DYNAGAS LNG Partners LP

# Q3 2023 Financial Results Presentation

8 December, 2023

# Forward Looking Statements and Disclaimer

This presentation contains certain statements that may be deemed to be "forward-looking statements" within the meaning of applicable federal securities laws. All statements included in this presentation which are not historical or current facts (including our financial forecast and any other statements concerning plans and objectives of management for future operations, cash flows, financial position and economic performance, or assumptions related thereto, including in particular, the likelihood of our success in developing and expanding our business) are forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "may," "should" and similar expressions are forward-looking statements.

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# Forward Looking Statements and Disclaimer

borrowings and to access debt and equity markets; planned capital expenditures and availability of capital resources to fund capital expenditures; our ability to maintain long-term relationships with major LNG traders; our ability to leverage our Sponsor's relationships and reputation in the shipping industry; our ability to realize the expected benefits from acquisitions; our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charters; future purchase prices of newbuildings and secondhand vessels and timely deliveries of such vessels; our ability to compete successfully for future chartering and newbuilding opportunities; acceptance of a vessel by its charterer; termination dates and extensions of charters.

Due to the ongoing Russian conflicts with Ukraine, the United States, the European Union, Canada and other Western countries and organizations have announced and enacted numerous sanctions against Russia to impose severe economic pressure on the Russian economy and government. The full impact of the commercial and economic consequences of the Russian conflict with Ukraine are uncertain at this time. Potential consequences of the sanctions that could impact the Partnership's business in the future include but are not limited to: (1) limiting and/or banning the use of the SWIFT financial and payment system that would negatively affect payments under the Partnership's existing vessel charters; (2) the Partnership's counterparties being potentially limited by sanctions from performing under its agreements; and (3) a general deterioration of the Russian economy. In addition, the Partnership may have greater difficulties raising capital in the future, which could potentially reduce the level of future investment into its expansion and operations. The Partnership cannot provide any assurance that any further development in sanctions, or escalation of the Ukraine situation more generally, will not have a significant impact on its business, financial condition or results of operations.

In addition, unpredictable or unknown factors herein also could have material adverse effects on forward-looking statements. Please read the Partnership's filings with the Securities and Exchange Commission for more information regarding these factors and the risks faced by the Partnership. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. This presentation is for informational purposes only and does not constitute an offer to sell securities of the Partnership. The Partnership expressly disclaims any intention or obligation to revise or publicly update any forward-looking statements whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary notice to recipients.

# Recent Developments

## Quarter Highlights

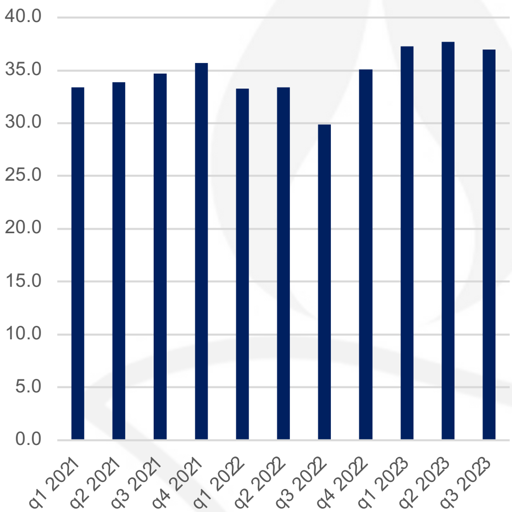
- Net income of $1.4 million and Loss per common unit (basic and diluted) of $0.04;
- Adjusted Net Income [(1)] of $3.1 million and Adjusted Earnings [(1)] per common unit (basic and diluted) of $0.01;
- Adjusted EBITDA[(1)] of $20.4 million;
- 99.8% fleet utilization;
- Completed the scheduled dry-docks of the *Yenisei River*, *Lena River* and *Arctic Aurora* including installation of ballast water treatment equipment in accordance with current regulations; and
- The Arctic Aurora was delivered to its new time charter party agreement with Equinor ASA ("Equinor") in September 2023.

