



DYNAGAS LNG Partners LP

Q3 2021 Financial Results Presentation
19 November, 2021



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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 \$11.3 million and earnings per common unit of \$0.23;
- 🌀 Adjusted Net Income⁽¹⁾ of \$11.6 million and adjusted earnings per common unit of \$0.24;
- 🌀 Adjusted EBITDA⁽¹⁾ of \$24.8 million;
- 🌀 100% fleet utilization;
- 🌀 Declared and paid cash distribution of \$0.5625 per unit on its Series A Preferred Units (NYSE: "DLNG PR A") for the period from May 12, 2021 to August 11, 2021 and \$0.546875 per unit on the Series B Preferred Units (NYSE: "DLNG PR B") for the period from May 22, 2021 to August 21, 2021;
- 🌀 The LNG carrier Arctic Aurora was delivered to Equinor to commence its new time charter on September 15, 2021 immediately upon expiration of the previous charter party with Equinor, resulting in no lapse in time between the previous and the current time charters.

Subsequent Highlights

- 🌀 Declared a quarterly cash distribution of \$0.5625 on the Series A Preferred Units for the period from August 12, 2021 to November 11, 2021, which was paid on November 12, 2021 to all preferred Series A unit holders of record as of November 5, 2021;
- 🌀 Declared a quarterly cash distribution of \$0.546875 on the Series B Preferred Units for the period from August 22, 2021 to November 21, 2021, which is payable on November 22, 2021 to all preferred Series B unit holders of record as of November 15, 2021.

(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 2021

Revenues (\$m)



Adjusted EBITDA (\$m)



Adjusted Net Income (\$m)



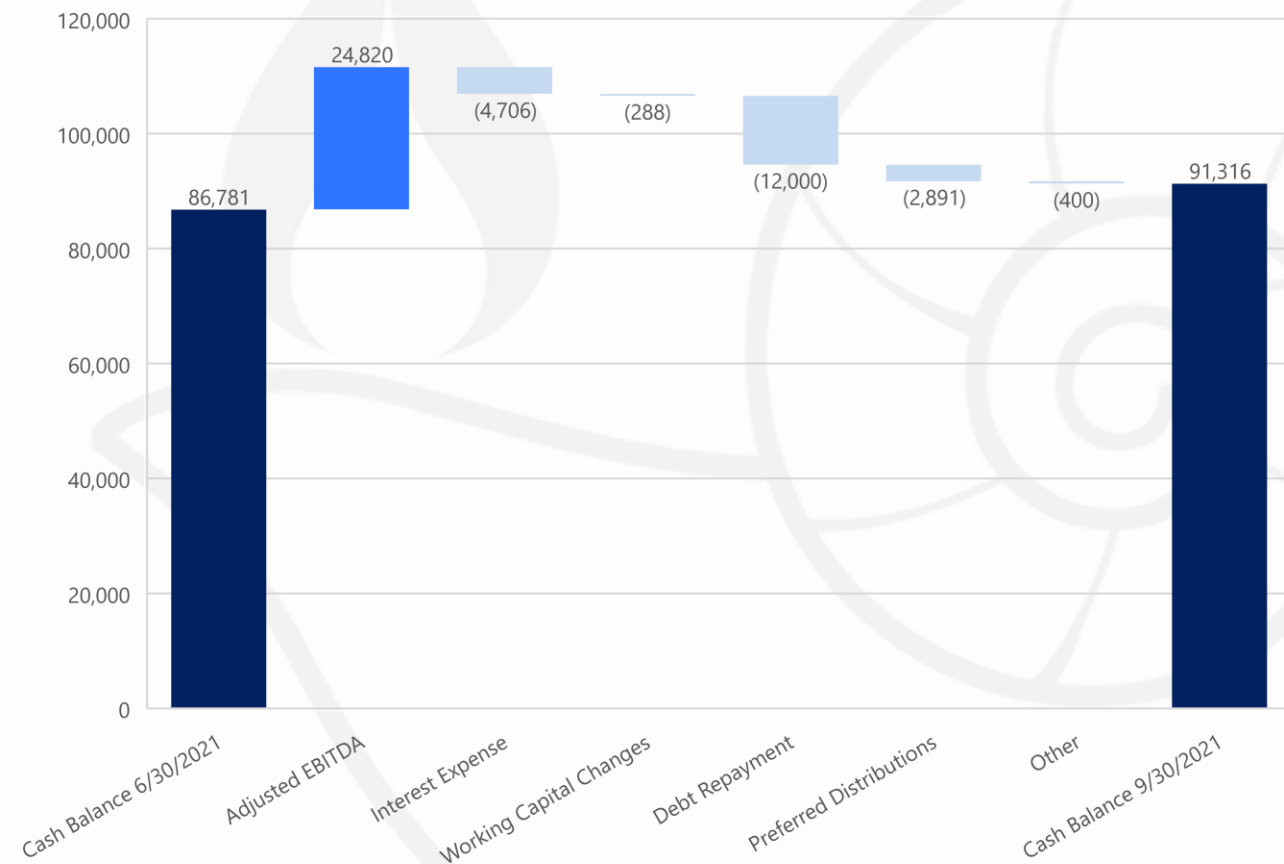
	Q3 2021	Q2 2021	Q3 2020
Average daily hire per LNG carrier ⁽¹⁾	\$62,800	\$62,440	\$62,500
Fleet utilization	100%	100%	100%
Available Days	552	546	552
Average Number of Vessels	6	6	6

