

DYNAGAS LNG PARTNERS LP REPORTS RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2020

ATHENS – March 16, 2021 – Dynagas LNG Partners LP (NYSE: “DLNG”) (“Dynagas Partners” or the “Partnership”), an owner and operator of liquefied natural gas (“LNG”) carriers, today announced its results for the three months and year ended December 31, 2020.

Fourth Quarter Highlights:

- 🌀 Net income and earnings per common unit of \$10.6 million and \$0.22, respectively;
- 🌀 Adjusted Net Income⁽¹⁾ of \$10.7 million and Adjusted Earnings per common unit of \$0.22;
- 🌀 Adjusted EBITDA⁽¹⁾ of \$24.4 million;
- 🌀 100% fleet utilization; and
- 🌀 Declared and paid cash distribution of \$0.5625 per unit on its Series A Preferred Units (NYSE: “DLNG PR A”) for the period from August 12, 2020 to November 11, 2020 and \$0.546875 per unit on the Series B Preferred Units (NYSE: “DLNG PR B”) for the period from August 22, 2020 to November 21, 2020.

Subsequent Events:

- 🌀 Declared a quarterly cash distribution of \$0.5625 on the Partnership’s Series A Preferred Units for the period from November 12, 2020 to February 11, 2021, which was paid on February 12, 2021;
- 🌀 Declared a quarterly cash distribution of \$0.546875 on the Partnership’s Series B Preferred Units for the period from November 22, 2020 to February 21, 2021, which was paid on February 22, 2021; and
- 🌀 Sold \$0.83 million of common units at an average price per unit of \$2.9758 pursuant to the A&R Sales Agreement (as defined below), which has \$29.2 million of remaining availability for future repurchases.
- 🌀 In March 2021, the Partnership entered into a new master management agreement (the “Master”) with Dynagas Ltd. (the “Manager”), which includes a new standard set of terms for technical and commercial management services (“Standard Management Terms”) for the Partnership’s six vessels effective as from January 1, 2021. This agreement amends, restates and supersedes the previous technical and commercial management agreements and reduces the technical management fees payable from \$3,167 per day per vessel to \$2,750 per day per vessel commencing on January 1, 2021.

⁽¹⁾ Adjusted Net Income, Adjusted Earnings per common unit, and Adjusted EBITDA are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP and other related information.

CEO Commentary:

We are pleased to report the results for the three months and full year ended December 31, 2020.

All six LNG carriers in our fleet are operating under their respective long-term charters with international gas producers with an average remaining contract term of 7.5 years. Our estimated contracted revenue backlog is approximately \$1.1 billion. Absent any unforeseen events or unscheduled dry dockings the earliest contracted re-delivery date for any of our six LNG carriers is in the third quarter of 2021 (the *Arctic Aurora*), with the next carrier (the *Clean Energy*) becoming available for re-chartering in the first quarter of 2026. The current short term market for LNG shipping is challenging, however, we believe this market will improve going into the second half of the year driven by seasonal demand.

For the fourth quarter of 2020, we reported Net Income of \$10.6 million, earnings per common unit of \$0.22, and Adjusted EBITDA of \$24.4 million. This improved performance is attributable to an increase in voyage revenues and a decrease in interest and finance costs compared to the corresponding period in 2019, coupled with stable vessel operating expenses during this period.

Despite the ongoing operational challenges, the industry is facing as a result of the COVID-19 outbreak, we are pleased to report 100% utilization for our fleet for the fourth quarter of 2020. The ongoing impact of the COVID-19 outbreak has been operationally manageable due to our manager's COVID-19 response plan which has been implemented with the support of our seafarers, charterers, and employees, for which we are grateful.

Subsequent to the quarter, we entered into an amended and restated agreement with our manager under which the technical management fee was reduced by 13%, which is equivalent to USD 417 per vessel per day effective from January 1, 2021.

Going forward, we intend to continue our strategy of using our cash flow generation to deleverage our balance sheet and reinforce our liquidity so as to build equity value over time. This, we believe, will enhance our ability to pursue future growth initiatives.