(1) Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Common Unit 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..

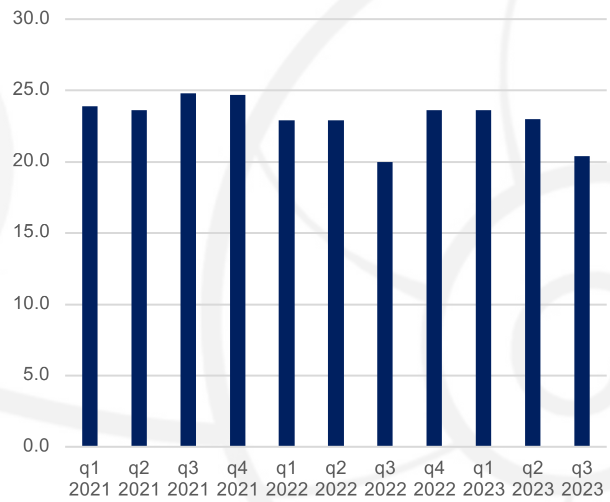
# Financial Performance

## Stable Operating and Financial Performance

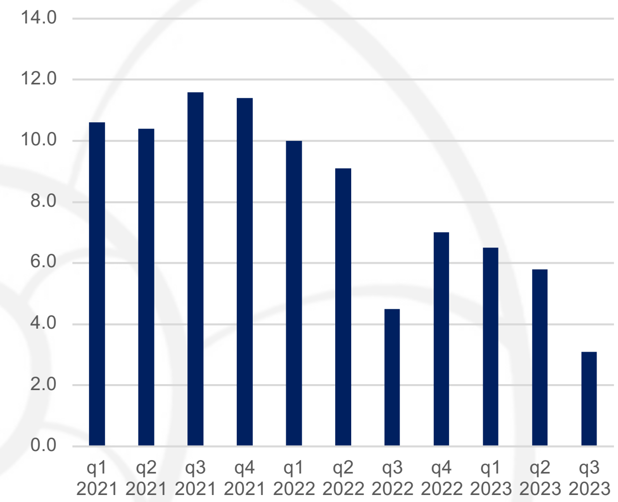
### Revenues ($m)




### Adjusted EBITDA ($m)




### Adjusted Net Income ($m)




## Q3 2023 Highlights

- Average gross daily hire $68,800 p/d per vessel;
- Vessel OPEX $19,288 p/d;
- Cash Breakeven per vessel $50,281 p/d(1) excluding dry-dock and special survey costs and distributions to preferred unitholders;
- Adjusted Net Income of $3.1 m excludes realized interest rate swap gain for the quarter of $6.5m. Including the effect of the realized gain on our interest rate swap, Adjusted Net Income and Earnings per common unit amounted to $9.6m and $0.18 respectively.

(1) Including OPEX, management fees, G&A, debt service net of interest rate swap cash receipts.

# Financial Summary

## Credit Metrics

4.1x
Q3 2023 Net Debt to LTM EBITDA

42%
Q2 2023 Net Debt to Total Book Cap

$64.9 million
Cash as of September 30th

$432.6 million
Debt Outstanding on September 30th

100%
Portion of debt hedged with interest rate swaps at a total interest cost of 3.41%(including margin)

$48 million
Annual Debt Repayments

$441 million
Q3 2023 Book Equity

## Quarterly Financials

$37.0 million
Q3 2023 voyage revenues

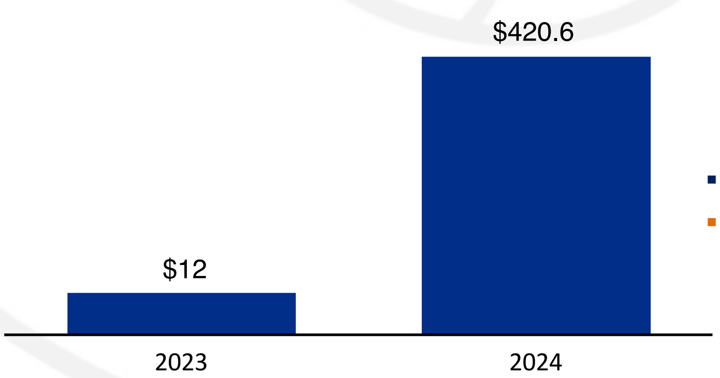
$21.8 million
Q3 2023 operating cash flow