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Adjusted EPU	\$0.00	\$0.08	\$0.12	\$0.20	\$0.21	\$0.22	\$0.21	\$0.20	\$0.24

(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.

Q3 2021 Cash Balance Highlights

Q3 2021 Change in Cash Balance⁽¹⁾ (USD thousands)



67% of Adjusted EBITDA utilized to service principal and interest.

Operating cash flow of \$19.8m including working capital changes.

Cash flow after debt service and distributions to preferred unitholders (excluding working capital and other changes) of \$5.2m.

After working capital and other changes, cash balance for the quarter increased by \$4.5m.

Stability underpinned by contracted cash flow, full utilization and stable operating and financing expenses.

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

Financial Data

5x

Q3 2021 Net Debt to LTM EBITDA

\$48 million

Annual Debt Repayments

\$12,641

Q2 2021 per day per vessel operating expenses

52%

Q3 2021 Net Debt to Total Book Cap

\$0

Committed Growth CAPEX

\$61,529

Q2 2021 Time Charter Equivalent per day per LNG Carrier

\$91 million

Cash as of September 30th ⁽¹⁾

100%

Q3 2021 Fleet Utilization

2022

First scheduled dry-docks for three LNG carriers

\$579 million

Debt Outstanding at September 30th

SCHEDULED DEBT AMORTIZATION

(\$ millions)

100%

Portion of debt hedged with interest rate swaps

\$367 million

Q3 2021 Book Equity

3.41%

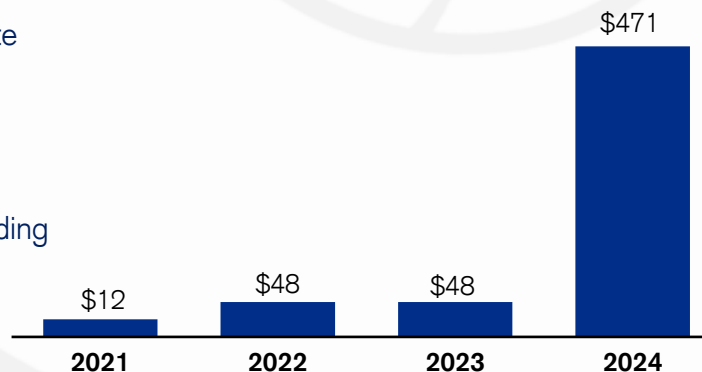
Fixed Interest cost until q3 2024 (including margin) ⁽²⁾

