



DYNAGAS LNG Partners LP

Q4 2023 Financial Results Presentation
28 March, 2024



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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

Fourth Quarter 2023 Highlights

- 🔍 Net income of \$10.5 million and Earnings per common unit (basic and diluted) of \$0.21;
- 🔍 Adjusted Net Income⁽¹⁾ of \$10.3 million and Adjusted Earnings⁽¹⁾ per common unit (basic and diluted) of \$0.20;
- 🔍 Adjusted EBITDA⁽¹⁾ of \$27.4 million;
- 🔍 100% fleet utilization.

FY 2023 Highlights

- 🔍 Net Income and earnings per common unit (basic and diluted) of \$35.9 million and \$0.66, respectively;
- 🔍 Adjusted Net Income⁽¹⁾ of \$25.8 million and Adjusted Earnings⁽¹⁾ per common unit (basic and diluted) of \$0.39;
- 🔍 Adjusted EBITDA⁽¹⁾ of \$94.4 million;
- 🔍 97.8% fleet utilization.

Subsequent Events

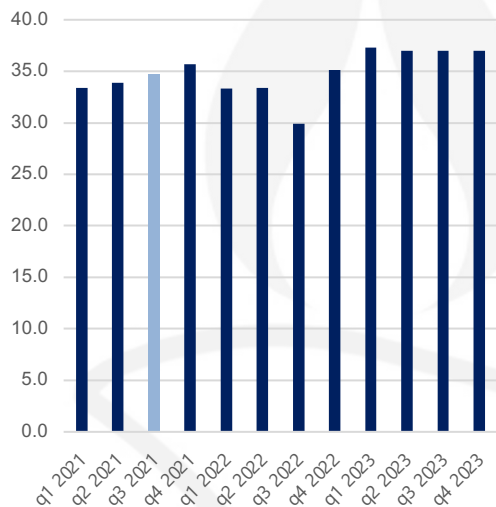
- 🔍 The Partnership has signed a term sheet with a major leasing company in Asia for the lease financing of four out of our six LNG carriers in an amount of up to \$345 million.
- 🔍 The financing has received counterparty credit approval and is subject to signing of definitive documentation and satisfaction of customary closing conditions.
- 🔍 The Partnership intends to use the proceeds from this new financing together with other sources of liquidity to fully repay the Partnership's existing secured debt which is scheduled to mature in September 2024. The transaction is expected to close in the second quarter of 2024.

(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.

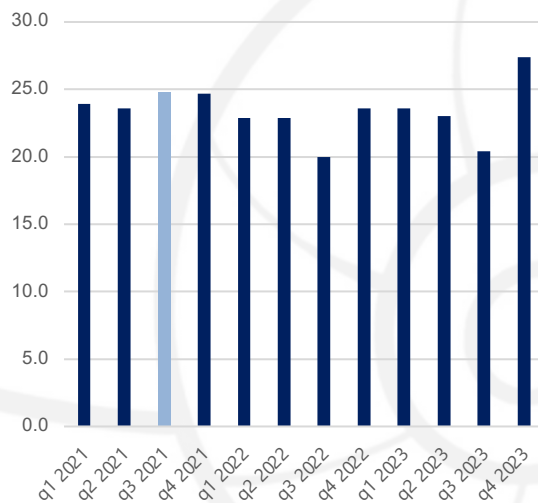
Financial Performance

Stable Operating and Financial Performance

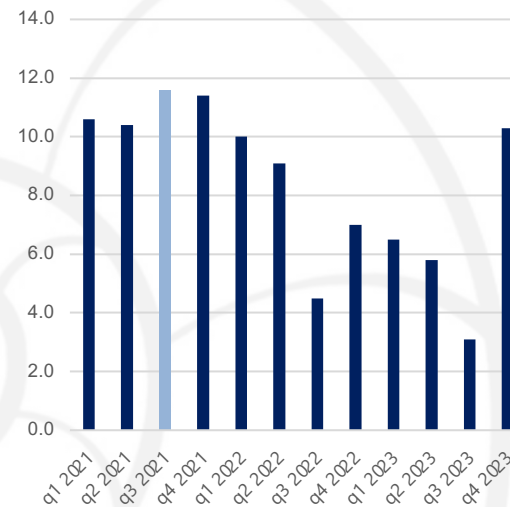
Revenues (\$m)



Adjusted EBITDA (\$m)



Adjusted Net Income (\$m)



Q4 2023 Highlights

- Average gross daily hire \$70,000 p/d per vessel;
- Vessel OPEX \$15,172 p/d;
- Cash Breakeven per vessel \$46,300 p/d⁽¹⁾;
- Adjusted Net Income of \$10.3m excludes realized interest rate swap gain for the quarter of \$6.4m. Including the effect of the realized gain on our interest rate swap, Adjusted Net Income and Earnings per common unit amounted to \$16.7m and \$0.37 respectively.

