



**Q3'23  
Earnings  
Presentation**

**Transformative  
Acquisition  
of 11 LNG Carriers**

**CPLP**  
**NASDAQ**  
LISTED

11.13.23

**CAPITAL**  
PRODUCT PARTNERS L.P.

[capitalpplp.com](http://capitalpplp.com)

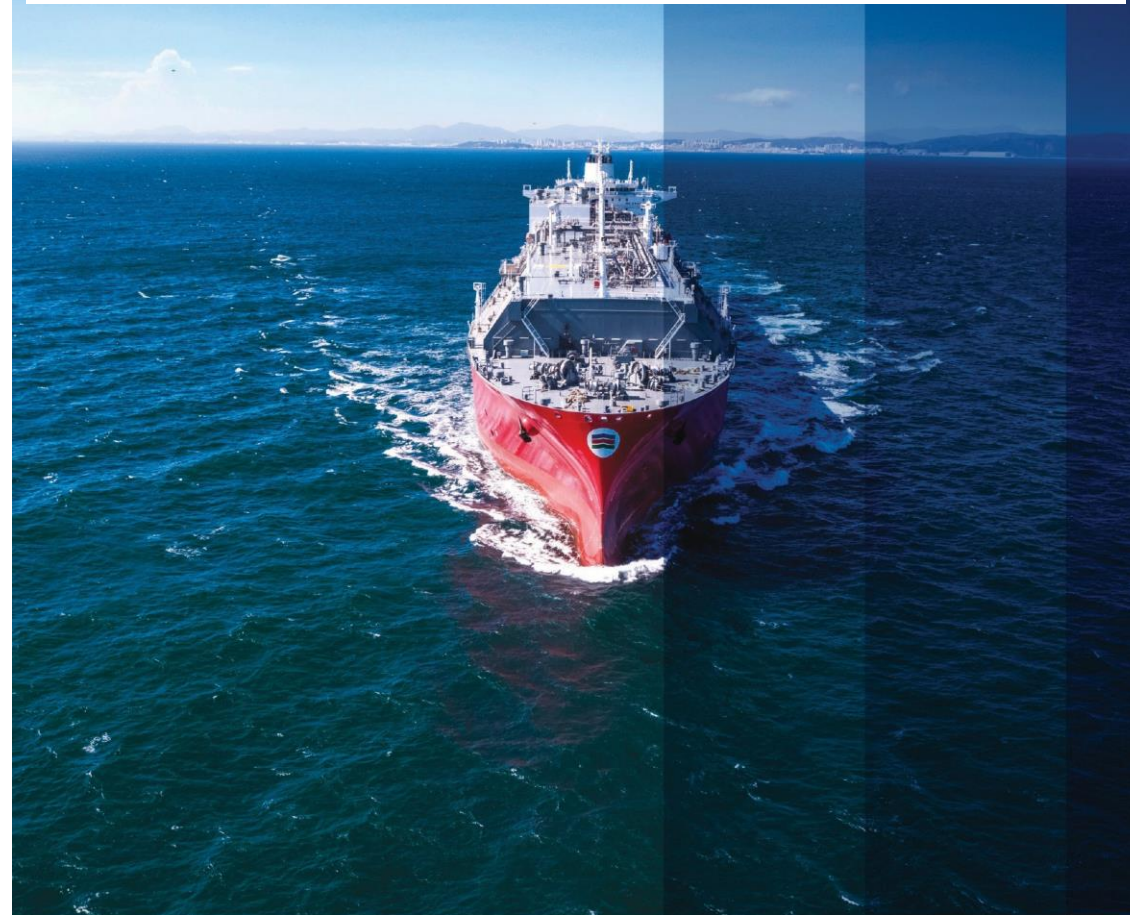
# Important Notice

This presentation contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including, among other things, the expected financial performance of CPLP's business following the transaction, the conversion of CPLP to a corporation, CPLP's expectations or objectives regarding future distributions, and market and charter rate expectations. These forward-looking statements involve risks and uncertainties that could cause the stated or forecasted results to be materially different from those anticipated. For a discussion of factors that could materially affect the outcome of forward-looking statements and other risks and uncertainties, see "Risk Factors" in CPLP's annual report on Form 20-F filed with the SEC on April 26, 2023. Any forward-looking statements made by or on behalf of CPLP speak only as of the date they are made. Unless required by law, CPLP expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in its views or expectations, to conform them to actual results or otherwise. You are cautioned not to place undue reliance on forward-looking statements.

## Non-GAAP Measures

This presentation contains non-GAAP measures, including Operating Surplus and Operating Surplus after Reserves, EBITDA and Adjusted Free Cash Flow. Operating Surplus and Operating Surplus after Reserves are quantitative measures used in the publicly traded partnership investment community to assist in evaluating a partnership's financial performance and ability to make quarterly cash distributions. These measures are not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States and should not be considered as measures of profitability or liquidity. Other issuer may calculate these measures differently. Please refer to slide 5 for a reconciliation of Operating Surplus with net income. Please refer to slide 26 for definitions of EBITDA and Adjusted Free Cash Flow.

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer will arrange to send you the prospectus if you request it by calling +1-212-661-7566, Capital Link, Inc. (New York)**



01  
Section  
Q3'23  
Review



**CPLP**  
**NASDAQ**  
LISTED

# Third Quarter 2023 Highlights

## Financial Performance & Operating Highlights:

- Net income for 3Q2023: \$17.0 million
- Declared common unit distribution of \$0.15 for the quarter
- Partnership's operating surplus: \$41.7 million or \$7.2 million after the quarterly allocation to the capital reserve
- Average remaining charter<sup>1</sup> duration 6.5 years with 100% charter coverage for 2023, 100% for 2024 and 77% for 2025
- Contracted Revenue Backlog of more than \$1.7\* billion
- Concluded the sale of M/V Agamemnon

1. As of September 30, 2023. Assumes the exercise of the first two options (total 4 years per vessel) for the three vessels on charter to BP, as the structure of the time charter party makes the exercise of these options highly likely. BP has already exercised their first option for the LNGCs Aristos I and Aristidis I

# Statements Of Comprehensive Income

	(\$ In Thousands)	
	For the Three-Month Period Ended September 30, 2023	For the Three-Month Period Ended September 30, 2022
<b>Revenues</b>	<b>95,526</b>	<b>71,858</b>
<b>Expenses/ (income), net:</b>		
Voyage expenses	4,124	4,386
Vessel operating expenses	19,479	14,779
Vessel operating expenses – related parties	2,851	2,254
General and administrative expenses	2,595	2,771
Vessel depreciation and amortization	21,939	16,246
Gain on sale of vessels	-	(47,275)
<b>Operating income, net</b>	<b>44,538</b>	<b>78,697</b>
<b>Other income / (expense), net:</b>		
Interest expense and finance cost	(27,762)	(14,945)
Other income / (expense), net	262	(5,024)
<b>Total other expense, net</b>	<b>(27,500)</b>	<b>(19,969)</b>
<b>Partnership's net income</b>	<b>17,038</b>	<b>58,728</b>