Financial Results Overview:

	Three Months Ended		Year Ended	
	December 31, 2020 (unaudited)	December 31, 2019 (unaudited)	December 31, 2020 (unaudited)	December 31, 2019 (audited)
<i>(U.S. dollars in thousands, except per unit data)</i>				
Voyage revenues	\$ 34,435	\$ 34,317	\$ 137,165	\$ 130,901
Net Income	\$ 10,643	\$ 5,529	\$ 34,052	\$ 3,613
Adjusted Net Income ⁽¹⁾	\$ 10,656	\$ 5,637	\$ 37,817	\$ 10,914
Operating income	\$ 16,246	\$ 15,953	\$ 64,264	\$ 59,916
Adjusted EBITDA ⁽¹⁾	\$ 24,360	\$ 23,991	\$ 96,451	\$ 90,357
Earnings/ (Loss) per common unit	\$ 0.22	\$ 0.07	\$ 0.63	\$ (0.22)
Adjusted Earnings/ (Loss) per common unit ⁽¹⁾	\$ 0.22	\$ 0.08	\$ 0.74	\$ (0.02)

⁽¹⁾ Adjusted Net Income, Adjusted EBITDA, and Adjusted Earnings/(Loss) per common unit are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Three Months Ended December 31, 2020 and 2019 Financial Results

Net Income for the three months ended December 31, 2020 was \$10.6 million as compared to a Net Income of \$5.5 million in the corresponding period of 2019, which represents an increase of \$5.1 million, or 92.7%. This increase was mainly attributable to a decrease in interest and finance costs in the three months ended December 31, 2020, as further analyzed below.

Adjusted Net Income for the three months ended December 31, 2020 was \$10.7 million compared to \$5.6 million in the corresponding period of 2019, representing a net increase of \$5.1 million or 91.1%.

Voyage revenues for the three-month periods ended December 31, 2020 and 2019 were \$34.4 million and \$34.3 million, respectively.

The Partnership reported average daily hire gross of commissions⁽¹⁾ of approximately \$62,700 per day per vessel in the three-month period ended December 31, 2020, compared to approximately \$62,200 per day per vessel in the corresponding period of 2019. During both three-month periods ended December 31, 2020 and December 31, 2019, the Partnership's vessels operated at 100% utilization.

Vessel operating expenses were \$7.1 million, which corresponds to a daily rate per vessel of \$12,940 in the three-month period ended December 31, 2020, as compared to \$7.1 million, or a daily rate per vessel of \$12,799 in the corresponding period of 2019.

Adjusted EBITDA for the three months ended December 31, 2020 was \$24.4 million, as compared to \$24.0 million for the corresponding period of 2019, which corresponds to an increase of \$0.4 million, or 1.7%.



Interest and finance costs, net, were \$5.7 million in the three months ended December 31, 2020 as compared to \$10.4 million in the corresponding period of 2019, which represents a decrease of \$4.7 million, or 45.2%. The decrease in interest and finance costs is mainly due to the lower weighted average interest rate and the reduction in the average interest bearing debt.

For the three months ended December 31, 2020, the Partnership reported basic and diluted both Earnings per common unit and Adjusted Earnings per common unit of \$0.22, after taking into account the distributions relating to the Series A Preferred Units and the Series B Preferred Units on the Partnership's Net income/Adjusted Net Income. Earnings per common unit and Adjusted Earnings per common unit, basic and diluted, are calculated on the basis of a weighted average number of 35,612,580 common units outstanding during the period and in the case of Adjusted Earnings per common unit after reflecting the impact of the non-cash items presented in Appendix B of this press release.

Adjusted Net Income, Adjusted EBITDA and Adjusted Earnings/ (Loss) per common unit are not recognized measures under U.S. GAAP. Please refer to Appendix B of this press release for the definitions and reconciliation of these measures to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

Amounts relating to variations in period-on-period comparisons shown in this section are derived from the condensed financials presented below.

⁽¹⁾ Average daily hire gross of commissions represents voyage revenue excluding the non-cash time charter deferred revenue amortization, divided by the Available Days in the Partnership's fleet as described in Appendix B.

Liquidity/ Financing/ Cash Flow Coverage

During the three months ended December 31, 2020, the Partnership generated net cash from operating activities of \$14.2 million as compared to \$13.5 million in the corresponding period of 2019, which represents an increase of \$0.7 million, or 5.2%.

As of December 31, 2020, the Partnership reported total cash of \$75.0 million (including \$50.0 million of restricted cash). The Partnership's outstanding indebtedness as of December 31, 2020 under the \$675.0 Million Credit Facility amounted to \$615.0 million, gross of unamortized deferred loan fees and including \$48.0 million, which is repayable within one year.