\$0.24

Q3 2021 adjusted earnings per common unit

3.6x

Annualized Q3 2021 P/E⁽³⁾



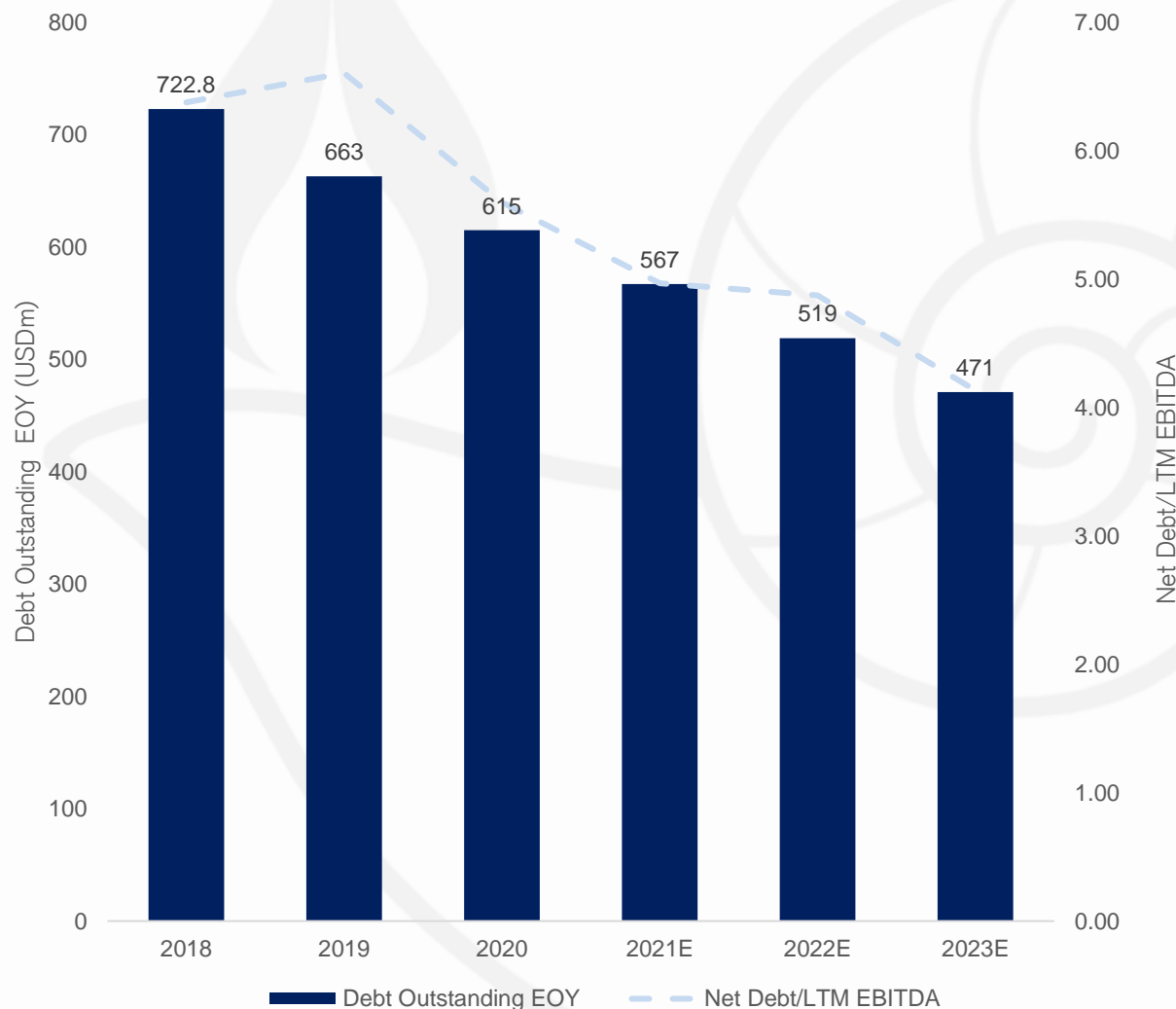
(1) Including \$50 million restricted cash pursuant to the terms of the \$675 million Credit Facility

(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 common unit price as of 18 November, 2021