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

Financial Summary

Credit Metrics

3.7x
Q4 2023 Net Debt to LTM EBITDA

40%
Q4 2023 Net Debt to Total Book Cap

\$73.8 million
Cash as of December 31st

\$420.6 million
Debt Outstanding on December 31st

100%
Portion of debt hedged with interest rate swaps until q3 2024 at a total interest cost of 3.41%(including margin)

\$448 million
Q4 2023 Book Equity

Quarterly Financials

\$37.0 million
Q4 2023 voyage revenues

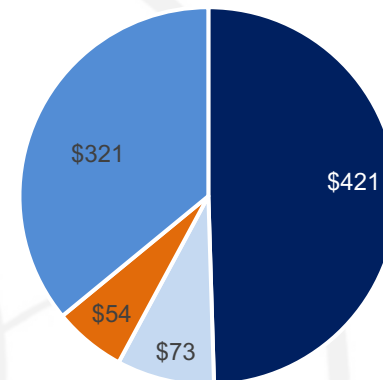
\$20.2 million
Q4 2023 operating cash flow

\$65,772 per day
Q4 2023 time charter equivalent

\$15,172 per day
Q4 2023 OPEX

Capital Structure

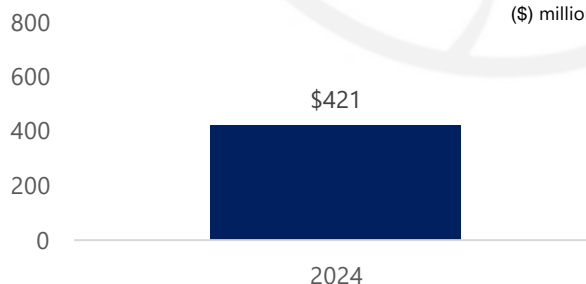
(\$ millions)



■ Senior Secured Debt
 ■ Series A Preferred Units
■ Series B Preferred Units
 ■ Common Book Equity

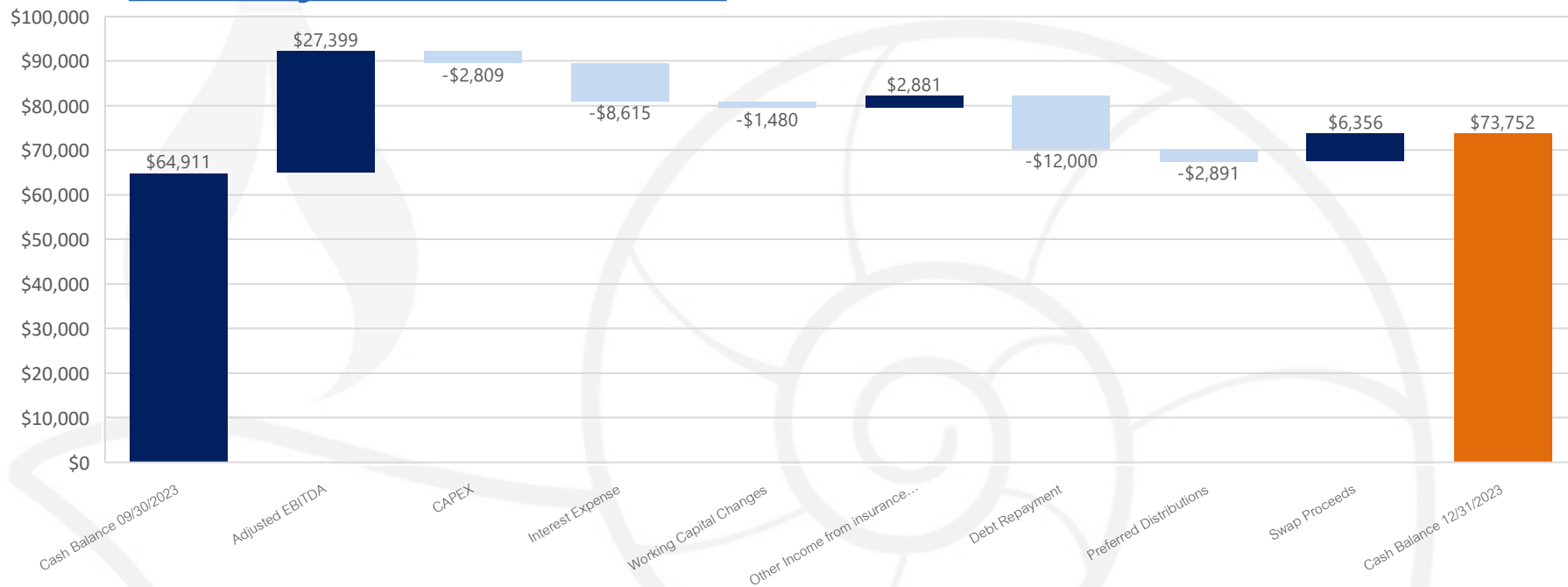
Scheduled Debt Amortization

(\$ millions)