# Operating Surplus For Calculation Of Unit Distribution<sup>1</sup>

(\$ In Thousands)

	For the Three-Month Period Ended 30-Sep-23		For the Three-Month Period Ended 30-Jun-23	
Partnership's net income		17,038		7,412
<b>Adjustments to net income</b>				
Depreciation, amortization, unrealized bonds exchange differences and change in fair value of derivatives	23,858		19,783	
Impairment of vessel	-		7,956	
Amortization / accretion of above / below market acquired charters and straight-line revenue adjustments	755		3,043	
<b>OPERATING SURPLUS PRIOR TO CAPITAL RESERVE</b>		<b>41,651</b>		<b>38,194</b>
Capital reserve		(34,444)		(34,960)
<b>OPERATING SURPLUS AFTER CAPITAL RESERVE</b>		<b>7,207</b>		<b>3,234</b>
Increase in recommended reserves		(4,162)		(186)
<b>AVAILABLE CASH</b>		<b>3,045</b>		<b>3,048</b>

**Common Unit Coverage: 2.4x**

1. Operating Surplus is a non-GAAP measure. See Important Notice at the front of this presentation

# Balance Sheet

(\$ In Thousands)

	As Of September 30, 2023	As Of December 31, 2022
Assets		
Current Assets	152,609	166,323
Fixed Assets	2,257,158	1,781,897
Other Non-Current Assets	40,425	48,544
<b>Total Assets</b>	<b>2,450,192</b>	<b>1,996,764</b>
Liabilities and Partners' Capital		
Current Liabilities	153,527	118,580
Long-Term Liabilities	1,632,175	1,239,758
Total Partners' Capital	664,490	638,426
<b>Total Liabilities and Partners' Capital</b>	<b>2,450,192</b>	<b>1,996,764</b>



# 02

Section

## Transformative Acquisition of 11 LNG Carriers

CPLP  
NASDAQ  
LISTED

CAPITAL  
PRODUCT PARTNERS, L.P.





# Transformative Acquisition to Reposition CPLP



**CPLP to acquire 11 latest generation two stroke (MEGA) LNG carriers from Capital Maritime & Trading Corp. (“CMTC” or “Sponsor”) to be delivered from 2023 to 2027, creating a fleet of 18 latest generation LNG carriers**



Name change to **Capital New Energy Carriers L.P.** (Ticker: CNEC) to reflect focus on LNG and energy transition shipping



Intention to explore conversion within 6 months from an MLP to a yield- and growth-oriented corporation with customary corporate governance



Substantial increase in contracted cash flow, increase in charter duration and reduction in fleet age upon delivery of vessels



Secured Right of First Refusal (“ROFR”) on energy transition assets, including two ammonia carriers (“VLACs”) and two liquid CO<sup>2</sup> carriers (“LCO<sub>2</sub>s”) on order by CMTC



Intention to opportunistically divest of our containerships to focus on LNG and ships carrying emerging energy sources

**Following the dropdown transaction, CPLP will have the largest and youngest latest-generation LNG fleet among US publicly listed owners, and benefit from a transformed corporate structure<sup>1</sup>**

1. On a fully delivered basis; assumes no further acquisitions by other US publicly listed LNGC owners

# Attractively Priced and Conservatively Funded Acquisition

**Acquisition Price of \$3,130 million with acquisition multiple representing 8.4x EBITDA<sup>1</sup> over one-year period**

*(\$ in millions)*

Sources		Uses	
Vessel Debt	\$2,377	11 LNGCs	\$3,130
Rights Offering	500	Transaction Fees	4
Seller's Credit	220	Loan Arrangement & Other Fees	25
Cash From Balance Sheet	62		
<b>Total Sources</b>	<b>\$3,159</b>	<b>Total Uses</b>	<b>\$3,159</b>

1. Non-GAAP measure. For definition, please refer to the Appendix, p.26. Based on expected EBITDA for one year of operation of the 11 LNGCs to be acquired

# Transaction Backed by Significant Sponsor Support

- ✓ \$500 million Rights Offering available to **all unitholders** at a price of \$14.25 - \$14.50<sup>1</sup>
- ✓ Rights Offering **100% backstopped by Sponsor at no fee**
- ✓ All holders of Common Units as of November 24, 2023, (“Record Date”) will receive non-transferable subscription rights to purchase Common Units, at a subscription price of \$14.25 - \$14.50<sup>1</sup> per whole unit
  - ◆ Launch of Rights Offering: November 27, 2023
  - ◆ End of Rights Offering subscription period: December 13, 2023
  - ◆ Expected closing: December 15, 2023
- ✓ Seller’s Credit of \$220 million on highly attractive terms
  - ◆ 7.5% interest rate with a June 30, 2027 maturity
  - ◆ Unsecured loan

1. Rights offering price based on the higher of \$14.25 per unit or 95% of the VWAP over the period from the second business day after the announcement of the transaction through the last trading day prior to the record date for the right issue, but not higher than \$14.50

# Robust Charters and Exposure to Strengthening LNG Market

	Vessel	Delivery <sup>1</sup>	Charterer	Years As of 15/12/23 <sup>3</sup>	Charter Type	Acquisition Structure
1	Amore Mio I	Oct-23	Qatar Energy	2.8	TC	Delivery at Closing
2	Axios II	Jan-24	BGT <sup>2</sup>	7.0 + 3.0	BB	Delivery ex-Shipyard
3	Assos	May-24	Tokyo Gas	10.0	TC	
4	Apostolos	Jun-24	Jera	10.5 + 3.0	TC	
5	Aktoras	Jul-24	BGT <sup>2</sup>	7.0 + 3.0	BB	
6	Archimidis	Jan-26				
7	Agamemnon	Mar-26				Acquisition of entity party to Shipbuilding Contract
8	Alcaios I	Sep-26				
9	Antaios I	Nov-26				
10	Athlos	Feb-27				
11	Archon	Mar-27				

LNGC NBs Contracted Revenue		
Year	In Million	Daily Rate Average per year <sup>4</sup>
2023-2024	\$123.3	\$131,622
2025	\$207.3	\$115,462
2026	\$193.8	\$111,813
Thereafter	\$904.5	\$99,311
<b>Total</b>	<b>\$1,428.9</b>	-