$71,989 per day
Q3 2023 time charter equivalent

$19,288 per day
Q3 2023 OPEX

### SCHEDULED DEBT AMORTIZATION

($) millions

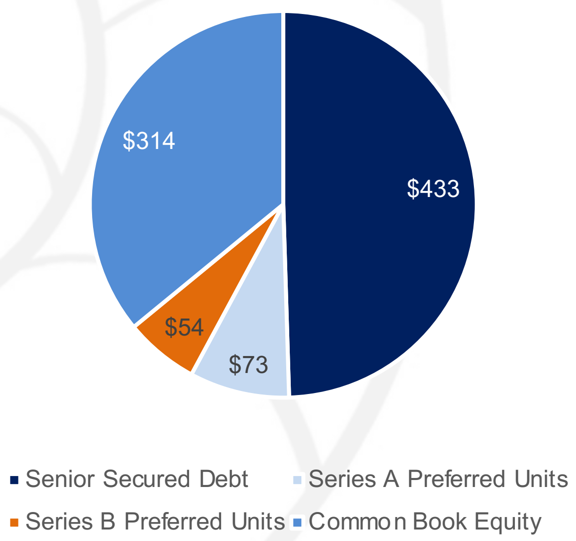



## Other

Completed 2023 Special Surveys
Arctic Aurora in September 2023
Yenisei River in August 2023[1]
Lena River in September 2023 [1]