On July 2, 2020, the Partnership entered into a sales agreement (the "Original Agreement") with Virtu Americas LLC, as sales agent, for the offer and sale, from time to time, of up to an aggregate of \$30.0 million of our common units representing limited partnership interests under an "at-the-market" offering program. In August 2020, the Partnership entered into an amended and restated ATM Sales Agreement (the "A&R 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 (the "Current ATM Program"). Upon entry into the A&R Sales Agreement, the Partnership terminated its prior at-the-market program established in July of 2020 pursuant to the Original Agreement (the "Prior ATM Program"). At the time of such termination, \$0.4 million of the

Partnership's common units out of an aggregate of \$30.0 million of its common units were sold pursuant to the Prior ATM Program.

As of December 31, 2020, the Partnership had unused availability of \$30.0 million under its interest free \$30.0 million revolving credit facility with its Sponsor, or the \$30.0 Million Revolving Credit Facility and is available to the Partnership at any time until November 2023.

Vessel Employment

As of March 16, 2021, the Partnership had estimated contracted time charter coverage⁽¹⁾ for 90% of its fleet estimated Available Days (as defined in Appendix B) for the remainder of 2021 and 83% of its fleet estimated Available Days for 2022.

As of the same date, the Partnership's contracted revenue backlog estimate^{(2) (3)} was \$1.10 billion, with an average remaining contract term of 7.5 years.

Recent Developments

As of the date of this report, we have sold \$0.83 million of common units at an average price per unit of \$2.9758 pursuant to Current ATM Program, which following such sales has \$29.2 million of remaining availability.

⁽¹⁾ Time charter coverage for the Partnership's fleet is calculated by dividing the fleet contracted days on the basis of the earliest estimated delivery and redelivery dates prescribed in the Partnership's current time charter contracts, net of scheduled class survey repairs by the number of expected Available Days during that period.

⁽²⁾ The Partnership calculates its estimated contracted revenue backlog by multiplying the contractual daily hire rate by the expected number of days committed under the contracts (assuming earliest delivery and redelivery and excluding options to extend), assuming full utilization. The actual amount of revenues earned and the actual periods during which revenues are earned may differ from the amounts and periods disclosed due to, for example, dry-docking and/or special survey downtime, maintenance projects, off-hire downtime and other factors that result in lower revenues than the Partnership's average contract backlog per day.

⁽³⁾ \$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 respective vessels and is subject to yearly adjustments on the basis of the actual operating costs incurred within each year. The actual amount of revenues earned in respect of such variable hire rate may therefore differ from the amounts included in the revenue backlog estimate due to the yearly variations in the respective vessels' operating costs.



DYNAGAS LNG Partners LP

Conference Call and Webcast:

As announced, the Partnership's management team will host a conference call on March 17, 2021 at 10:00 a.m. Eastern Time to discuss the Partnership's financial results.

Conference Call details:

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 (877) 553-9962 (US Toll Free Dial In), 0(808) 238-0669 (UK Toll Free Dial In) or +44 (0) 2071 928592 (Standard International Dial In). Please quote "Dynagas."

A telephonic replay of the conference call will be available until March 23, 2021, by dialing 1(866) 331-1332 (US Toll Free Dial In), 0(808) 238-0667 (UK Toll Free Dial In) or +44 (0) 3333 009785, (Standard International Dial In) and the access code required for the replay is: 59711562#.

Audio Webcast - Slides Presentation:

There will be a live and then archived audio webcast of the conference call, via the internet through the Dynagas LNG Partners website www.dynagaspartners.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

The slide presentation on the fourth quarter ended December 31, 2020 financial results will be available in PDF format 10 minutes prior to the conference call and webcast, accessible on the company's website www.dynagaspartners.com on the webcast page. Participants to the webcast can download the PDF presentation. None of the information contained in or that forms a part of the Partnership's conference calls, website or audio webcasts is part of this release.

About Dynagas LNG Partners LP

Dynagas LNG Partners LP. (NYSE: DLNG) is a master limited partnership which owns and operates liquefied natural gas (LNG) carriers employed on multi-year charters. The Partnership's current fleet consists of six LNG carriers, with aggregate carrying capacity of approximately 914,000 cubic meters.