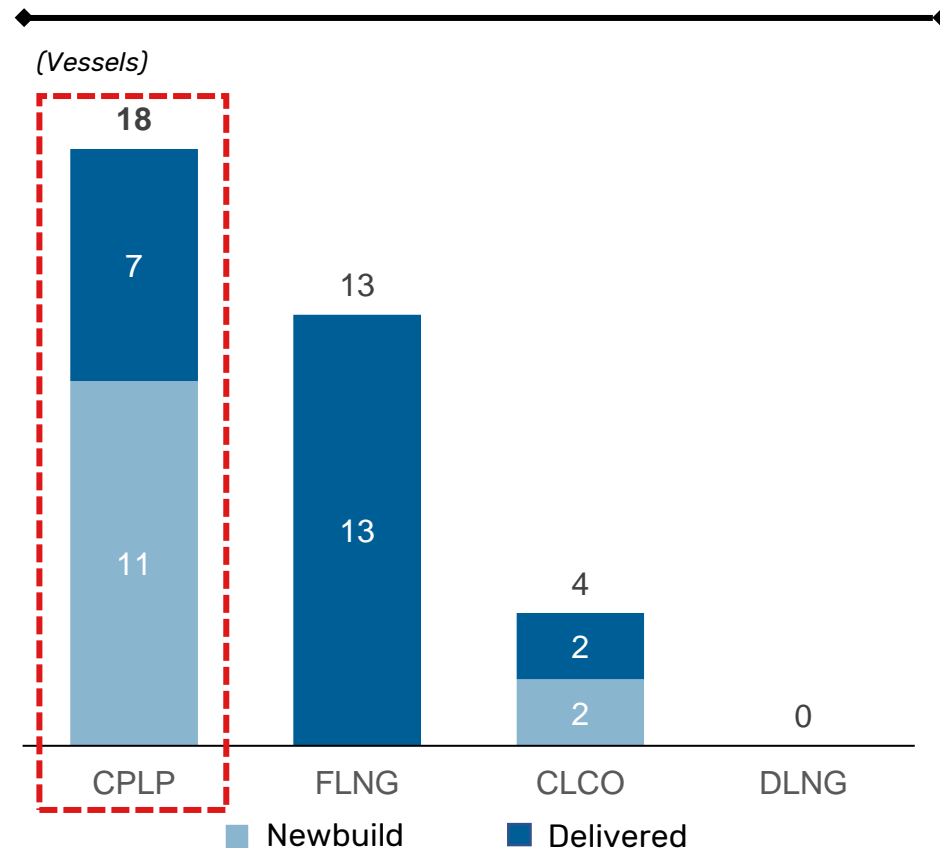
**Acquisition Vessels feature a mix of highly attractive charters with creditworthy counterparties and well-timed deliveries for open vessels to secure employment at elevated rates**

1. Delivery per Shipbuilding Contract, except for Axios II, where expected delivery is used
2. BGT: Bonny Gas Transport Limited. The Axios II BB charter with BGT is expected to commence in 1Q 2025
3. Firm + Optional period
4. For definition, please refer to the Appendix, p.26

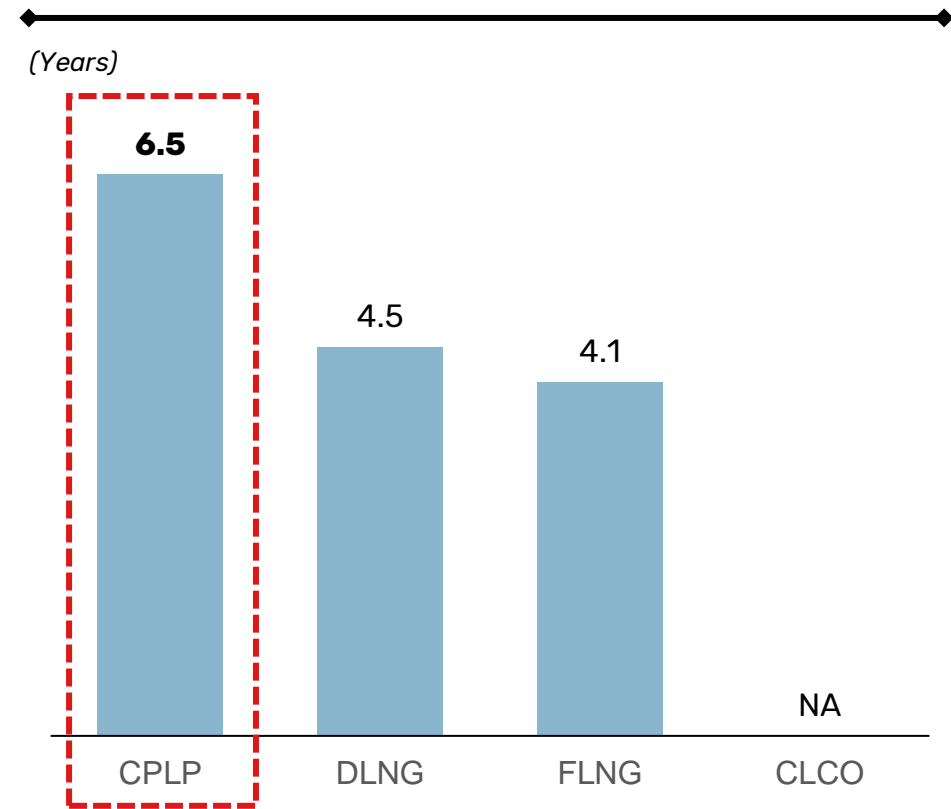
# CPLP Expected to Have the Largest Fleet of MEGA LNG Carriers

2-stroke vessels favored due to significant environmental and efficiency benefits

## Two Stroke LNGC Fleet<sup>1</sup>



## LNGC Fleet Firm Charter Duration<sup>2</sup>



1. CPLP newbuilds figure represents CMTC 11-vessel orderbook (5 of which have time charters)

2. Peer charter duration figures represent a simple average of firm charters as of 12/15/2023. CPLP figures represent a simple average of firm charters for the 7 existing LNG vessels (except for BP charters where the exercise of the first two options is assumed due to their structure ) and charters of the 5 new LNG carriers with charters in place