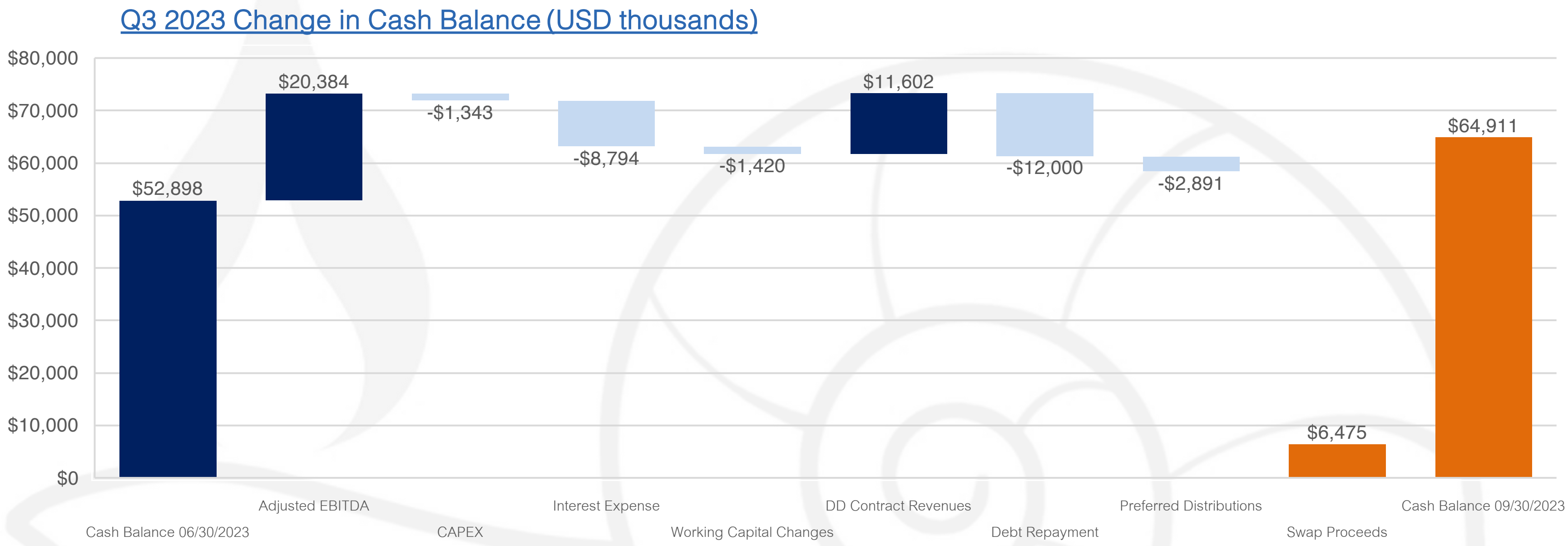
### CAPITAL STRUCTURE

($) millions

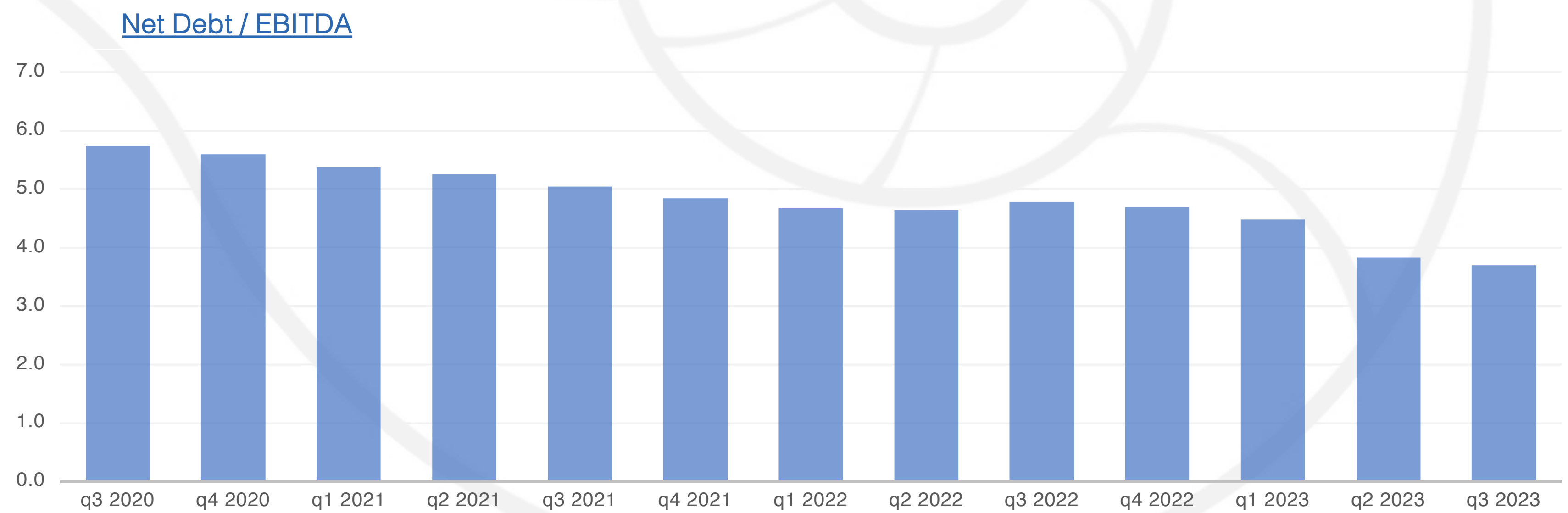



(1) The aggregate of OPEX and dry-dock costs are funded by time charterers. Vessel remains on-hire during dry-dock for up to 23 days (dry dock allowance)

# Highlights



Q3 2023 Change in Cash Balance (USD thousands)
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
$52,898
$20,384
-$1,343
-$8,794
-$1,420
$11,602
-$12,000
-$2,891
$6,475
$64,911
Cash Balance 06/30/2023
Adjusted EBITDA
CAPEX
Interest Expense
Working Capital Changes
DD Contract Revenues
Debt Repayment
Preferred Distributions
Swap Proceeds
Cash Balance 09/30/2023