Visit the Partnership's website at www.dynagaspartners.com

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Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Partnership desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “project,” “will,” “may,” “should,” “expect,” “expected,” “pending” and similar expressions identify forward-looking statements. These forward-looking are not intended to give any assurance as to future results and should not be relied upon.

The forward-looking statements in this press release are based upon various assumptions and estimates, many of which are based, in turn, upon further assumptions, including without limitation, examination by the Partnership’s management of historical operating trends, data contained in its records and other data available from third parties. Although the Partnership believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond the Partnership’s control, the Partnership cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Partnership’s view, could cause actual results to differ materially from those discussed, expressed or implied, in the forward-looking statements include, but are not limited to, the strength of world economies and currency fluctuations, general market conditions, including fluctuations in charter rates, ownership days, and vessel values, changes in supply and demand for Liquefied Natural Gas (LNG) shipping capacity, changes in the Partnership’s operating expenses, including bunker prices, drydocking and insurance costs, the market for the Partnership’s vessels, availability of financing and refinancing, changes in governmental laws, rules and regulations or actions taken by regulatory authorities, economic, regulatory, political and governmental conditions that affect the shipping and the LNG industry, potential liability from pending or future litigation and potential costs due to environmental damage and vessel collisions, general domestic and international political



conditions, potential disruption of shipping routes due to accidents, political events, public health threats, pandemics, international hostilities and instability, piracy, acts by terrorist or events, including “trade wars”, vessel breakdowns, instances of off-hires, the length and severity of the COVID-19 outbreak, the impact of public health threats and outbreaks of other highly communicable diseases, the impact of the expected discontinuance of LIBOR after 2021 on interest rates of our debt that reference LIBOR, the amount of cash available for distribution, and other factors. Please see the Partnership’s filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Partnership disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

APPENDIX A
**DYNAGAS LNG PARTNERS LP
Condensed Consolidated Statements of Income**
*(In thousands of U.S. dollars except
units and per unit data)*

	Three Months Ended December 31,		Year Ended December 31,	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (audited)
REVENUES				
Voyage revenues	\$ 34,435	\$ 34,317	\$ 137,165	\$ 130,901
EXPENSES				
Voyage expenses (including related party)	(689)	(775)	(2,994)	(2,709)
Vessel operating expenses	(7,143)	(7,065)	(28,830)	(28,351)
General and administrative expenses (including related party)	(667)	(885)	(2,528)	(2,708)
Management fees -related party	(1,697)	(1,647)	(6,752)	(6,537)
Depreciation	(7,993)	(7,992)	(31,797)	(30,680)
Operating income	16,246	15,953	64,264	59,916
Interest and finance costs, net	(5,711)	(10,362)	(26,837)	(56,260)
Gain/(Loss) on derivative instruments	209	-	(3,148)	-
Other, net	(101)	(62)	(227)	(43)
Net income	\$ 10,643	\$ 5,529	\$ 34,052	\$ 3,613
Earnings/ (loss) per common unit (basic and diluted)	\$ 0.22	\$ 0.07	\$ 0.63	\$ (0.22)
Weighted average number of units outstanding, basic and diluted:				
Common units	35,612,580	35,490,000	35,546,823	35,490,000

DYNAGAS LNG PARTNERS LP
Consolidated Condensed Balance Sheets
(Expressed in thousands of U.S. Dollars—except for unit data)

	December 31, 2020 (unaudited)	December 31, 2019 (audited)
ASSETS:		
Cash and cash equivalents and restricted cash (current and non-current)	\$ 74,979	\$ 66,206
Due from related party (current and non-current)	1,350	1,350
Other current assets	2,141	1,966
Vessels, net	884,900	916,697
Other non-current assets	2,467	2,968
Total assets	\$ 965,837	\$ 989,187
LIABILITIES		
Total long-term debt, net of deferred financing costs	\$ 607,681	\$ 653,154
Total other current liabilities	14,092	16,951
Derivative financial instrument (current and non-current)	2,666	—
Due to related party (current and non-current)	1,706	2,202
Total other non-current liabilities	3,199	3,173
Total liabilities	\$ 629,344	\$ 675,480
PARTNERS' EQUITY		
General partner (35,526 units issued and outstanding as at December 31, 2020 and December 31, 2019)	(5)	(28)
Common unitholders 35,612,580 units issued and outstanding as at December 31, 2020 and 35,490,000 units issued and outstanding as at December 31, 2019)	209,784	187,021
Series A Preferred unitholders: (3,000,000 units issued and outstanding as at December 31, 2020 and December 31, 2019)	73,216	73,216
Series B Preferred unitholders: (2,200,000 units issued and outstanding as at December 31, 2020 and December 31, 2019)	53,498	53,498
Total partners' equity	\$ 336,493	\$ 313,707
Total liabilities and partners' equity	\$ 965,837	\$ 989,187