Source: Companies' websites, public filings and presentations, analysts' reports

# LNG Vessels are a Core Component of Natural Gas Value Chain



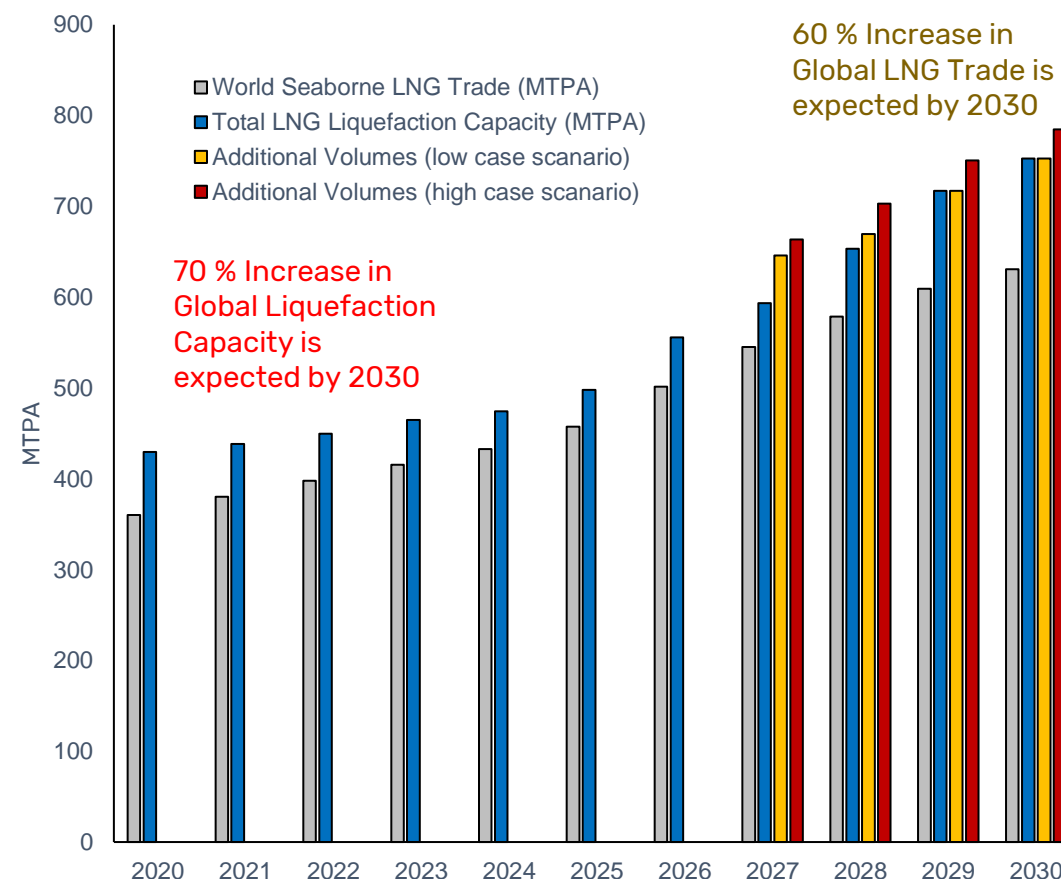
- LNG is prevailing as the main supply source of natural gas
- Natural Gas (NG) exporters are switching to LNG in order to add flexibility to their sales portfolio
- LNG shipping is a significant part of the natural gas value chain due to shortage of LNG onshore storage

# Strong Liquefaction and Trade Growth

**70% Increase in Global Liquefaction Capacity expected by 2030** (Projects Under Construction only)

- **Global liquefaction capacity** stands at 465 mtpa, with four (4) projects and total of 8.3 mtpa expected to come online by the end of the year
- **LNG Trade:** continues to expand steadily during a period of more limited export capacity expansions, before the next major wave of export capacity begins to come online from 2025. LNG trade is projected to grow by 30% by 2030
- **Export Capacity Development:** Larger projects, including LNG Canada, Golden Pass, Plaquemines, Port Arthur, and expansion at Corpus Christi and Arctic LNG (totaling close to 100mtpa) are scheduled to begin from 2026 onwards. A supportive regulatory environment, particularly in the USA and Middle East, as well as growing demand for LNG (particularly in APAC) will support new FIDs in the coming years

## LNG Trade & Liquefaction Development



# Orderbook versus Availability

## Orderbook Dynamics Improving

- ◆ Currently 300 vessels on order
- ◆ Orderbook-to-fleet ratio slightly lower than the peak as newbuilds deliver and ordering has slowed
- ◆ Eight (8) LNGCs were ordered in Q3 2023, which is the lowest quarterly number since Q1 2021

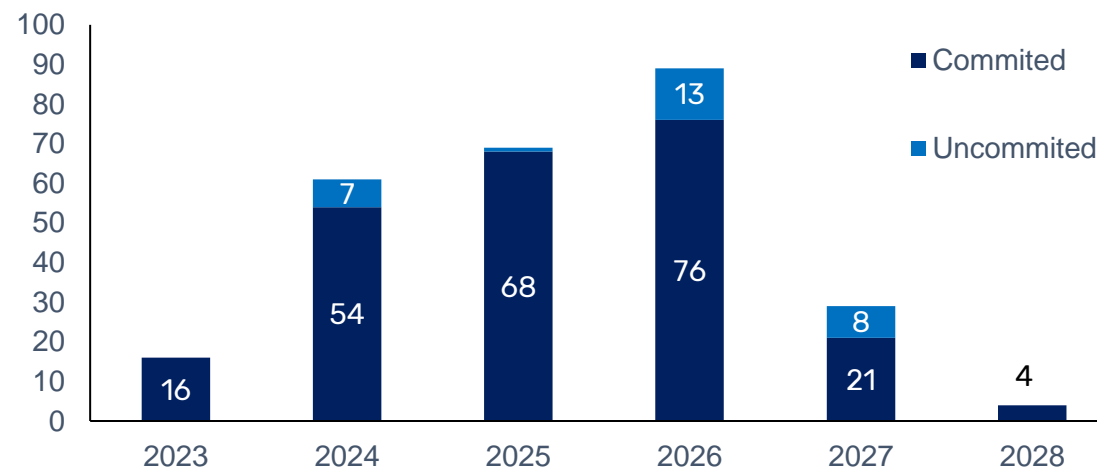
## Few Uncommitted Vessels

- ◆ Twenty-nine (29) vessels currently are open between now and 2028, equivalent to 10% of the existing orderbook

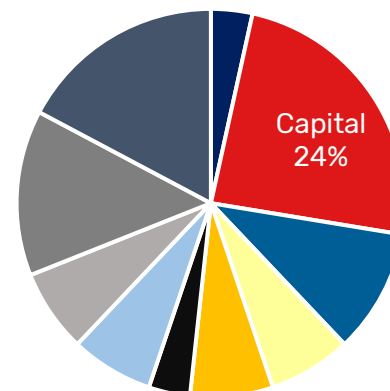
## Contracting Continuing at Healthy Pace

- ◆ 42 newbuild vessels, representing 7.4m cbm ordered in the year to late September
- ◆ Potential for further vessels to be ordered before year-end (though ordering has slowed from 2022 when a record 185 ships were contracted)