Net Debt / EBITDA
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
q3 2020
q4 2020
q1 2021
q2 2021
q3 2021
q4 2021
q1 2022
q2 2022
q3 2022
q4 2022
q1 2023
q2 2023
q3 2023

# Fleet Profile

| | |
|---|---|
| **Fleet** | ■ 6 LNG carriers |
| **Total cbm capacity** | ■ 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** | ■ ~13.3 years[(1)] |
| **Average remaining charter duration** | ■ ~7.2 years[(1)(2)] |
| **Counterparties** | ■ Equinor (Norway), SEFE Marketing & Trading (Singapore), Yamal Trade (Singapore) (Total, CNPC, Silkroad Fund, Novatek), Rio Grande LNG (USA) |
| **Total estimated contract backlog** | ■ $1.16 billion[(1)(2)] |
| **Differentiation** | ■ Fleet has the ability to trade as conventional LNG Carriers and in ice bound areas with no cost disadvantages |

(1) As of 07 December 2023
(2) Does not include charterer extension options, basis earliest delivery and redelivery dates. The time charter contracts with Yamal are subject to OPEX variation. $0.12 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 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Clean Energy | 150,000 | SEFE GROUP; RIO GRANDE LNG | | SEFE (Singapore) | | | Rio Grande LNG | | | | | | | | | |
| Ob River [1] | 150,000 | SEFE GROUP | | | SEFE (Singapore) | | | | | | | | | | | |
| Amur River [1] | 150,000 | SEFE GROUP | | | SEFE (Singapore) | | | | | | | | | | | |
| Yenisei River[2] | 155,000 | YAMAL LNG | | | | | | | Yamal LNG (Singapore) | | | | | | 5+5+5 yrs | |
| Lena River[2] | 155,000 | YAMAL LNG | | | | | | | Yamal LNG (Singapore) | | | | | | | 5+5+5 yrs |
| Arctic Aurora | 155,000 | equinor; RIO GRANDE LNG | | Equinor | | | | | | Rio Grande LNG | | | | | | |

Firm charter period | Optional charter period | Available

| Key Commercial Achievements | | | | | |
|---|---|---|---|---|---|
| Key Commercial Achievements | All 6 Vessels are fixed on term contracts with asset strong LNG producers. | 100% contracted fleet for 2023, 2024,2025, 2026, and 2027 (basis earliest delivery). | Total estimated contract backlog of approximately \$1.16 billion[2] ~ 7.2 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. Chartering entity is SEFE Marketing & Trading Singapore Pte Ltd.
2. Chartering entity is Yamal Trade Pte Ltd, Singapore

# Partnership Highlights

| Current Status | Strategic Objectives | |
|---|---|---|
| Long-term, high-quality contracts with major LNG companies<br><br>Pure-play LNG shipping Partnership owning premium LNG carriers<br><br>Experienced manager (Dynagas Ltd) with leading performance track record<br><br>Consistent financial performance building equity value on a contractually structured basis<br><br>Supportive of LNG shipping fundamentals | Strengthen Balance Sheet | Since September 2019:<br>▪ Repaid $242m in debt[(1)]<br>▪ Decreased Net Leverage from 6.6x to 4.1x[(2)]<br>▪ Organically increased book equity value by 42% to $441m[(2)]<br>▪ Sustainable balance sheet, pathway to future growth |
| | Opportunities | ▪ As leverage decreases Partnership more mature to consider growth opportunities. |

(1) As of 8 December, 2023.
(2) From 31st December 2019 to 30 September 2023.