DYNAGAS LNG Partners LP

DYNAGAS LNG PARTNERS LP
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. Dollars)

	<u>Three Months Ended</u> <u>December 31,</u>		<u>Year Ended</u> <u>December 31,</u>	
	2020	2019	2020	2019
Cash flows from Operating Activities:				
Net income:	\$ 10,643	\$ 5,529	\$ 34,052	\$ 3,613
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	7,993	7,992	31,797	30,680
Amortization and write-off of deferred financing fees	613	769	2,526	10,696
Deferred revenue amortization	167	53	400	(377)
Amortization of deferred charges	55	55	217	181
Loss/(Gain) on derivative financial instrument	(209)	—	3,148	—
Changes in operating assets and liabilities:				
Trade accounts receivable	(19)	(143)	(241)	(95)
Prepayments and other assets	441	85	156	(413)
Inventories	(42)	81	(90)	502
Due from/ to related parties	(41)	3,256	(496)	2,982
Deferred charges	(17)	(1)	(90)	(1,000)
Trade accounts payable	(45)	348	(1,033)	(101)
Accrued liabilities	129	(2,738)	7	(2,565)
Unearned revenue	(5,488)	(1,814)	(1,750)	(926)
Net cash provided by Operating Activities	<u>14,180</u>	<u>13,472</u>	<u>68,603</u>	<u>43,177</u>
Cash flows from Investing Activities				
	—	—	—	—
Cash flows from Financing Activities:				
Issuance of common units, net of issuance costs	21	—	297	—
Payment of securities registration and other filing costs	(73)	—	(90)	(139)
Distributions declared and paid	(2,891)	(2,890)	(11,563)	(16,391)
Proceeds from long-term debt	—	—	—	675,000
Repayment of long-term debt	(12,000)	(262,000)	(48,000)	(734,800)
Payment of derivative instruments	(304)	—	(474)	—
Payment of deferred finance fees	—	—	—	(10,558)
Net cash used in Financing Activities	<u>(15,247)</u>	<u>(264,890)</u>	<u>(59,830)</u>	<u>(86,888)</u>
Net increase/(decrease) in cash and cash equivalents and restricted cash				
	(1,067)	(251,418)	8,773	(43,711)
Cash and cash equivalents and restricted cash at beginning of the period	76,046	317,624	66,206	109,917
Cash and cash equivalents and restricted cash at end of the period	<u>\$ 74,979</u>	<u>\$ 66,206</u>	<u>\$ 74,979</u>	<u>\$ 66,206</u>



APPENDIX B

Fleet statistics

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(expressed in United states dollars except for operational data)</i>				
Number of vessels at the end of period	6	6	6	6
Average number of vessels in the period ⁽¹⁾	6	6	6	6
Calendar Days ⁽²⁾	552.0	552.0	2,196.0	2,190.0
Available Days ⁽³⁾	552.0	552.0	2,196.0	2,190.0
Revenue earning days ⁽⁴⁾	552.0	552.0	2,190.7	2,156.3
Time Charter Equivalent ⁽⁵⁾	\$ 61,134	\$ 60,764	\$ 61,098	\$ 58,535
Fleet Utilization ⁽⁴⁾	100%	100%	99.8%	98.5%
Vessel daily operating expenses ⁽⁶⁾	\$ 12,940	\$ 12,799	\$ 13,128	\$ 12,946