## Breakdown Of Orderbook



## Owners of Uncommitted Vessels



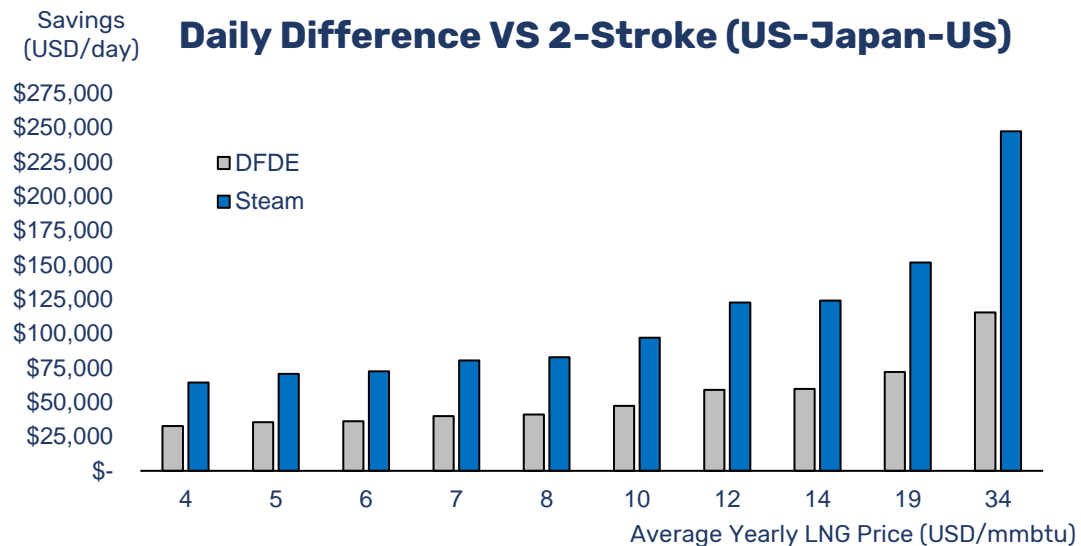
**CPLP is well positioned to take advantage of the strengthening LNGC term market with one of the largest positions in uncommitted vessels among shipowners**



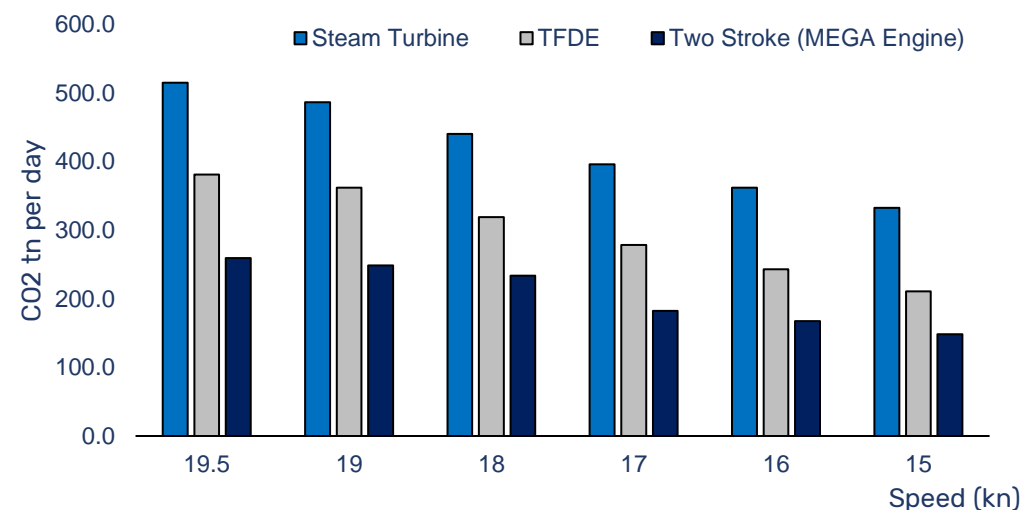
# Fleet evolution - Larger, More Efficient Vessels

## Two Stroke Vessels Favored Compared to Other Propulsion Technologies (Steam / DFDE / TFDE)

- ✔ **More efficient propulsion** – savings of up to 100tn of fuel per day
  - ◆ Two stroke vessels boast superior unit economics for charterers
- ✔ **Larger size** – 174k cbm vs 145k cbm or 160k cbm
  - ◆ Larger two stroke vessels have benefit of increased scale
- ✔ **Lower boil off** – 0.03% vs 0.15% daily evaporation of cargo
  - ◆ Crucial savings to shippers in an environment with elevated commodity prices
- ✔ **Lower long-term maintenance costs**
  - ◆ Simpler propulsion technology in two stroke engines
- ✔ **Tightening of emissions regulations**
  - ◆ Two stroke vessels more competitive with increased focus on environmental performance from charterers



### CO2 Emissions



# LNG Shipping Balance

Shipping demand driven by new liquefaction projects coming online and fleet replacement

Year-End	Shipping Demand	Shipping Supply				Demand / Supply Differential
	Vessels Needed	Orderbook <sup>1</sup>	Removals due to Age Limit (30 Years)	Impact of Drydock Off-Hire Days	Vessel Supply	
2023	623	30 <sup>2</sup>	-4	-10	622	-1
2024	645	62	-5	-11	668	23
2025	708	75	-8	-9	726	18
2026	810	97	-10	-10	803	-7
2027	886	43	-10	-7	825	-57

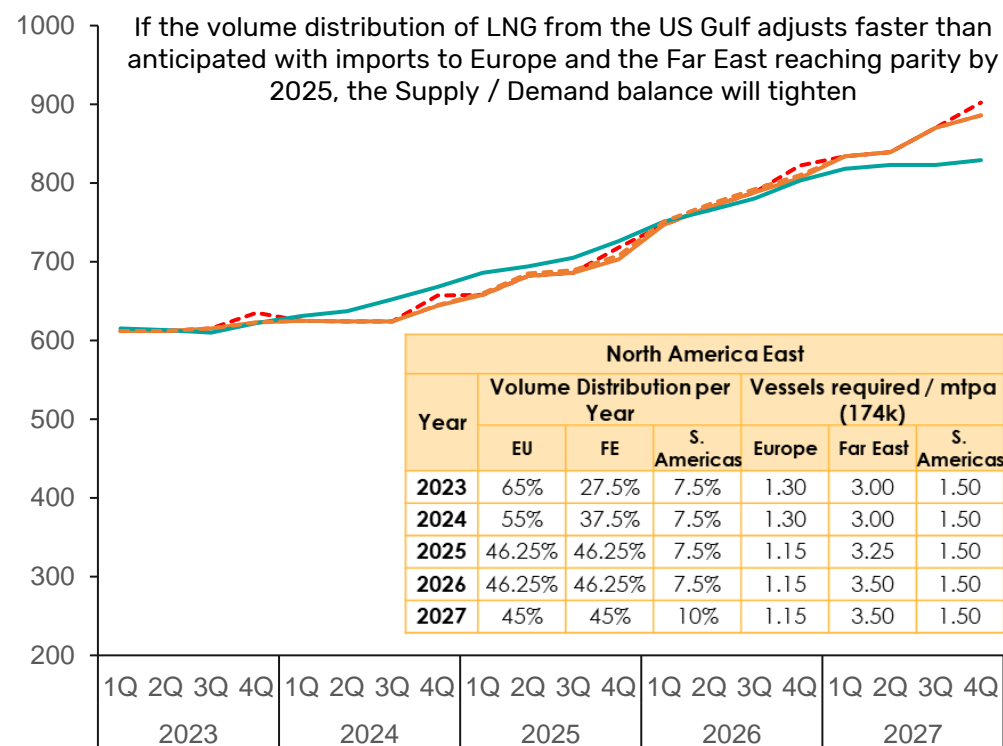
1. Excludes Arctic LNG 2 vessels and vessels associated with Mozambique LNG (Area 1) due to the ongoing force majeure at the under construction facility