# Appendix

# Reconciliation of Net Income to adjusted Net Income and Adjusted Earnings per Common Unit

| *(In thousands of U.S. dollars except for units and per unit data)* | Three Months Ended September 30, 2023 | Three Months Ended September 30, 2022 | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---|---|---|---|---|
| Net Income | $ 1,380 | $ 7,393 | $ 25,410 | $ 42,392 |
| Amortization of deferred revenue | (2,765) | (81) | (10,062) | (240) |
| Amortization and write- off of deferred charges | 55 | 55 | 162 | 162 |
| Class survey costs net Revenues from contracts with customers | 5,658 | 7,406 | 6,048 | 12,791 |
| Loss on Debt extinguishment | — | — | 154 | — |
| Gain on derivative financial instrument | (1,195) | (10,243) | (6,218) | (31,474) |
| **Adjusted Net Income** | **$ 3,133** | **$ 4,530** | **$ 15,494** | **$ 23,631** |
| Less: Adjusted Net Income attributable to preferred unitholders and general partner | (2,903) | (2,892) | (8,691) | (8,687) |
| **Common unitholders' interest in Adjusted Net Income** | **$ 230** | **$ 1,638** | **$ 6,803** | **$ 14,944** |
| Weighted average number of common units outstanding, basic and diluted: | 36,802,247 | 36,802,247 | 36,802, 247 | 36,802,247 |
| **Adjusted Earnings per common unit, basic and diluted** | **$ 0.01** | **$ 0.04** | **$ 0.18** | **$ 0.41** |

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 deferred charges, class survey costs net of Revenues from contracts with customers and changes in the fair value of derivative financial instruments. 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 Net Income available to common unitholders divided by the weighted average common units outstanding during each period presented.

Adjusted Net Income, Net Income available to common unitholders 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 definitions of Adjusted Net Income, Net Income available to common unitholders and Adjusted Earnings per common unit, basic and diluted, may not be the same at those reported by other companies in the shipping industry or other industries. The Partnership believes that the presentation of Adjusted Net Income and Net income available to common unitholders are useful to investors because these measures facilitate the comparability and the evaluation of companies in the Partnership's industry. In addition, the Partnership believes that Adjusted Net Income is useful in evaluating its operating performance compared to that of other companies in the Partnership's 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, Net Income available to common unitholders and Adjusted Earnings per common unit does not imply, and should not be construed as an inference, that its future results will be unaffected by unusual or non-recurring items and should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with GAAP.

# Reconciliation of Net income to Adjusted EBITDA

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| *(In thousands of U.S. dollars)* | 2023 | 2022 | 2023 | 2022 |
| Net income | $ 1,380 | $ 7,393 | $ 25,410 | $ 42,392 |
| Net interest and finance costs (1) | 9,203 | 7,441 | 27,605 | 18,479 |
| Depreciation | 8,048 | 8,027 | 23,864 | 23,766 |
| Loss on Debt extinguishment | — | — | 154 | — |
| Gain on derivative financial instrument | (1,195) | (10,243) | (6,218) | (31,474) |
| Class survey costs net of Revenues from contracts with customers | 5,658 | 7,406 | 6,048 | 12,791 |
| Amortization of deferred revenue | (2,765) | (81) | (10,062) | (240) |
| Amortization and write-off of deferred charges | 55 | 55 | 162 | 162 |
| **Adjusted EBITDA** | **$ 20,384** | **$ 19,998** | **$ 66,963** | **$ 65,876** |

(1) Includes interest and finance costs and interest income, if any.

The Partnership defines Adjusted EBITDA as earnings before interest and finance costs, net of interest income (if any), gains/losses on derivative financial instruments, taxes (when incurred), depreciation and amortization (when incurred), dry-docking and special survey costs net of Revenues from contracts with customers and other 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 the Partnership's operating performance.

The Partnership believes that Adjusted EBITDA assists its management and investors by providing useful information that increases the ability to compare the Partnership's operating performance from period to period and against that 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 against companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possible changes in 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 the Partnership's ongoing financial and operational strength.

Adjusted EBITDA is not intended to and does not purport to represent cash flows for the period, nor is it presented as an alternative to operating income. Further, Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and 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 above, may not be comparable to similarly titled measures of other businesses because they may be defined or calculated differently by those other businesses. It should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with GAAP. Any non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to, GAAP measures including, but not limited to net earnings (loss), operating profit (loss), cash flow from operating, investing and financing activities, or any other measure of financial performance or liquidity presented in accordance with GAAP.