Executing on Deleveraging Strategy

Estimated Credit Metrics: Significant de-leveraging over time⁽¹⁾



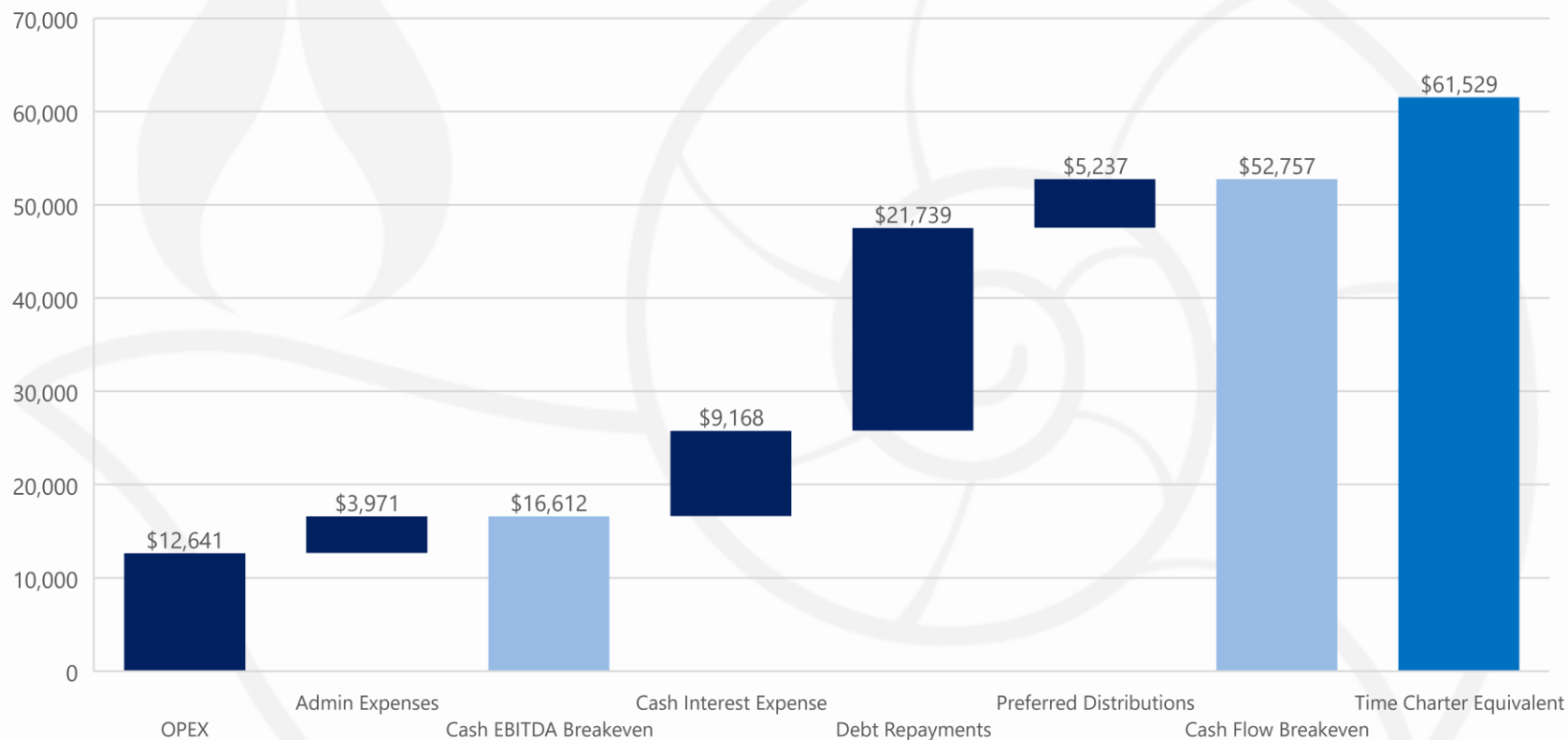
Significant deleveraging as a result of the amortization requirement on the current credit facility.