2. As of October 2023

Source: SSY

LNG Shipping Supply / Demand Balance (+140k cbm excluding FSRUs)

If the volume distribution of LNG from the US Gulf adjusts faster than anticipated with imports to Europe and the Far East reaching parity by 2025, the Supply / Demand balance will tighten



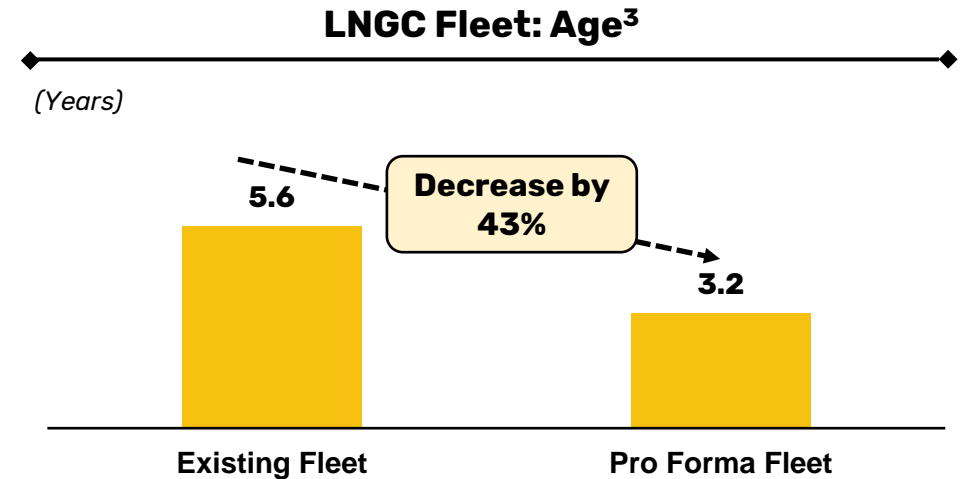
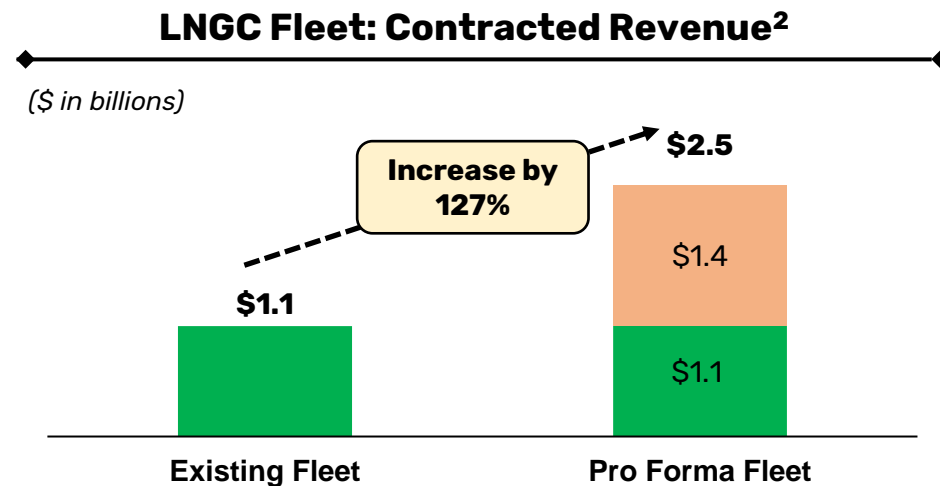
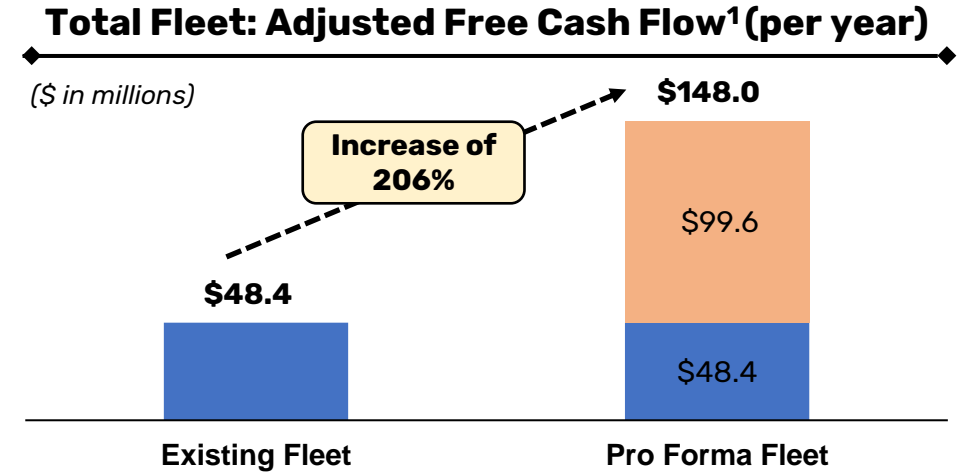
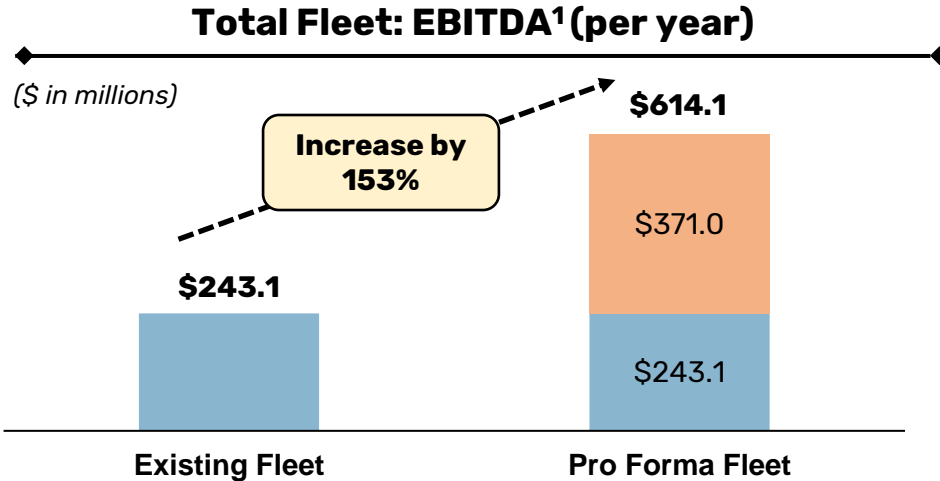
--- Open Arb at Q4 [USG Volumes - 60%FE - 35%EU - 5%SA]

