	(36)
Amortization of Deferred Charges	54	54
Loss of derivative financial instrument	5	-
Adjusted Net Income	\$ 10,203	\$ 2,775
Less: Adjusted Net Income attributable to preferred and GP unitholders	(2,898)	(2,891)
Common unitholders' interest in Adjusted Net Income	\$ 7,305	\$ (116)
Weighted average number of common units outstanding, basic and diluted	35,593,477	35,490,000
Adjusted Earnings / (Loss) per common unit, basic and diluted	\$ 0.21	\$ -

Adjusted Net Income represents net income before non-recurring expenses (if any), charter hire amortization related to time charters with escalating time charter rates, amortization of fair value of acquired time charters and changes in the fair value of derivative financial instruments. Adjusted Net Income available to common unitholders represents the common unitholders interest in Adjusted Net Income for each period presented. Adjusted Earnings per common unit represents Adjusted Net Income attributable to common unitholders divided by the weighted average common units outstanding during each period presented.

Adjusted Net Income and Adjusted Earnings per common unit, basic and diluted, are not recognized measures under U.S. GAAP and should not be regarded as substitutes for net income and earnings per unit, basic and diluted. The Partnership's definition of Adjusted Net Income and Adjusted Earnings per common unit, basic and diluted, may not be the same as that reported by other companies in the shipping industry or other industries. The Partnership believes that the presentation of Adjusted Net Income and Adjusted earnings per unit available to common unitholders are useful to investors because they facilitate the comparability and the evaluation of companies in its industry. In addition, the Partnership believes that Adjusted Net Income is useful in evaluating its operating performance compared to that of other companies in our industry because the calculation of Adjusted Net Income generally eliminates the accounting effects of items which may vary for different companies for reasons unrelated to overall operating performance. The Partnership's presentation of Adjusted Net Income available to common unitholders and Adjusted Earnings per common unit should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items.

Reconciliation of Net income to Adjusted EBITDA

<i>(In thousands of U.S. Dollars)</i>	Three Months Ended September 30,	
	2020	2019
Net income	\$ 10,015	\$ (4,740)
Net interest and finance costs	6,026	20,851
Depreciation	7,992	7,646
Loss on derivative financial instrument	5	-
Amortization of deferred charges	129	(36)
Amortization of deferred revenue	54	54
Adjusted EBITDA	\$ 24,221	\$ 23,775

The Partnership defines Adjusted EBITDA as earnings/(losses) before interest and finance costs, net of interest income (if any), gains/losses on derivative financial instruments (if any), taxes (when incurred), depreciation and amortization (when incurred), class survey costs and significant non-recurring items (if any). Adjusted EBITDA is used as a supplemental financial measure by management and external users of financial statements, such as investors, to assess its operating performance.

The Partnership believes that Adjusted EBITDA assists its management and investors by providing useful information that increases the comparability of its performance operating from period to period and against the operating performance of other companies in its industry that provide Adjusted EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. The Partnership believes that including Adjusted EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in the Partnership and other investment alternatives and (b) monitoring its ongoing financial and operational strength.

Adjusted EBITDA is not a measure of financial performance under U.S. GAAP, does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income and these measures may vary among other companies. Therefore, Adjusted EBITDA as presented below may not be comparable to similarly titled measures of other companies.