Highlights

Q4 2023 Change in Cash Balance (USD thousands)



Net Debt / EBITDA



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	■ ~13.6 years ⁽¹⁾
Average remaining charter duration	■ ~6.9 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	■ \$1.11 billion ⁽¹⁾⁽²⁾
Differentiation	■ Fleet has the ability to trade as conventional LNG Carriers and in ice bound areas with no cost disadvantages









(1)

(2)

As of 28 March 2024

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	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Clean Energy	150,000	 	SEFE (Singapore)		Rio Grande LNG										
Ob River	150,000		SEFE (Singapore)												
Amur River	150,000		SEFE (Singapore)												
Yenisei River	155,000		Yamal LNG (Singapore)											5+5+5 yrs	
Lena River	155,000		Yamal LNG (Singapore)											5+5+5 yrs	
Arctic Aurora	155,000	 	Equinor			Rio Grande LNG									



Key Commercial Achievements	<p>All 6 Vessels are fixed on term contracts with asset strong LNG producers.</p> <p>~100% contracted fleet for 2024, 2025, 2026, and 2027 (basis earliest delivery).</p> <p>Total estimated contract backlog of approximately \$1.1 billion⁽²⁾ ~ 6.9 years remaining average duration.</p> <p>Leveraging on innovative technical solutions and in-house operations to generate long term vessel employment.</p>
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Partnership Highlights

Current Status

Long-term, high-quality contracts with major LNG companies

Pure-play LNG shipping Partnership owning premium LNG carriers

Experienced manager (Dynagas Ltd) with leading performance track record

Consistent financial performance building equity value on a contractually structured basis

Supportive of LNG shipping fundamentals

Strategic Objectives

Strengthen Balance Sheet

Since September 2019:

- Repaid \$254.4m in debt⁽¹⁾
- Decreased Net Leverage from 6.6x to 3.7x⁽²⁾
- Organically increased book equity value by 44% to \$448m⁽²⁾
- Sustainable balance sheet, pathway to future growth

Opportunities

- As leverage decreases Partnership more mature to consider growth opportunities.

(1) As of 28 March, 2024.
(2) As of 31 December 2023.

Appendix



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

	Three Months Ended			
	December 31,		Year Ended	December 31,
	2023	2022	2023	2022
<i>(In thousands of U.S. dollars except for units and per unit data)</i>				
Net Income	\$ 10,462	\$ 11,618	\$ 35,872	\$ 54,010
Amortization of deferred revenue	1,719	(435)	(8,343)	(675)
Amortization and write-off of deferred charges	54	54	216	216
Dry-docking and special survey costs	—	—	6,048	12,791
(Gain)/ Loss on Debt Extinguishment	—	(2,072)	154	(2,072)
(Gain)/ Loss on derivative financial instrument	951	(2,181)	(5,267)	(33,655)
Other Income	(2,881)	—	(2,881)	—
Adjusted Net Income	\$ 10,305	\$ 6,984	\$ 25,799	\$ 30,615
Less: Adjusted Net Income attributable to preferred unitholders and general partner	(2,898)	(2,895)	(11,577)	(11,582)
Net Income available to common unitholders	\$ 7,407	\$ 4,089	\$ 14,222	\$ 19,033
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	\$ 0.20	\$ 0.11	\$ 0.39	\$ 0.52

Adjusted Net Income represents net income before non-recurring expenses (if any), charter hire amortization related to time charters with escalating time charter rates 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

<i>(In thousands of U.S. dollars)</i>	Three Months Ended		December	Year Ended	
	31,			December 31,	
	2023	2022		2023	2022
Net income	\$ 10,462	\$ 11,618		\$ 35,872	\$ 54,010
Net interest and finance costs ⁽¹⁾	9,012	8,603		36,617	27,082
Depreciation	8,082	8,040		31,946	31,806
(Gain)/ Loss on Debt Extinguishment	—	(2,072)		154	(2,072)
(Gain)/ Loss on derivative financial instrument	951	(2,181)		(5,267)	(33,655)
Dry-docking and special survey costs	—	—		6,048	12,791
Amortization of deferred revenue	1,719	(435)		(8,343)	(675)
Amortization and write-off of deferred charges	54	54		216	216
Other Income ⁽²⁾	(2,881)	—		(2,881)	—
Adjusted EBITDA	\$ 27,399	\$ 23,627		\$ 94,362	\$ 89,503

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

⁽²⁾ Includes other income from insurance claims for damages incurred in prior years.

The Partnership defines Adjusted EBITDA as earnings before interest and finance costs, net of interest income (if any), unrealised gains/losses on derivative financial instruments, 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 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 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 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.