— Vessels Needed (174K)

— Shipping Supply Side

--- Vessels needed - revised US distribution

# Significant Increase in Revenues and EBITDA when “Fully Delivered”



1. Non-GAPP measures. For definitions, please refer to the Appendix, p.26. Existing Fleet includes CPLP fleet as of 3Q2023. Pro Forma Fleet information includes expected EBITDA/Adjusted Free Cash Flow from one year of operation of all 11 LNGCs to be acquired and assumes the same EBITDA and Adjusted Free Cash Flow as 12 months ended September 30, 2023 of existing fleet, including containers
2. As of December 15, 2023
3. As of March 31, 2027 upon expected delivery of the last LNGC vessel to be acquired

# Commitment to Unlock Value for our Unitholders

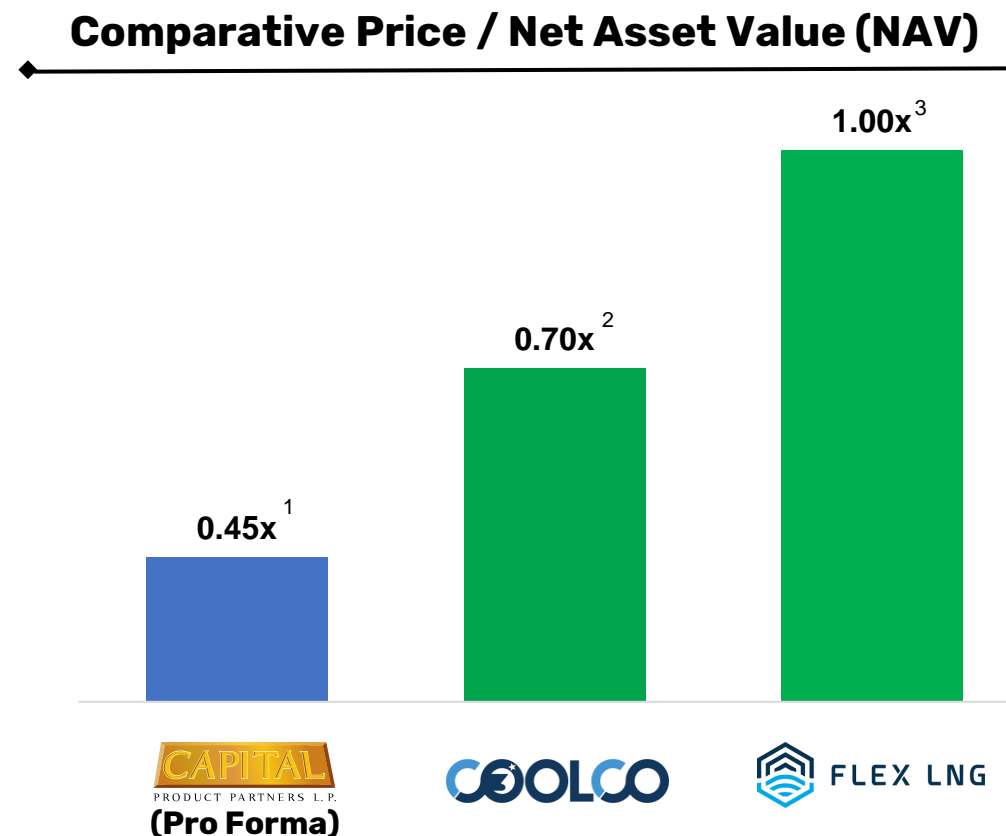
## Sponsor and management focused on units trading towards underlying Net Asset Value

- ✓ Name change to **Capital New Energy Carriers L.P. (Ticker: CNEC)** to be completed by year end
- ✓ Intention to explore conversion from Limited Partnership to corporation. Conversion expected to be completed within next 6 months
  - ◆ Intent to adopt a customary corporate governance structure
- ✓ Secured LNG carrier ROFR by CMTC on any future acquisitions and employment of modern LNG vessels for the next 10 years
- ✓ Secured ROFR on VLACs and two LC02s on order by CMTC
- ✓ Exploring divestiture of containerships to help migrate towards pure-play LNG carrier peer set valuation paradigm

# Pro Forma Net Asset Value Comparison

Significant opportunity for CPLP to trade up to peer levels given its best-in-class LNG carrier fleet dynamics

CPLP Pro Forma NAV Estimate (\$ in Millions)	
Current Fleet (charter attached value) <sup>1</sup>	\$2,540.8
Total Cash (including restricted cash) as of September 30, 2023	\$108.5
Total Debt as of September 30, 2023	-\$1,602.4
Net Working Capital as of September 30, 2023	-\$14.8
Acquisition Vessels (charter attached value) <sup>1</sup>	\$3,237.5
Cash Used for Acquisition	-\$62.0
Vessel Debt (including sellers' credit)	-\$2,596.7
<b>Pro Forma NAV</b>	<b>\$1,610.9</b>
No. of Units (Post Rights Offering in thousands) <sup>4</sup>	55.388
<b>NAV per unit</b>	<b>\$29.08</b>



1. Calculated based on third party fleet appraisals (09/30/2023) and includes container vessels; pro forma ratio based on closing share price of \$13.00 (11/10/2023)
2. Calculated based on closing share price of \$13.77 (11/10/2023) and an average NAV of \$19.5 based on DNB (10/19/23) and Pareto Securities (11/08/2023) reports
3. Calculated based on closing share price of \$30.78 (11/10/2023) and an average NAV of \$30.7 based on DNB (10/19/23), Arctic Securities (11/08/2023), Pareto Securities (11/08/2023) Fearnleys Securities (11/09/2023) and Jefferies (11/08/2023) reports
4. Assumes Rights Offering subscription price of \$14.25

# Containership Divestiture

Containerships divestiture expected to unlock value to support deleveraging and growth



- ✓ CPLP owns 15 containerships with a currently estimated net asset value (“NAV”) in excess of \$400 million<sup>1</sup>
- ✓ Debt currently outstanding is approximately \$402 million and subject to \$26 million annual repayment
- ✓ Charter coverage is 100% in 2024 and 9 vessels will be open for rechartering during 2025
- ✓ Intention to gradually divest containerships with selective and opportunistic sales

1. Based on charter-attached appraisals as of September 30, 2023

# Capital Allocation Strategy

- Significant cashflow generation potential of transformed CPLP with a fully delivered fleet of 18 LNG carriers creates strategic optionality for go-forward capital allocation policy
- Opportunities for capital deployment (following mandatory debt repayment) include:
  - ✓ Increase to distribution over time as dropdown vessels enter fleet
  - ✓ Growth and diversification through energy transition vessels identified through ROFR
  - ✓ Voluntary debt repayment to reduce leverage and interest expense and in turn create equity value