- (1) Represents the number of vessels that constituted the Partnership's fleet for the relevant period, as measured by the sum of the number of days that each vessel was a part of the Partnership's fleet during the period divided by the number of Calendar Days (defined below) in the period.
- (2) "Calendar Days" are the total days that the Partnership possessed the vessels in its fleet for the relevant period.
- (3) "Available Days" are the total number of Calendar Days that the Partnership's vessels were in its possession during a period, less the total number of scheduled off-hire days during the period associated with major repairs, or dry-dockings.
- (4) The Partnership calculates fleet utilization by dividing the number of its Revenue earning days, which are the total number of Available Days of the Partnership's vessels net of unscheduled off-hire days (which do not include positioning/ repositioning days for which compensation has been received) during a period by the number of Available Days. The shipping industry uses fleet utilization to measure a company's efficiency in finding employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons such as unscheduled repairs but excluding scheduled off-hires for vessel upgrades, dry-dockings or special or intermediate surveys.
- (5) Time charter equivalent rate ("TCE rate"), is a measure of the average daily revenue performance of a vessel. For time charters, this is calculated by dividing total voyage revenues, less any voyage expenses, by the number of Available Days during that period. Under a time charter, the charterer pays substantially all vessel voyage related expenses. However, the Partnership may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. The TCE rate is not a measure of financial performance under U.S. GAAP (non-GAAP measure), and should not be considered as an alternative to voyage revenues, the most directly comparable GAAP measure, or any other measure of financial performance presented in accordance with U.S. GAAP. However, the TCE rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company's performance and to assist the Partnership's management in making decisions regarding the deployment and use of the Partnership's vessels and in evaluating their financial performance. The Partnership's calculation of TCE rates may not be comparable to that reported by other companies. The following table reflects the calculation of the Partnership's TCE rates for the three months and year ended December 31, 2020 and 2019 (amounts in thousands of U.S. dollars, except for TCE rates, which are expressed in U.S. dollars, and Available Days):



DYNAGAS LNG Partners LP

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(In thousands of U.S. dollars, except for Available Days and TCE rate)</i>				
Voyage revenues	\$ 34,435	\$ 34,317	\$ 137,165	\$ 130,901
Voyage Expenses *	(689)	(775)	(2,994)	(2,709)
Time Charter equivalent revenues	\$ 33,746	\$ 33,542	\$ 134,171	\$ 128,192
Available Days	552.0	552.0	2,196.0	2,190.0
Time charter equivalent (TCE) rate	\$ 61,134	\$ 60,764	\$ 61,098	\$ 58,535

*Voyage expenses include commissions of 1.25% paid to Dynagas Ltd., the Partnership's Manager, and third party ship brokers, when defined in the charter parties, bunkers, port expenses and other minor voyage expenses.

- (6) Daily vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, spares and repairs and flag taxes, are calculated by dividing vessel operating expenses by fleet Calendar Days for the relevant time period.

Reconciliation of U.S. GAAP Financial Information to Non-GAAP Financial Information

Reconciliation of Net Income to Adjusted EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(In thousands of U.S. dollars)</i>				
Net income	\$ 10,643	\$ 5,529	\$ 34,052	\$ 3,613
Net interest and finance costs ⁽¹⁾	5,711	10,362	26,837	56,260
Depreciation	7,993	7,992	31,797	30,680
Loss/(gain) on derivative financial instrument	(209)	—	3,148	—
Amortization of deferred revenue	167	53	400	(377)
Amortization of deferred charges	55	55	217	181
Adjusted EBITDA	\$ 24,360	\$ 23,991	\$ 96,451	\$ 90,357

⁽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), 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.



Reconciliation of Net Income to Adjusted Net Income available to common unitholders and Adjusted Earnings per common unit

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<i>(In thousands of U.S. dollars except for units and per unit data)</i>				
Net Income	\$ 10,643	\$ 5,529	\$ 34,052	\$ 3,613
Non-cash expense from accelerated amortization of deferred loan fees	—	—	—	7,497
Amortization of deferred revenue	167	53	400	(377)
Amortization of deferred charges	55	55	217	181
Loss/(gain) on derivative financial instrument	(209)	—	3,148	—
Adjusted Net Income	\$ 10,656	\$ 5,637	\$ 37,817	\$ 10,914
Less: Adjusted Net Income attributable to preferred unitholders and general partner	(2,899)	(2,893)	(11,589)	(11,562)
Common unitholders' interest in Adjusted Net Income/(Loss)	\$ 7,757	\$ 2,744	\$ 26,228	\$ (648)
Weighted average number of common units outstanding, basic and diluted:	35,612,580	35,490,000	35,546,823	35,490,000
Adjusted Earnings/(Loss) per common unit, basic and diluted	\$ 0.22	\$ 0.08	\$ 0.74	\$ (0.02)

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, Adjusted Net Income per common unit 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, Adjusted Net Income per common unit 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 Adjusted Earnings per unit 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 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.