Total net leverage expected to decrease from 5x as of September 30th to 4.1x end 2023 on a steady state basis⁽¹⁾.

(1) Estimated figures based on company projections. Assumptions: 99.0% utilization, average daily per vessel operating expenses of \$13,608 per day, assuming Arctic Aurora chartered out at similar charter rate in 2023. This estimate is subject to risks and uncertainties, including possible adjustments, and actual results may vary.

Cash Breakeven Analysis

Q3 2021 Per Day Per Vessel Cash Breakeven Levels



Competitive cash EBITDA breakeven.



Attractive per vessel cash breakeven rates at \$47,500 per day excluding distributions to Preferred Unitholders.

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	■ ~11.3 years ⁽¹⁾
Average remaining charter duration	■ ~7.2 years ⁽¹⁾⁽²⁾
Counterparties	■ Equinor, Yamal (Total, CNPC, Silkroad Fund, Novatek), Gazprom
Total estimated contract backlog	■ \$1.06 billion ⁽¹⁾⁽²⁾
Differentiation	■ Fleet has the ability to trade as conventional LNG Carriers and in ice bound areas with no cost disadvantages
Selected charterers	

(1)
(2)

As of 18 November, 2021.

Does not include charterer extension options, basis earliest delivery and redelivery dates. The time charter contracts with Yamal are subject to OPEX variation. \$0.15 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	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)																														
Ob River ⁽¹⁾	150,000	Gazprom (Singapore)																														
Amur River ⁽¹⁾	150,000	Gazprom (Singapore)																														
Yenisei River	155,000	Yamal LNG (Singapore)														5yr			5yr			5yr										
Arctic Aurora	155,000	Equinor (Norway)																														
Lena River	155,000	Yamal LNG (Singapore)														5yr			5yr			5yr										

	Firm charter period		Optional charter period		Available
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Key Commercial Achievements

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

100% contracted fleet for 2021, 2022 and 96% for 2023 (basis earliest delivery)

Total estimated contract backlog of approximately \$1.06 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⁾ 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 18 November, 2021. \$0.15 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.

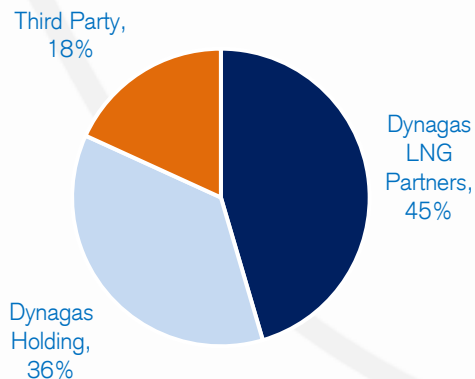
Broader Market Reach: Ice Bound and Conventional Trades

- DLNG and Dynagas Holding (Sponsor) have an 82% market share of the LNG carriers with ice class 1A FS or equivalent notations (Arc-4 LNG Carriers).
- 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 similar to 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

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 future 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 per Common Unit

	Three Months Ended September 30,	
	2021	2020
<i>(In thousands of U.S. Dollars, except for units and per unit data)</i>		
Net Income	\$ 11,339	\$ 10,015
Amortization of Deferred Revenue	(27)	129
Amortization of Deferred Charges	54	54
Loss of derivative financial instrument	188	5
Adjusted Net Income	\$ 11,554	\$ 10,203
Less: Adjusted Net Income attributable to preferred and GP unitholders	(2,899)	(2,898)
Common unitholders' interest in Adjusted Net Income	\$ 8,655	\$ 7,305
Weighted average number of common units outstanding, basic and diluted	36,802,247	35,593,477
Adjusted Earnings per common unit, basic and diluted	\$ 0.24	\$ 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 at 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,	
		2021	2020
Net income	\$	11,339	\$ 10,015
Net interest and finance costs		5,274	6,026
Depreciation		7,992	7,992
Loss on derivative financial instrument		188	5
Amortization and write-off of deferred charges		54	54
Amortization of deferred revenue		(27)	129
Adjusted EBITDA	\$	24,820	\$ 24,221

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.