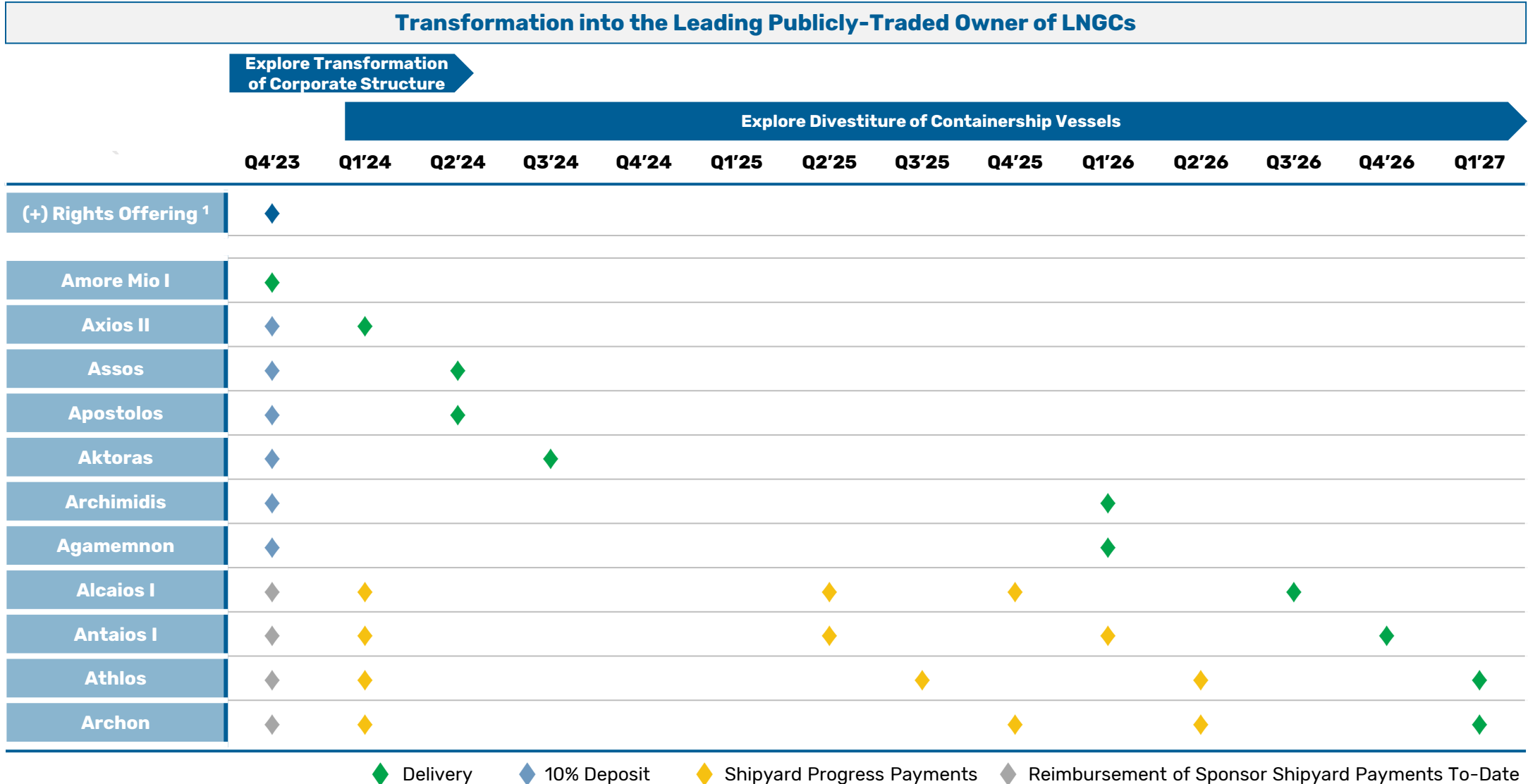
03

Appendix





# Dropdown Transaction Structure



1. Rights Offering assumes Record Date of 11/24/23 and Close of 12/15/23

# ROFR to Potentially Diversify Energy Transition Fleet

LCO2 Newbuildings					
Vessel Name	Hull No.	Delivery	CBM	Type	Yard
<b>Active</b>	8398	2025	22,000	LCO2 & LPG, Ammonia Carrier	HHI
<b>Amadeus</b>	8399	2026	22,000	LCO2 & LPG, Ammonia Carrier	HHI

- ✓ First-ever state-of-the-art 22,000 - cbm liquid CO2 (LCO2)
- ✓ Ability to transport Ammonia, Butane, Propylene and LPG
- ✓ Prepared, among others, for LNG and Ammonia propulsion and for Carbon Capture

VLAC Newbuildings					
Vessel Name	Hull No.	Delivery	CBM	Type	Yard
<b>Aristaios</b>	3469	2027	88,000	LPG DF LPG/Ammonia Carrier	HHI
<b>Argonaftis</b>	3470	2027	88,000	LPG DF LPG/Ammonia Carrier	HHI

- ✓ EEDI Phase III / TIER III abatement
- ✓ Dual Fuel Engine - fuel oil and LPG with Ammonia Ready
- ✓ Equipped with energy-saving devices
- ✓ Ability to transport Ammonia, Butane, Propylene and Propane

**Additional optionality on Energy Transition with a diverse fleet of clean energy assets**

# Assumptions

- **Annual debt amortization:** \$118 million. Estimated amount of the average annual amortization for each vessel basis \$2.38 billion debt
- **Interest rate:** Average margin of 1.97% over the 5 year SOFR swap rate of 4.27%
- **Interest Expense:** Interest rate multiplied by the average of Vessel Debt and Vessel Debt minus Amortization
- **Ownership Days:** Aggregate number of days each vessel is expected to be part of the CPLP fleet per year
- **Contracted Revenue:** Time charter rate multiplied by the total number of available days during the time charter period. Available days per vessel for LNGCs Assos and Apostolos are adjusted for one special survey per vessel
- **Daily Rate Average per year:** sum of the contracted revenue for the subject year divided by the number of Ownership Days
- **EBITDA:** Earnings before interest, tax, depreciation, and amortization charges. Forward-looking EBITDA included in this presentation is not reconcilable to its most directly comparable GAAP measure without unreasonable efforts, because the amounts excluded from such GAAP measure to determine EBITDA cannot be predicted with reasonable certainty
- **Adjusted Free Cash Flow:** For existing fleet: Operating Surplus *prior to capital reserve* minus scheduled principal payments. Please refer to Page 5 for a reconciliation of Operating Surplus with net income for existing fleet. For 11 LNGC fleet: EBITDA less Interest Cost less Annual Debt Amortization
- **Daily operating expenses:** \$14,500 per day
- **Daily time charter rate for unfixed vessels:** \$100,000 per day

**CAPITAL**  
PRODUCT PARTNERS L.P.



[capitalplp.com](http://capitalplp.com)